

Chapter 2: Synthesis

According to the research from *Transit at the Table III*, the extent and characteristics of rural transit participation in statewide transportation planning and decisionmaking vary by State and within each State. Such variation is a result of a number of contextual factors, from funding availability to the organizational structure of the SDOT. This section summarizes and organizes the main findings from the case studies by first introducing a continuum along which SDOTs, regions, and rural transit agencies involved in the study participate in statewide transportation planning as it relates to rural transit. The continuum is organized into five attributes of statewide transportation planning that are relevant to rural transit participation. The continuum is intended to assist peer agencies in interpreting and differentiating among the range of successful planning approaches the study team identified in each of the eight case studies, and to provide a sense of evolution from basic to more advanced approaches.

The rest of this section expands on the five attributes of the continuum to highlight successful and innovative approaches, interpret trends, and document challenges, with examples from the complete case studies, which are posted on the FTA and FHWA Transportation Planning Capacity Building website (<http://www.planning.dot.gov/>).

2.1 Continuum of Rural Transit Participation in Statewide Decisionmaking

The continuum presented in Table 1 is organized into five categories the study team identified as integral to successful integration of rural transit in statewide planning: goals, planning products and processes, institutional relationships, funding, and service. These categories and their order are intended to signify the statewide planning process for rural transit, from goal setting to implementation and delivery of services, which were found in *Transit at the Table III*. This section describes where along the continuum the States evaluated may lie and highlights examples of some successful approaches to achieving effective rural transit participation in statewide planning.

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Table 1. Continuum of Rural Transit Participation in Statewide Decisionmaking

Category	Baseline (Basic Approach)	Advanced/Evolving Approach
		
Goals	Mobility and accessibility by transit	Livability and sustainability: economic development, equity, environment, multimodal and intermodal connections
Planning Products and Processes	State Long-Range Transportation Plan (LRTP), State Transportation Improvement Program (STIP), Human Services Coordinated Plan	State, regional, and local rural transit plan/studies, rural regional LRTPs and TIPs, Comprehensive Plan
Institutional Relationships	Limited interactions for funding and compliance between DOT and transit agency	Informal and formal collaboration, two-way communication, close relationships across multiple entities and jurisdictions
Funding	FTA programs	Other sources, including non-DOT, public and private
Service	Within jurisdiction only, human services and transit-dependent riders	Regional and intercity connections, human services, transit-dependent, and choice riders

2.2 Goals

Setting goals is the first step in the planning process. For statewide planning, goals are defined in the statewide long-range transportation plan (LRTP) and other documents, but also articulated through State initiatives and funding programs. Although the State legislature and DOT set State level goals, these are influenced both by Federal goals and initiatives and by local and regional concerns and priorities. While the goals themselves are critical, how the goals are selected, applied, and supported is also important. Statewide goals should guide rural transit service and planning, but rural transit goals should also be included in statewide planning and programs.

Mobility (movement of riders) and accessibility (access to key destinations) can be considered as “baseline” or most common or basic goals that are reflected in statewide planning for rural transit. Additional goals, less common and more complex, include livability and sustainability in terms of economic development, quality of life, social equity, or environmental quality (e.g., air quality or climate change), and multimodal and intermodal connections. Most of the case study States demonstrate these advanced goals in the statewide planning processes that include rural transit. Common goals for this context are economic development, environment, and quality of life, which are addressed together because of their interdependence.

Economic Development

Both Maine and Pennsylvania place strong emphasis on economic development, possibly because their RPOs are either combined with, or based on, State economic development districts (EDDs). EDDs are designated by the Department of Commerce’s Economic Development Administration (EDA). One of the primary activities of the EDDs is to work with an extensive network of public and private stakeholders to develop Comprehensive Economic Development Strategies (CEDS). Projects included in the CEDS document or consistent with it may be eligible for EDA funding and, where job creation is an anticipated benefit, may be paired with funds from other Federal agencies, like U.S. DOT. Consequently, the activities that RPOs conduct for economic development naturally extends to include related issues like land use, transportation, housing, and workforce development.

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Maine’s statewide LRTP, *Connecting Maine* (2008),² focuses on integrating land use, transportation, and economic development, although it also considers sustainability. The plan’s framework consists of 38 Corridors of Regional Economic Significance for Transportation focused on multimodal intercity connections, but many of the cities are classified as rural or the corridors pass through rural areas. In addition to this State and regional effort, economic development is a recognized local goal and priority associated with transit, as demonstrated by support for and success of Island Explorer bus systems that serve tourism areas.

Pennsylvania took a similar approach in its Land Use, Transportation, and Economic Development (LUTED) Initiative, which consisted of statewide and regional conferences at which specific objectives and action steps were identified. Although further State and Federal coordination has been limited, several RPOs recognized the potential for such coordination and have acted at the regional level to coordinate funding applications and projects. For example, some RPOs have incorporated their LUTED plan with their LRTP and CEDS. The coordination of these plans has allowed the RPOs to access different funding sources and to take a more comprehensive approach to planning and programming projects.

