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Coordinating Public Transportation with Other Federal Programs

This TCRP digest identifies and briefly describes federal programs that can fund passenger transportation for various purposes. Opportunities for coordination of services provided under these programs are discussed and highlighted by case studies of successful coordination. The disadvantages to coordination are discussed, and topics for further research are proposed. This digest was written by Rosalyn M. Simon, Ph.D., as part of TCRP [Project J-6](#), "Quick Response for Special Needs."

BACKGROUND

This digest identifies transportation funding sources in federal programs, provides examples of federal interagency transportation coordination, and concludes with recommendations for research. This digest is the second in a series of TCRP Research Results Digests on related topics. *TCRP Research Results Digest 10*, "Integrating Americans with Disabilities Act (ADA) Paratransit Services and Health and Human Services Transportation," addresses major policy, management, and program issues facing the public transit industry. These issues are presented in conjunction with associated problems, suggested actions, and recommendations for research. Data and information in this digest were compiled from a review of pertinent literature, telephone interviews with federal-and local-level program officials, and personal interviews with participants at the 1996 National Collaborative Academy on Mental Retardation and the National Medical Transportation Association's 1996 Annual Fall Meeting. Information about federal transportation funding was provided by a survey conducted by the Community Transportation Association of America (CTAA) for the Community Transportation Assistance Project (CTAP) sponsored by the U.S. Department of

Health and Human Services, titled "Building Mobility Partnerships: Opportunities for Federal Funding" (CTAA, May 1996).

INTRODUCTION

In the push for economic self-sufficiency for all Americans, attention is focused on decreased social service spending and increased employment. Federal law and programs are being enacted to change welfare and social security income maintenance programs and to improve work opportunities for individuals with severe disabilities. A major oversight in program planning activities, however, is recognition of the strong correlation between employment and transportation. Most of the reform initiatives underway have neither included transportation components nor recognized its impact on employment. In reality, federal policy to curb spending for income maintenance programs is driving a need for improved and expanded public transportation services. Similar to other initiatives, the importance of transportation is usually not sufficiently appreciated until program implementation. Early experiences with recently implemented welfare-to-work and supported-work initiatives demonstrate that meeting these transportation needs is often complex and not

readily met by regularly scheduled fixed-route transit. In many circumstances, paratransit and reverse commute services are more realistic alternatives (*The Baltimore Sun*, January 1996). Consistently in these programs, the lack of adequate, appropriate transportation ranks high as an implementation problem (Personal communication, L. Bell, August 1996).

New welfare reform initiatives and employment programs may have serious implications for public transit operators who already face the daunting task of financing the growing demand for paratransit services as required by the Americans with Disabilities Act of 1990 (ADA). A surge in the number of people needing paratransit to get to and from work could set the stage for a significant rise in paratransit demand. The American Public Transit Association (APTA) reported that public transit paratransit ridership is consistently on the rise; trips increased from 66,000 to 71,368 from January to September 1995. These numbers portend a significant increase in future demand. With an average one-way trip cost of \$13, paratransit costs are estimated at \$1.1 billion annually, of which operating costs are \$980 million (*TD Access & Safety Report*, Feb. 7, 1996). Unfortunately, this increase in demand coincides with continuing decreases in federal transit operating assistance as well as budgetary pressures at state and local levels of government. With limited funds for paratransit programs, public transit operators are hard pressed to finance this growing demand and concerned about achieving ADA paratransit compliance.

These crucial issues have served to intensify a focus on efficiency, maximization of resources, and identification of other funding sources. In keeping with a practice dating back to the 1960s, government spending for human service transportation to get client/beneficiaries to and from services and programs continues. Lacking information about the number of paratransit trips eligible under other federal program priorities, FTA suggests that one-fifth of public paratransit trips are health and human service trips that could be financed by health and human service agencies (Project ACTION, 1996). In light of the current financial circumstances, this recognition has created a growing interest among public operators in the availability of transportation funding in other federal programs and coordination of federal transportation resources (CTAA, May 1996).

PART I: FEDERAL FUNDING FOR TRANSPORTATION SERVICES

Using the Catalogue of Federal Domestic Assistance (CFDA), CTAA identified 90 programs in

11 federal departments and 6 federal agencies that fund transportation activities (CTAA, May 1996).

