

Abridgment

Rural Highway Public Transportation Demonstration Program: Intergovernmental Relations

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The traditional role of the Federal Highway Administration (FHWA), formerly the Bureau of Public Roads, has been to administer a highway program. It has been responsible for the management of the federal-aid highway program. Since the early part of the century FHWA has worked closely with state highway agencies.

The Federal-Aid Highway Act of 1973 broadened FHWA's role into the area of public transportation, making certain highway funds available for public transportation capital expenditures and substituting transit projects for certain Interstate highway projects. The Federal-Aid Highway Act of 1973 also authorized the Rural Highway Public Transportation Demonstration Program. This program provided \$24.65 million over a 2-year period to be used on transit projects intended to increase the mobility of rural residents to provide improved access to jobs, health care, education, social services, and recreation.

Known as the section 147 program, it was the first U.S. Department of Transportation (DOT) program to provide public transportation assistance (including operating expenditures) for the benefit of residents of the nonurban areas. It was also the first active involvement of FHWA in the administration of a transit assistance program. The regulations and management procedures were developed jointly with the Urban Mass Transportation Administration (UMTA). Project administration at the local level was performed by field offices, which worked through the state transportation agencies. Through the demonstration program FHWA also established close working relations with other federal agencies, such as the U.S. Department of Health, Education, and Welfare; the U.S. Department of Labor; the Community Services Administration; and the U.S. Department of Agriculture. Various means were explored to mesh the different programs these agencies have for providing services to rural residents. Working with these various funding sources has also brought FHWA into direct contact with groups such as area agencies on aging, economic opportunity, or community action; Indian tribes; and social service agency consortiums. Instead of dealing strictly with state highway engineers and planners, FHWA has learned to work with a great variety of very resourceful managers, such as interested citizens, antipoverty workers, retired senior citizens, former bus drivers, and transportation planners.

In addition to developing new and closer working relations with other federal agencies and local social service providers, FHWA called on the resources and expertise of the state transportation agencies to help administer the projects at the local level and to provide needed technical assistance. Activities in the Michigan program serve as an excellent example:

1. Technical assistance to applicants in development of a service plan. This includes the preparation of a detailed plan of operation, a budget, and the development and printing of a report document that served as an application. The state also assisted in the develop-

ment of an operating organization;

2. Advertising and conduct of the public hearing on the project, including arrangements for a verbatim transcript;

3. Preparation of a contract between the state and the applicant agency, and assistance in development of local agreements necessary for multijurisdictional areas forming transportation authorities;

4. Assistance in developing vehicle specifications and purchase of vehicles through state purchase orders;

5. Assistance in hiring and training drivers, selecting and acquiring garage, maintenance, and dispatch facilities;

6. Assistance in conducting ridership surveys;

7. Financial assistance during and after the demonstration project;

8. Coordination with other state agencies to encourage their use of the transportation services provided by the project; and

9. Investigation of regulatory and statutory restraints that create barriers to the provision of public transportation services and development of legislative action to overcome these restraints.

Another example of state assistance is illustrated by the Suwannee Valley Transit Project in Florida. The Suwannee project was one of the 45 first-year projects selected for demonstration.

The original proposal called for consolidation of existing social service transportation under one umbrella and the addition of new routes and service areas. From the beginning, the project suffered from the image that it was for poor folks, since initial funding had come from the former Office of Economic Opportunity and the service was geared to serving the clients of the local community action agency. In order to accomplish the proposed expansion into a general public transportation system, support from the local county governments was a must. This was easier said than done. The commissioners of the three relatively poor counties served by the system worried about low ridership figures and potentially high deficits, especially since their budgets were already strained to the limits. Negotiations between the original project director and the counties were unsuccessful and the project director resigned after about 1 year of the demonstration period. It was at this time that the Florida Department of Transportation decided to intervene more actively and provided technical and financial assistance. This assistance took the following forms:

1. Evaluating and restructuring each service route—40 percent of the routes were either eliminated or service on them was reduced. This increased the system operating ratio (operating revenue/cost) from 0.24 to 0.40 without eliminating any essential services;

2. Establishing a vehicle maintenance program, training the project's mechanics, and providing backup (loan) vehicles. The state also made available, at non-

inal monthly cost, a fully equipped maintenance facility, a radio-equipped maintenance truck, and a furnished office trailer;

3. The state district engineer, at the request of the county commissioners, agreed to join the six-member transit authority policy board;

4. Underwriting a portion of the system's net operating deficit as long as the funds were matched by the three counties;

5. Helping to set up proper record and bookkeeping procedures and prepare a realistic project budget. Over the last year, the budget has been within 2 percent of actual expenditures; and

6. Hiring and training a new project director, after getting the project back on its feet. The new director has gradually taken over the management of the project, with the state remaining available on an as-needed basis.