Economic development is also a transportation planning priority for Georgia, as outlined in its State LRTP. This is also the case for South Carolina, where there is an ongoing statewide transit return on investment study and a requirement for Statewide Transportation Improvement Program (STIP) projects to be evaluated for economic development potential. At the local level, rural transit and intercity services are regarded as essential in getting people to work. In South Carolina, transit providers report successful partnerships with developers, universities, and businesses aimed at maintaining and growing the local economy. As one South Carolina transit agency noted, “economic development is at the table” and “getting people to work is very important.”

Environment

In terms of the environment, climate change and sustainability goals are reflected in many of the case study State transportation plans and environmental initiatives; strategies to achieve reduced greenhouse gas (GHG) emissions and improved energy efficiency are also showing success at the local transit agency level in several States. Although some rural transit agencies identified climate change and air quality as urban issues, most feel that rural transit has a role to play in protecting the environment and supporting sustainable practices. Several SDOTs, such as Washington State DOT (WSDOT), recognize that sustainability and climate change performance measures, such as vehicle miles traveled (VMT), have different significance for rural compared to urban areas, but that environmental goals are relevant for all communities. Participants also pointed out that many rural communities are interested in preserving the natural beauty of their environment for both quality of life and economic development.

At the State level, the Maine Climate Action Plan (<http://www.maine.gov/dep/air/greenhouse/>), developed from the Maine Greenhouse Gas Initiative, recommends increasing “the availability of low-GHG travel choices, such as transit (rail and bus), vanpools, walking, and biking” as well as “complementary land-use and location efficiency policies, and transit-based incentives to improve the attractiveness of low-GHG travel choices” and lists transit ridership as a potential performance measure.

² <http://www.maine.gov/mdot/connectingmaine/index.htm>.

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In Washington, WSDOT requires all State grant recipients to have sustainability plans and has long-standing and successful Transportation Demand Management and Commute Trip Reduction programs.

At the regional levels, some RPOs play a valuable role in sustainability and other initiatives because of their organization's multiple purposes, including transportation, community and economic development, and land use. Other RPOs without this broad functionality reported limitations to their ability to effectively manage issues such as jobs-housing balance. At the local level, bus replacement requests for alternative fueled vehicles and for downsizing to smaller vehicles and incorporation of "green" elements into facilities – such as geothermal and solar – are becoming more common. Several agencies took advantage of the recent American Recovery and Reinvestment Act (ARRA) funding, including the Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) grants, to request such capital investments. Rural transit agencies and RPOs are also using Congestion Air Quality and Mitigation (CMAQ) Improvement Program funds for a number of projects (see next section).

Quality of Life

According to several rural transit agencies, the public is beginning to see the value in transit for their everyday lives, as indicated already in association with economic development and environment. In Georgia, Coweta County attributes its ability to start a local demand response service and interest in a fixed route system transit service to the community's positive reception of a Georgia Regional Transportation Authority (GRTA) commuter bus to Atlanta, an example of evolution and expansion of rural transit. In South Carolina, RPOs and transit providers have seen a positive response to transit-related investments in marketing, education outreach, and innovative services such as a "Link to Lunch" high frequency circulator and Google transit trip planner.

2.3 Planning Processes and Products

The baseline requirement for rural transit participation in the development of plans, as identified in the above continuum, consists of local official consultation³ for the statewide transportation plan; project inclusion in the STIP; and local development of a coordinated public transit-human service transportation plan as required for projects to be eligible for FTA Section 5310, 5316, and 5317 programs. More advanced planning practices include development of Transportation Improvement Programs (TIPs) and LRTPs for non-urbanized areas; statewide, regional, or local rural transit plans or other transit-focused studies; frequent consultation and technical assistance for a variety of plans and studies that bring in considerations from other sectors such as economic development or health; and substantive changes in the statewide transportation plan to include rural transit concerns and goals.

Regional Plans and Consultation

Some SDOTs hold their RPOs to the same or similar standards for comprehensive, coordinated, and continuous planning as for MPOs, while others rely on the RPOs for technical assistance and outreach support for the statewide plan. Thus, some of the case study SDOTs contract with or require RPOs to provide one, some, or all of the following: Unified or Rural Planning Work Programs (U/RPWPs), TIPs, LRTPs, coordinated plans, and/or other plans. In Georgia, the RPOs conduct rural transit development plans with Georgia Department of Transportation (GDOT) funding. One RPO's plans include demographic projections, transit system characteristics, and a five-year forecast of operating and capital outlays. Whether the RPOs provide formal written plans or limit their contribution to outreach and assistance, SDOTs benefit from the regional perspective, which assists them to understand how needs differ significantly across the State.

Targeted State Programs

In addition to relying on RPOs to assist in planning and outreach with rural transit agencies, some SDOTs provide specific programs targeted at rural areas. Arizona DOT (ADOT) has a program, Planning Assistance for Rural Areas (PARA),⁴ that provides FHWA planning and research funds to non-metropolitan communities to conduct multimodal transportation planning studies, which can include transit demand modeling and planning. Eligible applicants include counties, cities, and towns located outside the boundaries of Arizona's two Transportation Management Associations (TMAs), Phoenix and Tucson, as well as all Tribal governments. ADOT funds 100 percent of the study process. In 2009, it had \$2 million available, which was distributed to 13 communities, seven of which explicitly addressed transit needs and opportunities in their studies.

