

VERMONT AGENCY OF TRANSPORTATION



SECTION 78 PUBLIC TRANSIT REPORT

TO THE HOUSE AND SENATE COMMITTEES
ON TRANSPORTATION

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INTRODUCTION

The purpose of this report is to make specific recommendations for improving the efficient and effective delivery of public transit services in Vermont. These recommendations are based on the information provided in the 2008 Section 45 Study Regarding the Regional Connectivity of Vermont's Public Transportation System submitted during the 2008 legislative session, the follow-up Section 35 report focused on public transit submitted during the 2009 legislative session, and the ongoing observation of the operation of Vermont's public transit providers in recent years.

This report assesses the strengths and weaknesses of the current public transit delivery system, reviews the pros and cons of realistic alternative service delivery models, and presents recommendations for further consideration of evolving the current public transit service delivery model. Consideration has been given to all funding invested through or by state and federal agencies on public, human service, and related transportation programs.

BACKGROUND

For many years there has been discussion as to whether some degree of consolidation of public transit providers would result in improved quality of service and increased economic efficiency. It has been suggested that the quantity of public transit providers, currently eleven, is more than is necessary or optimal to cover the state with adequate service and sound management.

While reducing the number of providers may seem like an obvious option toward increased efficiencies, it should be recognized that the success of the current public transit providers is largely due to their small size and close connections to local community. A smaller local provider has the ability to respond quickly to local human service component of public transit, such as those relating to E&D and Medicaid. A move away from this locally-based operating framework runs the risk of damaging or losing the benefit of these system qualities.

The maintaining or restructuring of Vermont's transit provider framework will depend largely on consideration and statewide prioritization of the types of public transit services to be provided. A decision to focus on either local, regional, or intercity services, or some combination thereof, leads to consideration of the various administrative and operational frameworks which will most effectively operate the chosen mix of services.

CURRENT PUBLIC TRANSIT SYSTEM STRUCTURE

Public transit in Vermont had its beginnings in a dedicated network of human services, faith based organizations and non-profit entities which served those Vermonters who lacked transportation options. That network has evolved to a more sophisticated and varied delivery system that provides a range of services for Medicaid recipients, human service agencies, elders, persons with disabilities, and the general public.

As federal funding for rural public transportation expanded over the past two decades, the participating organizations evolved into the role of public transit providers, often while maintaining their function in human service transportation. Funding for these public transit providers, as well as that of the other three organizations providing public transit services, is now a mix of resources from the Federal Transit Administration, Medicaid, the State of Vermont, human service agency partners, municipalities, institutions, and ski resorts among others.

Vermont's current public transit system consists of eleven distinct public transit entities consisting of Chittenden County Transportation Authority (CCTA), Marble Valley Regional Transit District, the Town of Brattleboro, and eight private, non-profit agencies including Addison County Transit Resources (ACTR), Advance Transit, Connecticut River Transit (CRT or "The Current"), Deerfield Valley Transit Association (DVTA), Green Mountain Community Network (GMCN), Green Mountain Transit Agency (GMTA), Rural Community Transportation (RCT), and Stagecoach Transportation Services (STSI).

VTrans has worked with each of the public transit providers in an effort to establish them as discrete centralized agencies which manage, operate, and deliver services in their respective operating areas. Service in any of the provider areas includes a mix of traditional fixed route-style transit as well as demand-response services associated with many human service programs, including but not limited to, Medicare, Elderly & Disabled Persons Transportation Program, and ADA paratransit service. This centralization of programs for each of the public transit providers has resulted in significant increase in efficiencies relating to coordination of services within each of the providers' operating areas and to some degree, across regional boundaries.

Vermont has been well served by the present service delivery structure that derives its strength from local boards, strong ties with human service stakeholders and a close relationship with municipalities and local businesses. They provide a creative blend of coordinated service with an eye towards maximum efficiency and cost effectiveness. They are guided by local boards that provide grass-roots expertise and common-sense. These boards connect operations to local banks, schools, businesses, hospitals, colleges, regional and local planners, municipalities and other potential supporters and transportation partners. Locally controlled public transit operations tap into the energy, vitality and skills of the local community. The local public transit provider board can assist with program oversight and procurement of funding, connect the services to local needs and help sell and grow the services in concert with community goals and needs.

While the public transit providers continue to successfully meet basic mobility needs and intra-regional transit demands, there is a growing demand for commuter transportation, most often inter-regional. Also, the virtual disappearance of intercity service has challenged the existing providers to establish services that disregard historic regional provider service area boundaries, causing growing pains for the overall system as the providers and the state struggle with funding and coordination of the overall array of services.