Federal Departments

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Interior
- Department of Justice
- Department of Labor
- Department of Transportation
- Department of Veterans Affairs

Federal Agencies

- Appalachian Regional Council
- Corporation for National Sciences
- Environmental Protection Agency
- Federal Emergency Management Agency
- General Services Administration
- National Endowment for the Arts

To achieve their programmatic goals and objectives, the majority of these programs finance beneficiary transportation services. However, rarely is transportation included as a line item in their program budgets. For the most part, funds for transportation are buried in their budgets under "other support" or "related" services, making it difficult to determine the exact amount of transportation expenditures or funding availability. When contacted, few, if any, of the programs could specify annual transportation expenditures. Consequently, little information is available about the extensive funds expended each year on client/beneficiary transportation services in education, vocational rehabilitation, developmental disabilities service delivery, training and employment, and veterans benefits.

The majority of these service providers spend money on beneficiary transportation services, but, for the most part, do not operate transportation services, which may represent funding or coordination opportunities for public and private transportation operators. According to their program guidelines, funding is available to public entities, and in some categories, tribal organizations, and nonprofit and private providers (CTAA, May 1996). Although the

majority cover client travel, other federal programs provide capital, planning, and technical assistance funding for vehicles and transportation-related equipment and facilities, and research-related activities. The following discussion describes transportation activities in 17 federal departments and agencies.

Beneficiary Transportation Services

The major transportation funders are the U.S. Department of Transportation (U.S.DOT), Health and Human Services (HHS), and Education (DOED). Although DOT is the only entity with federal responsibility to provide public transportation for the general public, both HHS and DOED spend significant portions of their budgets on beneficiary transportation services.

Department of Transportation

Under the authority of the Federal Transit Act as amended (49 U.S.C. 1601 *et seq.*), the U.S.DOT FTA serves as a major funder of U.S. public transit services. FTA may finance up to 80 percent of transit infrastructure and rolling stock, and a formula-based proportion of operating expenses for the approximately 600 public fixed-route transit systems in urban and rural communities through Transit Capital and Operating Grants for Urban Areas and Public Transportation for Nonurbanized Areas. The DOT national active bus fleet totals more than 98,000 vehicles of which 54,000 are full-size (40-ft) buses. Federal capital assistance is also provided to private, nonprofit companies or public transit for additional transportation for individuals with disabilities and senior citizens through Section 16 assistance programs for elderly persons and persons with disabilities. FTA is also a principal sponsor of transit research, demonstration, planning, and federal regulatory compliance technical assistance activities.

Other U.S.DOT programs that fund transportation projects or research are the Congestion Mitigation and Air Quality Program in the Federal Highway Administration (FHWA) and the Research and Special Programs Administration (RSPA). University Transportation Centers, partially funded by RSPA, develop and conduct university-based research and technology transfer in public transportation, a joint funding initiative of FTA and FHWA. In addition, the National Highway Traffic Safety Administration's State and

Community Highway Grants Program funds transit projects that promote safety.

Department of Education

Students in the nation's public schools are assured transportation on the basis of the mileage between their homes and designated schools. In meeting this need, public school systems have become the largest U.S. public transportation provider. Almost four times larger than U.S.DOT's bus fleet, 393,000 school buses are in service throughout the country (Crum and Bogren, 1995). Each year almost \$10 billion is spent to transport public school students to and from school. In addition to transporting students in regular public school programs, local education agencies (LEA) have significant additional transportation responsibilities for students enrolled in special education programs.

Office of Special Education Programs. The Individuals with Disabilities Education Act (IDEA) [P.L. 101-476 (U.S.C. 1401-1420), formerly the Education for All Handicapped Children Act of 1975, P.L. 94-142] provides federal financial assistance to public school systems for instructional and support services for students with disabilities. Authorizing state formula grants to cover the excess costs of special education and related services, IDEA guarantees a free, appropriate education in the least restrictive environment for students with disabilities from 5 through 21 years of age. Subsequent amendments extended special education services to preschoolers with disabilities aged 3 to 5, and in 1986 to infants and toddlers with disabilities (Part B, IDEA, as amended by P.L. 98-199, 99-457).

Transportation as a Related Service. Other support services or related services may be necessary to enable students with disabilities to benefit from instructional services.

Related services, defined as transportation, and such developmental, corrective and other supportive services...as may be required to assist a child with a disability to benefit from special education... (P.L. 94-142 as amended by P.L. 101-476)

Of these services, transportation is the most critical because it provides access to the entire realm of special education instructional and support services. Transportation must be provided at no cost to the parents as prescribed in the student's individualized education plan

(IEP). If students are attending the school that they would attend if they did not have a disability and transportation services are provided for all the students, it is not necessary to include transportation in the IEP (Bluth 1988). However, when it is necessary to access special education services, school systems are required to cover the cost of student transportation, which includes to and from and between schools, and to and from other related services or activities as specified. If needed, transportation must be provided in specialized equipment and/or an accessible vehicle (Bluth 1990). Statutory and regulatory policy stipulates that regardless of the excess costs, transportation for special education purposes may not be eliminated or reduced. School systems do not have to operate transportation but are required to make arrangements to ensure that students can get to and from school and other services. A majority of systems contract with private bus and van companies and taxi companies to provide the service.