Sustained Coordination

In some States, the coordinated plan provides opportunities for RPOs, SDOTs, MPOs, and rural transit agencies to build relationships and coordinate on other activities. In Pennsylvania, one RPO has successfully reconvened a group established to develop the region's human services coordinated plan. Known as the Coordinated Public Human Services Committee, the group meets twice a year including

³ <http://www.fhwa.dot.gov/planning/statewide/localoff.html>.

⁴ http://www.azdot.gov/mpd/systems_planning/PDF/PARA/PARAs.asp.

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an annual application process meeting. The group provides a forum for transit operators to communicate about what they are doing, the services they are providing, and opportunities for coordination.

Statewide Plans

Case study States demonstrate success in both incorporating rural transit into statewide plans and engaging rural transit in the statewide plan development.

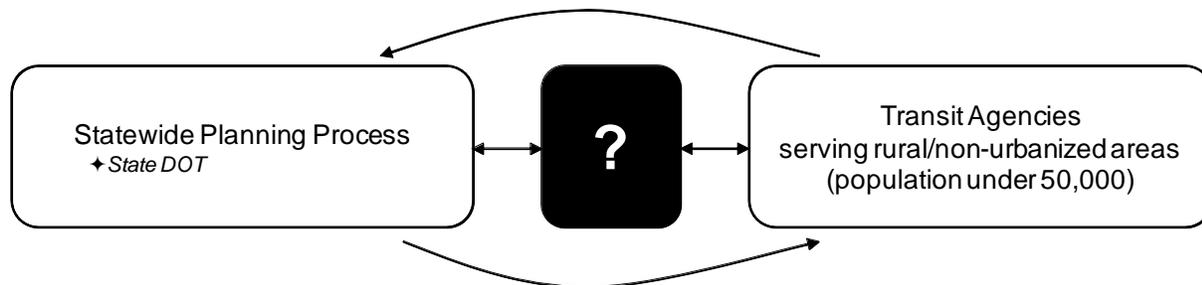
According to ADOT officials, both “Building a Quality Arizona (bqAZ),” a visionary process to develop a State transportation planning framework, and “What Moves You Arizona?” the update to the LRTP, are using an approach regarded as a “sea change” for Arizona because it includes transit, consolidates several regional plans, and “shifts how we do business – moving to multimodal planning from highway-focused planning.”

Georgia’s statewide transportation plan included two scenarios, which for rural transit translated into either maintaining the existing service (No Build) or expanding rural transit service to all rural counties at current per capita service level (Build). The forecasted financial and service needs of the plan influenced the design and passage of the Transportation Investment Act of 2010, which may provide a new resource for funding for transit. Other State plans, such as Pennsylvania’s, are designed to be mode-neutral so rural transit is not explicitly addressed. However, it is significant that Pennsylvania did include rural transit in the process by ensuring its development team included representatives from rural transit and several organizations dependent on rural transit such as Area Agencies on Aging.

2.4 Institutional Relationships

The baseline relationship is for the SDOT to provide technical assistance, including on FTA grant applications, to rural transit agencies. Advanced relationships consist of participation by other players, including providers of planning, training, and additional services, as indicated by Figure 4. All of the case study States had some form of rural or regional transportation organizations (RPOs), although the term varies by State and sometimes involves two coordinating entities (see Table 2). RPOs are often housed within multi-purpose regional planning commissions or councils of governments (COGs) that have several State and Federal designations, such as the EDDs discussed under *Goals*. Regional transportation agencies or authorities (RTAs), a term which also varies by State, also play a significant role in some of the States and either function as or with the RPOs. Iowa and Maine have such entities designated statewide while Arizona, Georgia, and South Carolina have several pilot entities.

Figure 4. Diagram of Interactions between the Statewide Planning Process and Rural Transit Agencies



Who is in the black box? What role do they play?

- Local governments and other local jurisdictions
- Statewide transit association, community transportation associations, other associations
- Councils of Government, Regional Planning or Development Organizations
- Community-based human service transportation agencies and providers
- Regional Transportation Assistance Program Advisory Committee
- Tribal governments and Federal public land agencies

