

# Iowa Transit Coordination Policy

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Iowa has been in the forefront of state efforts to mandate coordination of publicly-funded passenger transportation. Iowa has achieved this in part by a policy of channeling all state and federal public transit funds through locally designated transit systems in each substate region and urban area. These designated transit systems are responsible for contracting with other agencies to provide needed client transportation services as part of the public services. Iowa also has legislation requiring agencies who use other public funds to purchase or provide passenger transportation to coordinate or consolidate those services with the designated transit systems to the maximum extent feasible. That legislative mandate evolved from a general statement of principle in 1976 to a specific procedural requirement for coordination compliance reviews with sanctions for noncompliance in 1984. Implementation of the review process has presented some problems which are currently being addressed on an administrative rules level. Despite the problems, the coordination effort is seen to have had a positive impact on the provision of passenger transportation services to the people of the state.

The idea of transportation coordination is to get the maximum benefit from every public dollar spent for passenger transportation. Many agencies spend public funds on passenger transportation and most of these agencies are interested only in providing services to a limited clientele. If each agency owns and operates one or more vehicles to serve only that clientele, agencies may be duplicating services. Two agencies may each purchase a vehicle when one vehicle would be more than sufficient. There may also be members of the community in need of transportation but not able to get service despite the large sums of money spent on transportation. Each transportation service operates with plenty of empty seats, but each operates to serve someone else.

Iowa first addressed the transportation coordination issue in 1976 when the 67th General Assembly amended Chapter 601J of the Iowa Code. The amendment required that any organization spending public funds to purchase or provide passenger transportation services, other than school transportation services, had to be in compliance with the state transit plan. That plan proposed that all funding for transit services be channeled through a limited number of urban transit systems or regional transit systems designated by local officials.

The urban transit systems in Iowa generally serve a single community with populations of over 20,000 or a cluster of contiguous cities and are similar to their counterparts around the country. The regional transit systems, however, were a unique Iowa invention. The state had already been divided into multicounty regions. Within each region a single organization was selected by local elected officials to be respon-

sible for providing public transit services for all areas not served by an urban transit system.

## COORDINATION OF STATE AND FEDERAL TRANSIT FUNDS

This concept of channeling all transit funding through the urban and regional transit systems continues to be used by the Iowa Department of Transportation (DOT) to guide its distribution of both state and federal transit-assistance funding. At this time Iowa has 19 urban transit systems and 16 regional systems, which cover the entire state.

The transit systems, particularly the regional systems, are encouraged to combine these transit resources with those available from other agencies to provide a comprehensive passenger transportation program. The goal is to expand the travel opportunities available both to social service clientele and to the general public. Portions of the service may be designed around the specific transportation needs of a particular clientele, allowing that group to share in the benefits of the federal programs. All services using the federal operating funds or vehicles distributed by the department, however, must at all times be open to all client groups and to the general public.

Services may be either directly provided by transit systems or contracted from other agencies. Contracted services may be appropriate where most of the transit need in an area centers around a single client group and where the agency responsible for that group is willing to operate the service without limiting access by any other persons in the community who may wish to use the services provided. As the variety of transportation needs increases, subcontracted operations become less attractive. In general, direct service by the transit system is preferred, thereby providing greater assurances that the services will be open to all and that other federal requirements will be followed.

If a transit system does choose to have some of its services provided by another agency under contract, they may lease vehicles provided to the system by the department. That agency can use the vehicles under the contract. Such vehicles continue to belong to the transit system as the actual recipient of the vehicle grant. The transit system is responsible for ensuring that the vehicles will be operated in an open fashion, that they will receive at least a minimal level of use each year, that they will be properly maintained, and that they will be properly insured. These issues are to be dealt with in the terms of the lease agreement, which is subject to approval by the department. Failure to comply with these requirements should result in cancellation of the lease by the transit system. If noncompliance does not result in lease cancellation, it may

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result in forfeiture of the equipment by transit system. Any riders other than agency clients may be charged a reasonable fare which can be used to help offset service costs.

When services are provided directly by the transit system, they may still be focused on the needs of a particular clientele. A client agency may contract with the transit system for the particular services its clients need. Depending upon the extent to which the agency's needs tie up a vehicle, the agency may be asked to pay for the subsidized cost of certain hours of vehicle operations with any fares paid by nonclients credited against agency billings or they may pay a prorated hourly cost for shared operations or even a per trip rate.

The federal funding for transit vehicles requires payment of nonfederal match. In Iowa this match has been set at 25 percent. Transit systems are encouraged to provide these matching funds from system resources and then to collect a vehicle replacement fee on the basis of usage. A number of systems, however, allow client agencies and particularly those providing services with leased vehicles to provide the matching funds up front. This is because the client agencies have indicated that they are more willing to incur onetime costs for capital match rather than increased operating charges to rebuild a capital-match reserve account. Generally this practice is not favored because it often leads to the belief by both parties that the client agency should have complete control of the equipment.