Part H (IDEA) extends the transportation cost coverage to parents or designated family members and children with disabilities from birth to 2 years of age by requiring multidisciplinary early intervention services through an individualized family services plan (IFSP). The school system pays for the necessary costs of travel that allow the child's family to obtain early intervention services. Covered transportation costs include mileage, taxis, common carrier, or other means of transport, tolls, and parking (Bluth 1991). According to the National Council on Disability (July 1996), the number of families receiving early intervention services has increased significantly since 1986 when the amendments were passed. In 1993, 150,000 infants and toddlers and their families received early intervention and related services; all were eligible for transportation services.

Transportation costs represent the most expensive related services expenditure. It has been estimated as high as \$2 billion annually (Personal communication, Office of Special Education Programs, July 1995). As with other federal programs, federal expenditures for special education transportation is not itemized but included in the line item for related services. When calculating the cost of special education at the local level, many entities do not include the costs of transportation. Some LEAs consolidate transportation costs for regular and special education and others do not. Therefore, it is difficult to determine how much is being spent for special education transportation.

Office of Special Education and Rehabilitative Services.
Federal support for vocational rehabilitation

and independent living services for individuals who have acquired a major temporary or permanent disability is contained in the Vocational Rehabilitation Act of 1973 (P.L. 93-112, as amended by 29 U.S.C. 794). It is the primary federal state-in-aid program that trains and places individuals with disabilities into part-time, full-time, or supported employment positions in the competitive labor market. The legislation authorizes a range of comprehensive vocational rehabilitation, employment training, independent living, and research and demonstration programs. Beneficiary transportation services are an integral component of all relevant components of the vocational rehabilitation service-delivery system. Vocational rehabilitation dollars may be used to cover the cost of transportation to and from vocational rehabilitation, counseling, information and referral, independent living, and training services. Services are available in a variety of delivery settings, state-operated vocational rehabilitation agencies, comprehensive outpatient rehabilitation centers, and consumer-operated centers for independent living (CIL).

The legislation provides statutory authority for the National Institute for Rehabilitation Research (NIDRR) and the National Council on Disability (P.L. 93-112, as amended by P.L. 99-506). The Vocational Rehabilitation Act authorizes Projects with Industry (PWI), which allows the federal government to enter into grants with individual employers; state vocational rehabilitation centers; and others to promote employment for people with disabilities and the federal "supported employment" initiative. Supported employment is established as an acceptable form of employment for people with severe disabilities. Funding is authorized to facilitate public/private partnerships and to assist in training and supporting individuals with severe disabilities while on the job in competitive employment positions.

Other Beneficiary Travel. According to recent statistics, more than one-fourth of adults do not have adequate literacy skills to function adequately and independently in society (Education Writers Association 1991). To ensure that all American adults have the literacy skills to become employed by 2000, the Office of Vocational and Adult Education funds Workplace Literacy programs. To access classes, program participants are eligible for transportation assistance. The Office of Secondary Education funds Even Start and Education for Homeless Children and Youth. Transportation to access service delivery is an allowable cost of these programs.

Department of Health and Human Services

Federal spending for transportation services has traditionally been accepted as the primary means to get beneficiaries to and from health and human services because, initially, public transportation alternatives were not widely available. Even with increased public transit options, HHS still provides substantial financial support for client transportation services. Presently, 26 HHS programs provide funding for client/beneficiary transportation services.

Administration for Children and Families. The Administration for Children and Families funds nine major state community and social service programs, including the Temporary Assistance for Needy Families (TANF) block grants; programs for refugee assistance; developmental disabilities (DD) service delivery, including state DD councils, protection and advocacy systems, and university-affiliated programs and projects of national significance; Native Americans Programs; and Head Start. Among these, Head Start is the major funder of beneficiary transportation services.

Head Start. Head Start, initiated in 1964 as a part of President Johnson's "War on Poverty," is intended to provide comprehensive health, education, nutrition, social, and other relevant services to low-income preschoolers and parents (Braddock 1987). To carry out its mission, the 1,800 Head Start agencies nationwide operate a fleet of 9,500 vehicles and spend over \$1 million annually for student transportation services (CTAA, May 1996). Transportation services are provided through agency-operated programs (some with a high percentage of volunteer drivers) and contracts with transit systems, school districts, and private and nonprofit providers.