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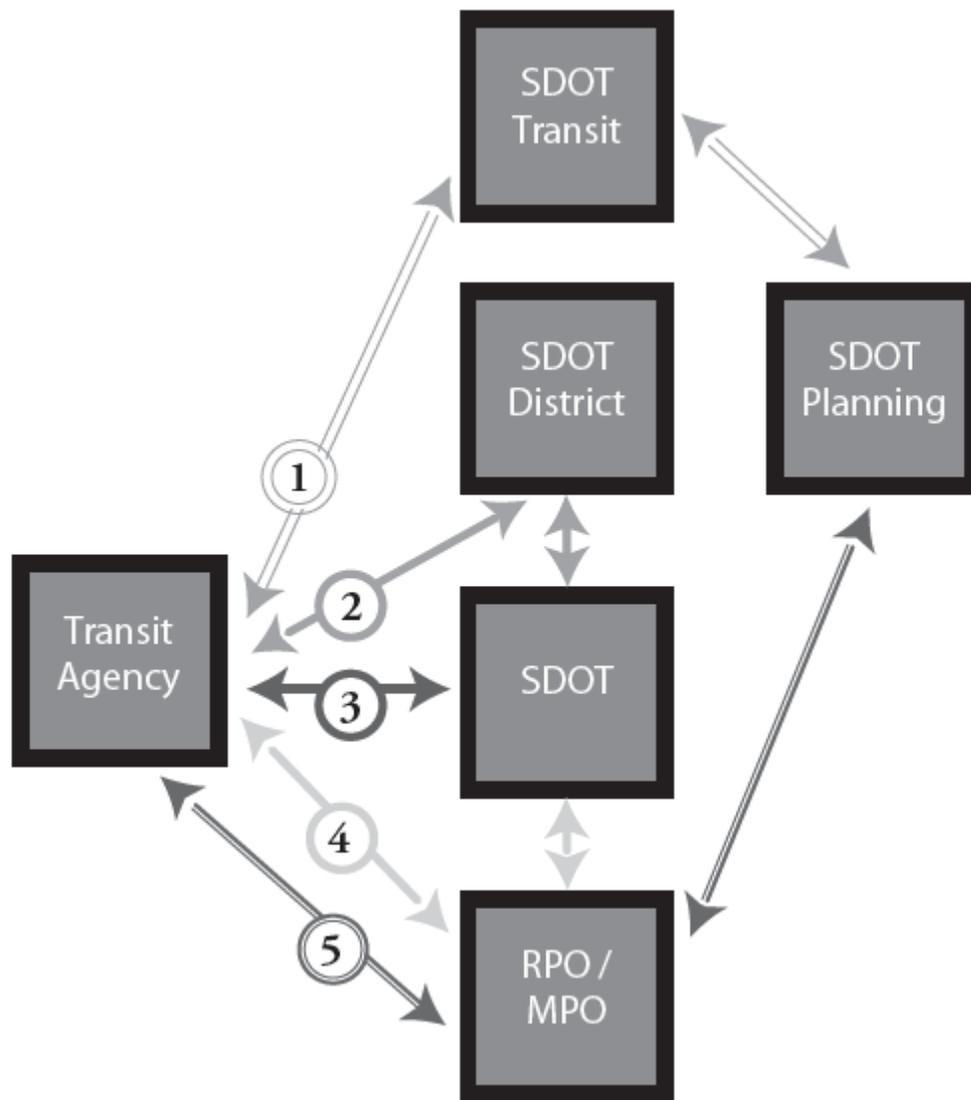
Table 2. Rural or Regional Planning Organization Information by State

State	RPO Name	Relationship with SDOT	Services Provided
Arizona	Councils of Government (COGs)	Overall Work Plan	TIP, coordinated plan, FTA/State application process
Georgia	Regional Commissions (RCs)	Legislatively created, SDOT planning contracts	Rural transit development plans
Iowa	Regional Planning Affiliations (RPAs)	SDOT designation, Transportation Planning Work Program	TIP, LRTP, coordinated plan, and public participation plan
Maine	Regional Planning Commissions (RPCs)	Biennial cooperative agreements	Events and outreach for statewide transportation plan, facilitate communication and technical assistance
Minnesota	Regional Development Commissions (RDCs) and Area Transportation Partnerships (ATPs)	Work plan	Coordinated plan, TIP
Pennsylvania	Rural Planning Organizations (RPOs)	UPWP	TIP, LRTP, coordinated plan
South Carolina	Councils of Government (COGs)	Memorandum of Agreement (MOA) and RPWP	LRTP, outreach for State plan
Washington	Regional Transportation Planning Organizations (RTPOs) and Councils of Government (COGs)	Authorized by legislation but voluntary, SDOT contract	TIP, LRTP, coordinated plan

The case study States reflect a number of different models for successful interaction between SDOT's and rural transit agencies. Often, more than one model exists within a single State, creating both direct and indirect connections. These models include, but are not limited to, the five depicted in Figure 5. Note that in some cases, a transit agency may be housed in an RPO. These models are not necessarily mutually exclusive for each State as they vary by the purpose of the interaction and also sometimes by the nature of the transit agency or RPO. In addition, some States do not have separate transit and planning SDOT offices; most that do, have high levels of coordination between the offices.

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Figure 5. Five Models of How Rural Transit Agencies Interact with the Statewide Planning Process



In addition to RPOs, other important entities include State transit associations, statewide coordination councils, other State agencies, MPOs, Tribes (which will be discussed later under *Observations and Challenges*), and Federal land management agencies, such as the National Park Service (NPS) (see discussion of the Acadia Island Explorer later in this section).