EXPERIENCE TO DATE

Vermont has progressively and proactively developed a successful public transit system over the past two decades, increasing ridership through the development and refinement of traditional transit routes and strong demand-response programs. Much of this success can be attributed to the creativity and determination of the boards and staff of the existing transit providers. Despite the successes, however, several of the private non-profit providers in Vermont have faced insurmountable administrative and/or fiscal challenges in the past decade, resulting in their being replaced by new agencies or administration, or subsumed into the operations of the adjacent provider. Other providers, such as the Town of Stowe, simply determined that it was ineffective and inefficient to operate their own service and deferred to the regional public transit provider. In all of these cases the outcome has generally been the establishment of a stronger organization better able to serve the needs of the public.

Wheels Transportation in Washington County was replaced by the Green Mountain Transit Agency under the administration of CCTA, and services operated by the Town of Stowe and those in the Mad River Valley were folded into GMTA shortly thereafter. Town and Village Bus, operating in Windsor and Windham counties, went bankrupt and was replaced by Connecticut River Transit. In 2007 the Green Mountain Chapter of the American Red Cross discontinued its involvement in providing public transit, leading to the creation of a new non-profit, the Green Mountain Community Network, to carry on the transportation services.

More recently, in 2009, a consolidation of provider boards and regions took place in the northwest region through the merger of the Northwest Vermont Public Transit Network (the Network) with GMTA. The Network in Franklin and Grand Isle counties had experienced various administrative difficulties and suffered from low ridership and high costs. With the departure of the Network's executive director, VTrans, AHS and the boards of GMTA and NVPTN jointly determined that it was time to join forces and merge the struggling Network operation with a neighboring provider (GMTA) that could provide stronger planning, management and operational skills.

While none of the remaining providers appear to be facing administrative or financial problems at this time, experience has shown that troubles can arise on many different levels. Attracting and sufficiently compensating professionals with expertise adequate to operate in an extremely complex environment, and generation of funding sufficient to meet the operational needs of a public transit provider is challenging. As discussed in the previous section, this is compounded by the challenge of a growing demand for all types of transit services, including those services not previously provided, such as inter-regional commuter service and intercity bus service. It should be noted, however, that the current state of public transit in Vermont is unprecedented in level of service and level of professionalism and expertise, as is apparent in many recent successes including the establishment of regional commuter routes, outstanding volunteer driver programs, and a high level of cooperation between and amongst providers.

ALTERNATIVE MODELS

As alluded to in the previous sections, the prioritization of service types- local versus regional, versus statewide or intercity- requires consideration of different administrative structures to address the management and funding needs of the various types of transit services. The current service structure evolved primarily out of locally-based organizations, resulting in a funding and administrative structure for many of the existing providers still based very much in the municipalities that they serve. This can prove to be difficult when planning, budgeting, and funding non-local services. It is difficult for instance, to fund and provide *regional* transit services where local, most often municipally-generated, funds are the primary form of match to drawn down state and federal service funding. Municipalities that contribute to funding of transit services most often want to see their investment returned to their town in the form of local service. In response to some of these issues, various alternative service delivery models have been suggested and considered over time. The following are the alternatives that have been generated through the aforementioned Section 45 Study and subsequent investigations into how other states have structured their systems for delivery of public transit services. They all have their advantages and disadvantages which are summarized briefly in the following section.

Multiple Regional Transit Authorities (RTA)

A Regional Transit Authority provides the ability to craft a regional transit plan and budget for approval by the voters of the entire region. There are a number of ways such an approach to funding can be structured, however, the bottom line is to fund regional transit services, at least in part, regionally. Regional administrative models exist within Vermont where regional budgets are developed and approved annually by the district's voters, such as public schools and solid waste districts. This framework requires a collective agreement on the schedule of services and the cost at which the services are to be provided.

The potential perception that an RTA could lead to the creation of another layer of taxation may be an impediment to implementation. However, if provision of regional public transit services is a regional priority, the participating communities may be persuaded to implement a regional approach to those services. It should be noted, that even under the framework of an RTA, local service can continue to be effectively provided, connecting financial contributions to delivery of transit service. Many of the existing providers are regional in service areas and programs; the RTA mechanism simply provides a means by which the administration, funding and governance more closely match the provision of regional routes and services.

Single Rural Transit Authority

The Single Rural Transit Authority option assumes the creation of a single new rural transit authority. While, under this approach, CCTA would continue to operate as a separate small urban system funded in large part directly by FTA, all other rural providers would be placed under the umbrella of a single authority. The advantage to such a large rural transit authority is that administrative and other functions become centralized, service is planned and coordinated on a statewide basis, and funding may shift away from reliance on the provision of a local share.