Developmental Disabilities Program. The Developmental Disabilities Assistance and Bill of Rights Act, as amended [P.L. 101-496 (42 U.S.C. 6061)], authorizes a wide range of services delivery to children and adults with mental DD. Financial support is provided for planning, service delivery, coordination, advocacy, and multidisciplinary personnel training for service providers through the establishment of a nationwide network of state DD planning councils, protection and advocacy systems, and university-affiliated programs. The legislation establishes the Presidents' Committee on Mental Retardation (PCMR) as an interagency committee to coordinate and plan federal activities on behalf of people with DD (Braddock 1987), and to provide grants of national significance. The primary thrust of the developmental

disabilities service-delivery system is maximizing the potential of individuals with developmental disabilities for independent living and community integration. Emphasis is placed on securing community-supported living arrangements in residential settings and employment opportunities for adults with developmental disabilities. Community mobility is facilitated through beneficiary transportation services.

Administration on Aging. The Older Americans Act funds 57 state offices on aging, 670 local area agencies on aging (AAA), and more than 225 tribal organizations as the service-delivery infrastructure for senior citizens, aged 60 and over (Torres-Gil 1994). Transportation services are funded under the purview of the Administration on Aging's (AoA) Supportive Services and Senior Centers Program. Service delivery is primarily through AAA-operated transportation or through contracts with private and nonprofit providers. AoA also funds research and demonstration programs to improve the delivery of senior transportation services.

Health Care Financing Administration.

Nonemergency transportation services funded by Medicaid represent the largest HHS transportation expenditure. On the average, the funding represents about 1 percent of Medicaid expenditures but is quite significant (FY'95 \$1.3 billion), with no actual accounting of the actual cost of delivering the transportation services. Medicaid is funded jointly by federal/state match. States are required to ensure access to transportation that is necessary for Medicaid services (42 CFR 431.53). A significant number of administering agencies arrange for beneficiary transportation through contracts with private providers. Most agencies contract with private providers. The National Medical Transportation Association was developed in response to the need for Medicaid nonemergency medical transportation (Personal communication, NMTA Conference, Oct. 17, 1996).

Health Resources and Services Administration. The Health Resources and Services Administration funds 12 health care programs that cover beneficiary transportation to support health care delivery. The largest of these are Maternal and Child Health Services and Community Health Centers, which fund health care delivery to low-income mothers and infants, pediatric AIDS patients, migrant families, the homeless, residents of public housing, and rural health outreach (U.S.DOED 1992). Transportation services are

provided to support community programs for HIV cases (health care and early intervention) and to reduce infant morbidity and mortality. Transportation is considered a related service for treatment under the Substance Abuse and Mental Health Services Administration.

Department of Veterans Affairs

Approximately 2,240,000 veterans are recipients of disability compensation. Annually, cash payments to disabled veterans average \$18.6 billion (National Council on Disability, July 1996). Among a wide range of medical benefits for veterans, beneficiary travel is a covered expense. Veterans with service-connected disabilities, low incomes, and those receiving VA pensions are eligible for payment or reimbursement for the "actual necessary expenses of travel ...or an allowance based on mileage" to receive vocational rehabilitation services or counseling, or examination, treatment, or care related to a service-connected disability. Transportation is reimbursable for outpatient and hospital care subject to a \$3.00 per trip deductible (U.S. Dept. of Veterans Affairs, 1995). Private automobile travel is reimbursed at the cost of comparable travel on public transportation if public transportation is inaccessible or unavailable [38 CFR 111 (2)(B)].

Department of Labor

Recognizing the integral connection of employment and training, the Department of Labor funds beneficiary transportation for the purpose of training and employment. Through its various employment and training programs, transportation is covered to place senior citizens in subsidized community service positions, as a component of temporary benefits to workers who are unemployed because of imports, and in pilot and demonstration programs to assist individuals to obtain gainful employment. The largest and most recognized program is the Job Training Partnership Act (JTPA) (29 U.S.C. 1733 *et seq.*), a state formula grant program administered by the governors to provide training and employment assistance to low-income and other "economically-disadvantaged" individuals (U.S.DOED, June 1992). Transportation services are allowable expenditures of "other services" and "transition services."

Department of Housing and Urban Development

The Department of Housing and Urban Development (HUD) funds a number of programs that pay for

beneficiary travel to support other federal programs related to housing and community development. Funding also exists for transportation services to support senior citizens and individuals with disabilities and other low-income tenants who live in public housing. Several HUD-funded programs provide housing and supportive services for low-income individuals with AIDS, residents in elderly and disabled housing, and other supportive living housing programs. In these programs, transportation is considered as a supportive service.