Each of the eight States has an active State transit association. At a minimum, these provide training, advocacy, or networking opportunities to members and at a maximum, provide all three services, are key partners with the SDOT, and represent and serve all transit agencies within the State, including rural. The following examples highlight some successful practices of transit associations in the case study States:

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- PennDOT and rural transit operators credited the Pennsylvania Public Transportation Association with engaging rural transit providers and facilitating networking despite distances between rural transit agencies.
- All 35 transit agencies in Iowa belong to the Iowa Public Transit Association, which holds four meetings each year that are attended by Iowa DOT.
- The Georgia Transit Association provides a discounted membership rate for rural systems and has attracted the participation of the Human Services Transportation Subcommittee of the Georgia Association of Regional Commissions.
- The Arizona Transit Association has a close working relationship with ADOT, including ADOT representation on its Board of Directors and collaboration with ADOT to conduct the first statewide rural transit needs study.

Six (WA, SC, MN, IA, AZ, and GA) of the case study States noted the existence of statewide coordination councils. Nearly all of the councils were formed to coordinate human services and public transportation, but also address a number of broad transit considerations. Examples of the councils include:

- The mission of Washington’s Agency Council on Coordinated Transportation (ACCT) is to promote and provide oversight for the coordination of special needs transportation, provide a forum for discussing issues and initiating change, and report to the legislature and propose legislative remedies. In 2010, ACCT membership included the head of WSDOT’s Public Transportation Division, the head of Yakima Valley COG as the representative for all of the RTPOs, and representatives from schools, users of special needs transportation, and the State Department of Social and Health Services.
- Georgia’s new Coordinating Committee for Rural and Human Services Transportation will involve GDOT and the Department of Human Services as well as other agencies, and is required to consider strategies for vehicle sharing, route coordination, consolidation, funding restrictions, and cost reduction.
- The Iowa Transportation Coordination Council (ITCC) is intended to review institutional and regulatory transportation coordination issues and has produced a number of action plans. The latest plan is in draft form and includes sections on volunteer transportation, evaluation of the Medicaid brokerage, mobility management, and a strategy to “Engage, Educate, Energize.”
- The South Carolina Interagency Transportation Coordination Council is intended to promote interagency and statewide cooperation in the provision and management of transportation programs and has been charged with identifying needs and constraints in terms of funding, operations, and other considerations.

Human service transportation coordination also leads to collaboration and coordination with the State’s department of health and human services. Georgia demonstrates a relatively high level of coordination between GDOT and the Department of Human Services (DHS). The State has regional DOT and DHS transportation coordinators who provide a link between their State agencies and Regional Development

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Commissions (RDCs) and transit agencies. DHS actually manages the FTA Section 5310 program and contracts with Section 5311 recipients to provide human service transportation.

2.5 Funding Sources and Strategies

Baseline funding for rural transit consists of fares and funding from FTA Section 5311 Formula Grants for Other than Urbanized Areas. Advanced funding consists of additional FTA grant programs, FHWA flex and planning funds, SDOT transit funding, other State agency funding, and other local strategies.

U.S. DOT Funding

FTA has a number of grant programs that are relevant to rural transit. These primarily consist of the following, which can be found on the FTA Grant Programs webpage (http://www.fta.dot.gov/funding/grants_financing_263.html):

- Section 5304: Statewide Planning
- Section 5305: Planning Programs
- Section 5310 Transportation for Elderly Persons and Persons with Disabilities
- Section 5311 Formula Grants for Other than Urbanized Areas
 - 5311(b)(3) – Rural Transit Assistance Program (RTAP)
 - 5311(c) – Public Transportation on Indian Reservations (Tribal Transit Program)⁵
 - 5311(f) – Intercity Bus Program
- Section 5316 Job Access and Reverse Commute (JARC) Program
- Section 5317 New Freedom (NF)
- Section 5320 Paul S. Sarbanes Transit in Parks (TRIP) Program (formerly Alternative Transportation in Parks and Public Lands (ATPPL) Program)

Several participants commented favorably on the Section 5316 (Job Access and Reverse Commute) and 5317 (New Freedom) programs. In Arizona, participants report a sense that those programs emerged in response to State and local needs communicated nationally and that such programs, when combined with Section 5310 and Section 5311 programs, have the potential to provide more cost-efficient and extensive service.

In addition to these grants, a number of other FTA discretionary grant programs provide funding to rural transit, including those under the American Recovery and Reinvestment Act (ARRA), in particular the Transportation Investment Generating Economic Recovery (TIGER)⁶ and Transit Investments for

⁵ The primary source of transportation funding for Indian Tribes is through the Indian Reservation Roads (IRR) program, which is jointly administered by Federal Highway Administration's Office of Federal Lands Highway and the Department of Interior's Bureau of Indian Affairs. IRR is supposed to consider transit but does not have enough funding for transit to compete with roads and bridges. SAFETEA-LU created a new FTA program, the Tribal Transit Program (TTP) (49 U.S.C. 5311(c)), which makes funds available to Federally-recognized Indian Tribes or Alaska Native villages, groups, or communities as identified by the Bureau of Indian Affairs (BIA) in the U.S. Department of the Interior for public transportation capital projects, operating costs, and planning activities that are eligible costs under the FTA Section 5311 Non-Urbanized Area Formula Program. No cost sharing is required for this program; the Federal grant may fund up to 100 percent of eligible project costs. However, FTA encourages Tribes to leverage the program funds and demonstrate local commitment through in-kind contributions and use of other funding sources that are available to support public transportation service.

