Paratransit in Small Communities and Nonurbanized Areas

UMTA has committed itself to policies that promote paratransit and that foster mobility improvements in small towns and rural areas. This paper focuses on the particular interrelation of these policies. An overview of public transport problems in nonurban­ized areas is given, various existing federal programs to help small-town paratransit are contrasted with one another and with nonfederal efforts, and federal guidelines that are currently being formulated for a new small-town assistance program are introduced.

TRANSIT PROBLEMS IN SMALL TOWNS

Small-town and rural public transit has encountered many of the problems faced by metropolitan transit. Labor, fuel, and maintenance costs are increasing faster than fare revenues. Institutional and financial barriers block innovation to reduce costs and improve productivity. In the last 2 decades, more than 100 small-town transit companies have gone bankrupt. Taxi operators and other providers of paratransit are also in financial jeopardy.

Many circumstances in nonurbanized areas worsen the conditions of public transit. Low population densities and scattered destinations lengthen trip distances and increase operating costs per passenger. Poor roads increase vehicle maintenance, reduce vehicle speeds, and lower system productivity. Commuter travel demand is too scattered in time and space to permit large-scale efficient conventional transit. Transit rider­ship in small towns and rural areas is primarily by low-income, transit-dependent people who lack access to automobiles; there are no affluent or short-haul urban mar­kets to generate revenues to help cross subsidize high-cost operations. As a result of their restricted transit markets, small-town and rural transit operators lack staff, political support, and other resources to overcome the barriers imposed on them by state regulations and taxes.

EXISTING UMTA PROGRAMS

UMTA's programs are aimed at helping reduce small-town transit problems. Money is available as part of UMTA's section 3 program for public agency capital investments such as paratransit vehicles and fixed facilities such as garages; funding for capital in­vestments by private nonprofit organizations is available as part of the section 16b2 program. Planning assistance is being channeled via the section 9 program to states for technical studies of town transit needs and program development. Much of the
marketing research and demonstration project activities in low-density metropolitan areas that are part of UMTA's section 6 program has relevance for nonmetropolitan paratransit systems. UMTA also supports training grants as part of the section 11 management development program. Unlike most other federal programs, UMTA's programs have funds that are authorized for several years to provide continuity and predictability for planning and implementation. UMTA money is available to preserve existing systems and to sustain ongoing and long-term transit systems development, not just to support 1- to 3-year demonstrations. Whereas many social service agencies have ridership eligibility requirements for funding, UMTA funds may be used to serve a wide cross section of potential transit users throughout nonurbanized areas.

UMTA's small-town transit programs differ from other federal programs. Operating assistance is lacking, and a 20 percent matching share is required. In all UMTA programs, except the section 16b2 program, the jobs of existing transit workers must be protected as a condition of capital grant assistance, even if these protections reduce overall system productivity and raise operating expenses.

Several current program problems appear likely to diminish or to become less important in small-town paratransit. Congressional legislation is being considered in the House Public Works Committee and the Senate Banking and Finance Committee to permit UMTA to provide operating assistance in nonurbanized areas having fewer than 50,000 residents. Precedents for waiving costly labor protection agreements have been established, especially those pertaining to paratransit programs involving nonprofit organizations. The lack of existing transit in many small communities also obviates the need for time-consuming labor agreements.

PROPOSED GUIDELINES FOR UMTA'S SMALL-COMMUNITY TRANSIT PROGRAM

Our efforts have been directed toward developing guidelines for distributing UMTA funding to nonmetropolitan areas and private nonprofit organizations. We are considering a program that has the following features:

1. Funds are administratively set aside on an annual basis;
2. Resources are apportioned by a formula to each state;
3. State governors are required to designate a single agency to receive and administer these funds;
4. Funds are available for any public transportation capital investments with 80 percent federal and 20 percent nonfederal participation;
5. Capital funds are available to public agencies, private nonprofit organizations, and private companies through leases or contracts with a public agency;
6. All 3,840 urban places between 2,500 and 50,000 population are eligible for funding, and a portion of the 14,000 smaller built-up places are also eligible;
7. Transit planning for section 16b2 funds by small towns in urbanized areas must satisfy existing requirements that apply in those areas;
8. Each nonurbanized area receiving UMTA money from the state agency is required to have a transit development program that includes all public, nonprofit, and private transit resources and projects proposed for implementation in the area (planning funds will be available to develop programs);
9. In the first year of the UMTA program, the emphasis will be on maintenance or improvement of service for areas that have or will have transit development programs; and
10. UMTA's program will supplement, not supplant, existing federal and local transit investments in nonurbanized areas, and UMTA will require state, local, and private institutions to maintain their present transit funding levels and to continue non-UMTA federal transit support.
UNRESOLVED ISSUES FOR SMALL-COMMUNITY AND PARATRANSIT PROGRAMS

Conference workshops addressed several questions that have arisen during the development of our preliminary guidelines.

1. How should equity issues be resolved to ensure that funds are provided (a) to small and poor communities as well as large and affluent ones and (b) to the complete cross section of transit dependents, not just the elderly and handicapped? How can the essentially social service or welfare nature of small-town transit be justified or legitimized?

2. Given a limited national fund for small urban and rural places, should priorities be established at least to preserve all existing transit and paratransit before improving or creating new services? What if any productivity, ridership, or other criteria should be used to assess whether existing services merit preservation?

3. What minimum planning and supervision requirements are appropriate to maximize the effective expenditure of program funds and to help ensure long-term, strong local taxpayer support for operating subsidies and local capital matching funds?

4. What should be the extent, timing, and mechanisms for involving citizens and public officials in (a) formulating community transport policy objectives, (b) analyzing and selecting alternative transport systems to solve local travel problems, (c) evaluating existing and new local transit operations, and (d) regulating and managing paratransit services?

5. What are the reasonable levels of funding that can be expected from state, local, and private sources? How are these funding sources likely to respond to the availability of additional UMTA funds? Will they cut back their own funds?

6. What opposition can be expected from intercity bus carriers? How can they be fitted into programs for small-town, local transit?

7. Can and should state and local governments be encouraged to permit formation of transit tax districts and to create transit trust funds?

8. What actions can be taken to lower the costs per passenger of paratransit service? Increase ridership through marketing, changes in rider eligibility, or other resources? Endorse the concept of phased implementation and service expansion as travel demand increases? Increase productivity through upgraded vehicles, better maintenance programs, efficient scheduling, and coordinated services? Change legislation and regulations that reduce insurance costs, taxes, and other expenditures? Support labor concepts such as volunteer or part-time workers?

9. What are the cost factors that are likely to increase during the next few years? What policies and program features can minimize cost increases or ensure productivity increases that are coupled with cost increases?

10. What policies and actions are needed to provide an adequate nationwide supply of people to plan, manage, and operate small-town transit? What educational, salary, and other incentives are needed to train, attract, and retain these people?

Preliminary answers to some of these questions appear in the conference workshop reports. Paratransit is expected to play a variety of service roles, provided that institutional, financial, and labor problems can be overcome. UMTA, along with other federal agencies, hopes to foster solutions to these problems through its policies and programs.