Federal operating-assistance funds are provided along with state transit-assistance funds. These are each distributed under formulas based on the amount of public transit service being provided by the transit system. Generally these funds should be available on a more-or-less equal basis to help support any services that are being provided open to the public. It is recognized, however, that there may be specific services that may require a higher level of support because no other funding source is available.

#### **COORDINATION OF OTHER PUBLIC FUNDS USED FOR PASSENGER TRANSPORTATION**

In 1982 the Iowa Governor's Blue Ribbon Taskforce on Transportation expressed concern that little progress had been made to reduce the vast array of organizations each spending their respective amount of public funds on uncoordinated and restrictive passenger transportation services. It was recommended that public schools be included in the coordination effort and that the coordination mandates of Chapter 601J be strengthened, with financial penalties for organizations failing to comply. In 1984, the 71st Iowa General Assembly responded. They amended 601J requiring a pilot study of coordination between schools and public transit. The language was changed to require organizations that spend public funds on passenger transportation services (other than school service) to coordinate with the urban and regional transit systems. The original language referred to compliance with the state system. Penalty clauses were also put in, giving DOT the responsibility to monitor compliance and trigger the enforcement.

Iowa DOT's Air and Transit Division worked with an advisory committee made up of representatives of other state agencies and local providers to develop a review and certi-

fication process to carry out the department's responsibilities under the law. The review process was implemented during fiscal year 1986. A total of 512 organizations was contacted. These included the public transit systems as well as groups identified by the Department of Human Services, the Department of Elder Affairs, the Department of Health, the Board of Regents, County Boards of Supervisors, and the federal Action program. About one third of the agencies were reviewed. Most of these found to be either compliant with the coordination mandate or with adequate reasons for noncoordination so that they were certified "compliant with waiver" under the rules. The review process became bogged down, however, because most organizations contacted either did not respond or did not provide sufficient information for a review to be performed. This was despite both written and telephone follow-up requests. Some organizations complained that the process was too burdensome, but these comments appeared not to be related to the actual effort required in order to respond. Rather the complaints seemed to be made on the basis of a belief that, although public funds were being spent, they should not have to account for how the funds were being spent.

As a result of both the problem with nonrespondents and the complaints received, the Air and Transit Division formed another interagency advisory committee to help formulate revisions to the coordination review process. The review process has been suspended while revisions are being formulated.

The process has not yet been completed. With the advisory committee's assistance, the Air and Transit Division is currently working on rules that will create an ongoing interagency council to advise DOT on the compliance determinations for local agencies. This should help to improve the level of acceptance of the process and avoid the image that it is DOT trying to control everyone else's funds. It is also hoped that there can be a legislative change to formalize the sharing of responsibility for the coordination decisions.

At present it is conceived that the council will involve all state agencies that put money into transportation as well as federal agencies that directly fund local programs. Private-sector funding sources such as United Way or Variety Club as well as groups representing local city and county government may also be included. DOT's Air and Transit Division will continue to serve as staff, but other state agencies will be asked to help in the initial collection of review information.

As visualized by the committee, an organization would be considered compliant (coordinated) if it is contracting with a public transit system for either purchase or provision of services accessible to the public, or if it is found that the public transit system is not currently able to provide the needed service, or if the service available from the transit system would cost the organization more than its own fully allocated costs to provide the services.

It is anticipated that the new process may be ready to go by the beginning of next fiscal year.

#### **RESULTS OF COORDINATION**

Even with the difficulties getting the coordination review process fully operational, the last decade has seen a real improvement in transit coordination in Iowa. Although many noncoordi-

nated providers remain, many other formerly independent client services have merged with public transit systems. Their costs have thereby been reduced and additional members of the community have been able to benefit from the services. A fair share of this change occurred either directly as a result of the review process or as a result of people's anticipation of review activities. In many cases, agencies that for years resisted any discussions with transit officials, once faced with the prospect of a coordination review, finally agreed to discuss the possibility of participating in a public transit program. These agencies found that participation could be to their agency's benefit after all.

Other factors have also supported the improvements in coordination during this time. For one thing, the Iowa transit industry was successful in securing increased state funding for transit at a time when many social service programs were seeing drops in their federal funding. The desire to tap into these state transit funds channelled through to transit systems helped outweigh the previously perceived benefits of exclusive client transportation.

Another factor was the hardening of the insurance market. Insurance for client transportation tends to be considerably cheaper than for public transit. As the cost to insure a client transportation service rose, however, there was often a sud-

den recognition of the overall drain that service represented to the agency. In addition, there was often an increased willingness to look to the public transit system for alternatives.

Finally, there has been an indirect impact of the state's coordination efforts. In those areas that have consolidated transportation services provided by the designated transit system, there is a growing recognition by other agencies that these people are the professionals. Once creditability had been established by working with various client groups, others willingly turned to them for help in escaping the headaches of independent operations, even in the absence of the threat of state reviews.

## OUTLOOK

Completion of the rules revision to reactivate the coordination review process will again provide a powerful tool to motivate agencies to consider coordination alternatives. At the same time, the pressure will remain on the designated transit systems to provide an economically viable alternative and to convince the other agencies that they can deliver a quality, caring service to social service clientele and to other members of the public.