⁶ For additional information, visit <http://www.dot.gov/recovery/ost/faqs.htm>.

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Greenhouse Gas and Energy Reduction (TIGGER)⁷ grants. Other U.S. DOT programs used for rural transit funding include the Surface Transportation Program (STP), State Planning and Research (SPR) Program, and the CMAQ Improvement Program.

The STP⁸ provides flexible funding that may be used by States and localities for projects on any Federal-aid highway, including the National Highway System, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. Case study participants reported varying levels of flexible funding use. For example, for FY09, Arizona flexed over 20 percent of its \$6.5 million in STP flex funding to Section 5310 projects and allocated the remainder to Sections 5311 and 5307 (Urbanized Area Formula Program) recipients based on population.

The SPR Program⁹ is a result of a requirement by SAFETEA-LU that States set aside 2 percent of the apportionments they received from the Interstate Maintenance, National Highway System, Surface Transportation, Highway Bridge, CMAQ Improvement Program,¹⁰ and Equity Bonus programs for State planning and research activities. South Carolina and Iowa SDOTs reported using SPR to fund planning studies and other activities by the RPOs or equivalents.

The CMAQ Improvement Program is jointly administered by FHWA and FTA. These agencies fund projects that improve air quality and reduce congestion in nonattainment areas, or those areas that have been determined not to meet the National Ambient Air Quality Standards for ozone, carbon monoxide, and particulate matter. CMAQ funds are often used to improve the efficiency of motor vehicle traffic by investing in incident response and congestion improvements, but transit and nonmotorized investments are also eligible. MaineDOT has taken advantage of CMAQ funds to support three-year start-up periods for the Island Explorer transit systems, which are innovative bus systems targeted at tourists.

Although CMAQ funds are primarily used for projects in nonattainment areas, funds may also be used for projects in proximity to nonattainment and maintenance areas if benefits will be realized primarily within the nonattainment or maintenance area.¹¹ This is particularly relevant to rural areas that may not be directly eligible but may be the source of commuters to a nonattainment area. Transit agencies in Pennsylvania reported such use of CMAQ funds to develop park and ride facilities in an attainment area that served commuters to a nonattainment area and thus reduced VMT for that nonattainment area.

States without nonattainment areas, such as Iowa, still receive a minimum level of CMAQ funds that is considered flexible. This means that the funds are available for projects that are eligible for either CMAQ

⁷ For additional information, visit http://www.fta.dot.gov/assistance/research_11424.html.

⁸ For additional information, visit <http://www.fhwa.dot.gov/safetealu/factsheets/stp.htm>.

⁹ For additional information, visit <http://www.fhwa.dot.gov/research/partnership/spr/>.

¹⁰ For additional information, visit http://www.fhwa.dot.gov/environment/air_quality/cmaq/.

¹¹ The Congestion Mitigation and Air Quality (CMAQ) Improvement Program under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. Final Program Guidance. October 2008. http://www.fhwa.dot.gov/environment/air_quality/cmaq/policy_and_guidance/cmaq08gd.pdf.

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or STP and that do not meet CMAQ priority provisions. However, FTA and FWHA encourage targeting such funds to projects that reduce particulate matter.¹² The Iowa Transportation Commission recently directed Iowa DOT to start a new program to allocate CMAQ funding based on an application process for projects that will maintain the State's attainment status by, for example, reducing emissions and VMT.

Other Federal Funding

There are a number of other Federal programs that provide significant funding for rural transit, especially when it provides human services transportation. Although this study is not intended to provide a comprehensive list of such funding sources, it does highlight use of related funds by participants in case study States. For example, Washington reports working with the Veteran's Administration to cover veterans' transit fares and as mentioned previously, Pennsylvania RPOs have successfully worked to implement the LUTED Initiative through their CEDS, funded by the Economic Development Administration.

Several States note that in addition to funding from FTA Sections 5310, 5316, and 5317, their coordinated plans incorporate Federal human services funding, including Medicaid, Administration on Aging, and Temporary Assistance for Needy Families programs, among other sources. Such funding comes either directly from Federal agencies or indirectly through State agencies (see next section), statewide human service transportation brokerages (Iowa and South Carolina), or health providers. One RPO in South Carolina reported using U.S. Department of Labor Workforce Investment Act (WIA)¹³ funding as the local match for their Section 5316 JARC program. Another RPO in South Carolina is successfully combining U.S. DOT and USDHHS grants to fund an Aging, Disability, and Transportation Resource Center.

State Funding

The case study States reported a range of funding for transit. Four of the case studies identified a designated source of transit funding, using a percentage of a user tax to fund transit: motor vehicles sales (Iowa and Minnesota), fuel (South Carolina), and highway tolls (Pennsylvania). Other States are constitutionally restricted to only using user fees for roads and bridges, so must draw upon other sources. Arizona used a percent of lottery proceeds for transit until 2010, when the State government redirected the funds to the General Fund. Some draw transit funding directly from the General Fund (Maine and Georgia) or appropriate funds into a State transit fund (Iowa, Minnesota). State funding is mostly focused on capital and planning (Washington and Georgia), with only some States providing funding for operations (Pennsylvania and, formerly, Arizona), placing the burden on Federal and local support.