This model would allow statewide service coordination and provide a framework to more equitably funded regional and intercity services, but would lead us away from the benefits of locally-based public transit providers outlined in previous sections. Again, the prioritization of the types of transit service that Vermont wants to provide is required before considering a move to such a framework.

Single Statewide Authority

The Single Statewide Authority framework offers advantages and disadvantages similar to the model of an urban authority and a rural authority operating in tandem, excepting that the system is further simplified by providing only one statewide entity unilaterally responsible for administration, management and operation of public transit services statewide. As with the Single Rural Transit Authority, this model would provide its advantages when planning, budgeting and funding longer routes such as inter-regional services, but may have drawbacks in that it would potentially result in the severing of the local ties that provide the current system much of its strength. Again, the direction Vermont takes in either maintaining or restructuring its transit provider framework over the long term will depend largely upon consideration and statewide prioritization of the types of services provided.

SUMMARY

Many models exist by which Vermont may choose to provide public transit service. The existing system has evolved in a logical manner, based on the primary, initial demand for transit services being local. Local control and ability to respond to local needs will continue to be a strong argument for maintaining and evolving the existing system. The existing service delivery model grew out of the demand and need for transportation services based primarily at the local and intra-regional level. It is arguably still the most appropriate model based on the priority of transportation needs and programs currently being delivered. There are many good reasons to work to maintain local control and local transit provider services, but time will tell if the current structure can address the changing demands for various types of public transit services. As the demand for regional and intercity service increases, the model by which the services are delivered will likely evolve out of necessity.

Consolidation of providers and coordination of services has taken place in a somewhat organic manner over the past two decades and it has served us well in those instances, achieving a variety of objectives in efficiency and equity. Consolidation of providers has clearly proven a successful strategy in the past. The Central Vermont and Franklin-Grand Isle regions are both benefiting from the mergers that have taken place with GMTA in that they are receiving a higher quality, more reliable, connected and coordinated palette of transit options. We should remain open to the idea that consolidation is a viable means by which to improve service by creating a stronger overall organization with the resources to manage, operate, and coordinate transit services.

Short of merger of entities, there are existing opportunities to consolidate *functions* of the various providers that could relieve pressure on the individual agencies, reduce the administrative burden on VTrans staff in administering the public transit program, and realize improvements to the delivery of public transit throughout the state. Improvements in service have been realized over

the past years through coordination of services via technology such as dispatch and ride coordination within individual provider service areas, and between service areas in some cases. These examples provide insight into opportunities for reasonable resource sharing that should be explored and taken advantage of where possible.

Consolidate of some provider functions and services such as dispatching and transport across service areas, marketing and outreach, fund-raising, procurement, board development, financial management and reporting, use of an office or maintenance facility are all examples that have either already seen some success or should be considered in the future. Cooperative models for resources such as maintenance facilities, vehicle procurement, scheduling and other concrete activities are tangible goals that could benefit individual providers and the system as a whole simultaneously. Benefits could be derived by reducing the number of providers responsible for grant management. Services could continue to be provided by providers closer to the populations being served, but efforts to reduce the number of overall grants managed by VTrans would allow more focus on providing technical assistance to the transit providers and further exploration into the cooperative function opportunities described above.

VTrans will continue to work with all of the providers to attempt to address their needs as they work to make the best use of the resources available to them. This will be accomplished through ongoing oversight, training opportunities, and facilitation of cooperative efforts that cut across operating areas and perceived regional boundaries.

The overarching discussion of the prioritization of the various types of public transit services should take place as part of the update of the Public Transit Policy Plan beginning this year. This process will enable stakeholders in all aspects of public transportation to voice their opinions about how the statewide system would best be structured, managed, and operated.

CONCLUSIONS

Ultimately, the decision on which structure for delivering public transit throughout Vermont is best will be informed largely by the prioritization of the types of services that are most important to the people and the means by which they feel is most equitable to fund those services.

In conclusion, the Agency recommends:

1. **Allow the existing system to evolve** and take action to create efficiencies where opportunities present themselves.
2. **Review the current statewide public transit network in the Public Transit Policy Plan update later this year** and relate it to the *prioritization* of all public transit services, including local, regional, and intercity, and determine how well the current delivery structure matches the services to be provided in the future.

3. **Encourage and facilitate peer partnerships** between providers based on strengths and weaknesses identified in management reviews and observed in daily oversight and experience.
4. **Seek areas of cooperative consolidation of responsibilities** and infrastructure such as marketing and outreach, fund-raising, procurement, board development, grant and financial management and reporting, use of an office, vehicle storage and/or maintenance facility.
5. **Remain open to consolidation opportunities** as they present themselves. Experience has shown that in some cases, a merger of providers is a practical approach to ensure transit provider viability once all other opportunities for improvement have been exhausted.