The efforts of these and the many other state and local groups have led to viable rural public transportation operations. The many new initiatives at the state level to provide ongoing funding assistance to these operations are also encouraging. But perhaps the most pleasing success of these projects is in providing for the needs

of the transportation disadvantaged—be they young, old, handicapped, poor, or simply without ready access to automobiles.

Statistics are beginning to show improved economic efficiencies over time, to the point that several operations (especially those financially supported by state and local governments) look like they will be able to continue operations with little or no outside federal financial support. Several other equally worthy projects, which are supported to a lesser extent by local funds, are also providing cost-effective and needed service, but they have to rely more heavily on the one-shot section 147 funding for operating support.

As more and more projects approach the end of their demonstration life during this year and next, FHWA is hopeful that Congress will make available in timely fashion an ongoing program of rural and small urban transportation assistance. The demonstration program has shown the need for rural public transportation and has demonstrated a variety of ways to provide for that need at affordable costs. FHWA is committed to working closely with UMTA and the Secretary of Transportation to help implement the new program as quickly as possible after authorization by the Congress.

Morehead, Kentucky, School Bus Demonstration Project

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Recent public policy has demonstrated increased concern for the effectiveness of existing transportation systems as a cost-efficient alternative to major capital expenditures. One such program in Kentucky uses a single school bus to provide transit service in the community of Morehead. A 36-passenger school bus operates hourly along a 12.1-km (7.5-mile) route from 8:30 a.m. to 4:30 p.m. on weekdays and from 9:30 a.m. to 2:30 p.m. on Saturdays. Service is provided to Morehead State University, several public housing projects, the central business district, a principal manufacturing house, and the hospital. The one-way fare is \$0.25. The Kentucky Department of Transportation, the Rowan County Board of Education, and the city of Morehead all share in the management of the project. Net operating costs during the 12-month demonstration period are shared between the department of transportation and the city of Morehead (75-25 percent, respectively). To date, farebox revenues have equaled 8.78 percent of the total operating costs. Initial patronage during the first 5 months of the demonstration program was low, increased drastically during severe winter weather, and moderated somewhat when warmer weather arrived. Weekday patronage averages 33.6 persons/d and Saturday patronage averages 16.8 persons/d.

Recent public policy has demonstrated concern for increasing the effectiveness of existing transportation systems as a cost-efficient alternative to major capital expenditures. Both the Traffic Operations Program to Increase Capacity and Safety (TOPICS) and the more recent transportation system management (TSM) emphasis are examples of federally directed programs of this nature. There are countless examples of specific projects initiated at the state or local level directed at achievement of this same objective. This paper describes one such program in Kentucky.

In early 1974 it became apparent to consumers of specialized transportation services that certain transportation demands were not being served and potential mechanisms to provide such service were not being utilized. The 1974 Kentucky General Assembly concurred and enacted a new section of the Kentucky statutes to permit the Kentucky Department of Human Resources to contract with a local board of education for the use of school buses to transport persons 62 years of age or older, persons who were physically or mentally handicapped, or other persons designated by the department of human resources during those periods when the vehicles were not needed for school-related transportation. The department of human resources was to use existing appropriations for costs incurred in provision of such service. The program was thus (a) the responsibility of the state human services agency, (b) programmatically and budgetarily permissive rather than mandatory, and (c) designed to be beneficial to a specifically defined client group.

Perhaps as a result of the absence of a specific legislative appropriation and the permissive rather than mandatory nature of the legislation, only two projects were proposed during the 2 years following legislative enactment. One project lasted only briefly in an urban area, and the other provided transportation services to a nutrition site in a mountainous rural county.

The 1976 Kentucky General Assembly reacted by enacting legislation that required implementation of some projects. Discretion regarding who constituted eligible beneficiaries of these services was transferred to the