Some State funding is provided by agencies outside of DOT. Two States (Maine and Georgia) reported that their departments that oversee health and human services contract directly with transportation providers to provide human services transportation. In Maine, some of the regional transportation

¹² The Congestion Mitigation and Air Quality (CMAQ) Improvement Program under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. Final Program Guidance. October 2008. http://www.fhwa.dot.gov/environment/air_quality/cmaq/policy_and_guidance/cmaq08gd.pdf.

¹³ For additional information, visit <http://www.doleta.gov/usworkforce/WIA/>.

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providers only receive funding from the Maine Department of Health and Human Services. Since 1988, the Georgia DHS has managed the Section 5310 Program. Other departments, such as the Georgia Department of Labor, contract with DHS to provide transportation services for their clients. Initially, DHS focused on purchasing vehicles to provide service, but has since changed to purchasing services from existing providers, including Sections 5311 and 5307 (Urbanized Area Formula) systems.

Local Funding

Local funding for transit as reported by case study participants consists primarily of fares, contract fees for human service transportation, and tax or allocations from local governments. For example, transit agencies in Iowa reported having contracts to provide service to schools, Head Start programs, daycare facilities, nursing homes, and senior/assisted living centers. Four of the case study States provided examples of locally-imposed sales and use tax to support transit projects; two of the case study States do not provide State funding for operations.

In Washington, local communities or counties may vote to tax themselves to cover the costs of transit. Those areas that approve such a tax are termed public transportation benefits authorities (PTBAs). PTBAs were recently allowed to designate up to 9/10 of 1 percent, an increase from 6/10, of the sales tax to be directed towards public transportation. Only a few places have successfully adopted the increase. Georgia recently authorized a similar system, under the Transportation Investment Act of 2010, in which regional districts throughout the State may vote to implement a 1 percent sales tax for transportation projects, including transit projects.

In Maine, the State legislature recently passed legislation¹⁴ for transit-oriented tax increment financing (TIF) districts, which amended State TIF regulations to allow local governments to use increased tax revenue from designated corridors or areas to create or improve transit, bicycle, and pedestrian facilities, including transit operator salaries, fuel, and maintenance, as well as transit-oriented development.

In South Carolina, TriCounty Link, a rural bus system for the counties of Berkeley, Charleston, and Dorchester, was founded in 1996 with \$30,000 in annual funding commitments from each county for three years. Following the three years, service was expected to become self-sufficient, which it did through providing Medicaid and contract services. The service now receives a half cent sales tax revenue commitment from Charleston County as a result of a referendum. The 20-year commitment has allowed TriCounty Link to provide additional services.

Local Match

The local match (20 percent) required for Federal funding is a concern for all case study States. Some States offer financial or advocacy support. Georgia provides half of the required match and ADOT staff attends local government meetings to promote transit, but for the most part, the task falls to the transit agency and its local government. As mentioned above, some transit agencies have had success using non-U.S. DOT Federal funding as a match.

¹⁴ For information on An Act to Promote Economic Development and Reduce Reliance on Automobiles through Transit-Oriented Tax Increment Financing Districts, visit <http://www.mainelegislature.org/ros/LOM/LOM124th/124R1/PUBLIC314.asp>.

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MaineDOT provides one example of a State program that encourages local funding for transit, using a transit bonus payment¹⁵ under the Urban-Rural Initiative Program (URIP),¹⁶ which provides funds for capital improvements to local roads and rural State Aid minor collector roads. If a municipality with a fixed-route transit service that meets certain requirements increases its local funding for transit after the base year of FY2001, MaineDOT provides a “bonus” in URIP road funding equivalent to what is budgeted over and above the FY2001 transit budget. Thus, the “bonus” given toward road funding is based on the community’s contribution to transit. The intent is for the municipality to be able to increase its support of transit, while not necessarily decreasing the funding it has available for road and bridge projects.

Partnerships

Transit service is often supported by a number of agencies and entities. Most transit agencies receive Federal and State transportation funding, as well as local and human services funding. Some transit agencies, however, are also supported by and collaborate with other entities, such as universities, businesses, and Federal land management agencies such as the NPS. Maine and South Carolina both provide examples of these types of partnerships.

In Maine, Acadia National Park’s Island Explorer transit service is the result of a partnership between the park, a nonprofit that supports the park, the local transit operator, and local towns and businesses. Funding has been provided by MaineDOT, FTA, FHWA, the Department of the Interior, towns, and local businesses, including L.L. Bean, a major Maine-based clothing and outdoor recreation equipment retail company. The NPS supplied the initial buses while MaineDOT, using CMAQ funds, provided the initial operating funds.

In South Carolina, transit providers reported on successful economic development initiatives that involved working with developers, universities, and businesses. For example, one transit agency reported that it struck a deal with a developer of condominiums to serve the site with transit in return for integrating transit infrastructure into the development, such as turnarounds and bus shelters. Another transit agency worked with a local employer to establish a commuter service with park and ride shuttles. Two other agencies worked with local universities to establish and then expand local public transit service.

¹⁵ <http://www.maine.gov/sos/cec/rules/17/chaps17.htm>

¹⁶ For additional information, visit <http://www.maine.gov/mdot/community-programs/uri-program.php>.

2.6 Service

As reflected in the above continuum, baseline provision of service for rural transit covers a service area within a single jurisdiction, usually a county, and is targeted to human service and transit-dependent clients who are served by separate vehicles or providers. Advanced or evolving provision of rural transit consists of combined human service and public transportation that is provided to choice riders as well as transit-dependent riders and covers a broader geographic service area that is multi-county, intercity, and rural to urban.

The case study States all demonstrate advanced and evolving rural transit service. Common themes include multi-county regionalization, intercity bus and rail efforts, commuting service provision, coordination of human service and public transportation, and outreach to expand the coverage of rural transit. However, challenges remain around jurisdictional boundaries, especially interstate; funding restrictions on riders and destinations; and changing the public's perception of transit. The next section describes these topics and how some transit agencies have found successful ways to address them.

Many of the case study States provide demand response public transportation services in nearly all counties and all are working to expand coverage. Georgia and South Carolina provide two examples of outreach specific to rural areas to encourage transit service. GDOT sends an annual letter to all county governments that do not have Section 5311 programs to invite them to contact the Public Transportation Coordinator (PTC) in their region to discuss starting a Section 5311 program. GDOT also requires each PTC to conduct a follow-up phone call to those governments that do not respond. Similarly, SCDOT has offered the seven counties (as of 2009) that do not offer any general public transit an opportunity to receive funding for three-year pilot projects. Once the pilot is over, the services will be reviewed to determine how they performed, and whether or not they will become permanent and be included in the normal funding process.

Case study States vary in the extent of their implementation of regional, multi-county transit systems but all demonstrate some exploration of regionalization. Iowa and Maine both have designated regional transit systems. Georgia has three pilot regional systems incorporated into the RPO structure, and South Carolina has eight regional transit authorities. Most of these efforts have been motivated by a desire to coordinate and consolidate human services and public transportation services to improve efficiency. In Maine for example, the nine designated regional transportation providers are non-profits that primarily provide demand-response and human service transportation services within their respective regions and manage all Section 5310 funds for their region. Pennsylvania recently completed a study to assess human service transportation coordination that recommended regional consolidation of management and service delivery. There are concerns about whether this is appropriate for all areas and if there could be other areas of improvement. Human service transportation can also be provided regionally or statewide through brokerages that exist alongside regional systems, such as in Iowa and South Carolina.

Intercity bus services – public or private – are a critical link to rural transit service that provide residents with transportation options and access to key destinations, including work, health care, and education statewide and across State borders. On the public side, Arizona and South Carolina provide examples of systems focused on job access. The Northern Arizona Intergovernmental Public Transportation Authority is a regional transportation system similar to those described above. Its focus is on commuting; it connects a small urban area (Flagstaff) with two rural communities (Sedona and Cottonwood). The western part of the State has been working on a similar system for the rural communities of Bullhead City, Kingman, and Lake Havasu, but funding is a challenge. Similarly, in South

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Carolina, the SmartRide Commuter-Focused Transit Program (<http://www.dot.state.sc.us/getting/smartride/smartride.shtml>) is a partnership between SCDOT, the Newberry County Council on Aging, and the Santee Wateree Regional Transit Authority that provides commuter service to Columbia from Camden/Lugoff and Newberry, all small towns under 50,000.

Several case study States, including Maine, Washington, and Georgia, report collaborative relationships with the intercity bus companies that serve their States. GDOT contracts with two intercity bus providers and leases buses developed under a State contract to them, with certain stipulations, such as limitations on out-of-state hours and the requirement of quarterly maintenance and ridership reports. Once a bus reaches the end of its useful life, the Georgia Department of Administrative Services holds an auction and the two providers often buy the buses to use for spare parts.

In terms of passenger rail, the case study States report progress in developing services that connect rural to urban areas across regions, the State, and multiple States. In Minnesota, the Northstar Commuter Rail Line (<http://www.northstartrain.org/>) is an example of a major passenger rail project linking rural, small urban and large metropolitan areas. Opened in November 2009, the 40-mile Northstar Line connects downtown Minneapolis with suburbs within the metropolitan region and small non-urbanized towns northwest of the city. Arizona has a number of passenger rail initiatives underway, ranging from intra-region to intrastate and interstate. Regional entities throughout the State are studying the feasibility and creating implementation strategies to establish commuter rail in existing and new rail corridors in both rural and urban areas. ADOT received a Federal Railroad Administration (FRA) grant to conduct an environmental overview of eight conceptual rail corridors connecting Metropolitan Phoenix with Metropolitan Tucson as well as the dozen rural communities located within the corridors. Finally, in partnership with California and Nevada, Arizona is participating in a FRA-funded high-speed rail study.