To revitalize communities in distressed urban areas, HUD designated 8 Urban Empowerment Zones in large urban cities around the country and 25 Enterprise Communities (EZ/EC). These communities have implemented comprehensive strategies to encourage businesses to relocate to these designated areas. To assist the goal of full employment for EZ/EC residents, HUD funded the Bridges to Work program. In most inner-city neighborhoods, employment opportunities are lacking, while entry-level labor positions are available in the surrounding suburban communities. Bridges to Work will pay private and nonprofit transportation operators to transport inner-city EZ/EC residents to employment positions in suburban communities in the metropolitan areas.

Department of Interior

The Bureau of Indian Affairs provides vocational training, employment assistance, and other support services to members of federally recognized tribes to facilitate full employment. Beneficiary transportation services are provided to and from training and employment activities. Indian Child Welfare Grants will pay for transportation for children to and from day care for employment purposes and transportation for employment training in the day care industry.

Department of Justice

To reduce violent crime in high crime areas, the Weed and Seed Program includes transportation services as a part of local community crime-prevention strategies.

Corporation for National Services

Corporation for National Services oversees the Foster Grandparents, Retired Senior Volunteer, and Senior Companion programs and provides modest subsidies, transportation, and other support to

low-income individuals aged 60 and over to volunteer as companions for children and adults.

National Endowment for the Arts

To increase access to the arts and encourage participation in its programs, the National Endowment for the Arts will cover the costs of transportation for inner-city, rural, and Native American participants.

Funding for Transportation-Related Projects

To achieve the goals of community revitalization and improved business and economic development, several federal departments fund transportation infrastructure and equipment, and related projects.

Department of Agriculture

Through six loan programs and Rural Enterprise Community grants, the Department of Agriculture plays a major role in improving businesses and community development in rural areas. Expanded transportation services and transportation capital improvement projects are eligible for funding consideration.

Department of Defense

Transportation-related projects may be considered in joint land-use planning for the re-use of closed military bases.

Department of Commerce

As a part of three economic development and assistance programs in the Department of Commerce, capital assistance may be used for planning transportation services and facilities to eliminate economic distress and revitalize communities in distressed areas.

Environmental Protection Agency

Transportation-related projects designed to prevent pollution are eligible for funding by the Environmental Protection Agency (EPA).

Federal Emergency Management Agency

Temporary public transportation services may be provided by the Federal Emergency Management

Agency (FEMA) in communities declared as disaster areas by the President.

General Services Administration

Surplus government equipment, including vehicles and other transportation-related equipment, determined by the General Services Administration (GSA) as having no further federal utility may be transferred or sold to other entities.

Summary and Conclusions

Each of the aforementioned federal programs is distinct with its own mission and separate service-delivery system. Transportation undergirds every service-delivery system described because achievement of their programmatic goals is predicated on the availability of adequate, appropriate transportation. Transportation is essential to facilitate mobility for education, health care delivery, human and social services delivery, and rehabilitation, employment, and training. Common among all the programs described is the lack of recognition of the importance of transportation. Line items for transportation services are absent from their program budgets and accounting practices. Without the accountability of a designated budget category, it is easy to shift funds or decrease the funding available for transportation and refer clients to the public transit operator.

On the other hand, most of the service providers described do not operate their own transportation services, and opportunities for contracting and coordination appear ample and feasible. Given current budgetary pressures, it is important that federal service-delivery systems recognize and understand the link between their program goals and transportation and identify ways to bridge common interests. Solutions must be adopted that simultaneously consider the limited federal dollars and most efficient use of all the resources available while maintaining a commitment to the highest quality of service for clients and beneficiaries.

PART II: COORDINATION: CONSENSUS AND CONTROVERSY

The availability of adequate, appropriate transportation is central to the success of the numerous federal education, employment, and health and human service programs previously described. As a result of the ADA paratransit requirements, public transit operators

now have federal responsibility for paratransit service delivery. With the connection between the goals of ADA paratransit and other federal social program goals, there is potential for developing and building new models of cooperation and coordination.

Successful Initiatives

Many creative and cost-effective models of coordinated transportation have been implemented over the years. However, full-scale interdepartmental initiatives, such as coordinating public school transportation with public transit, have not been as commonplace. In light of the continued escalation of costs and limited financial resources, it may be necessary to examine solutions that consider all the transportation resources in a community, including public school buses (*TD Access & Safety Report*, Feb. 7, 1996). The following illustrates two different, successful examples of federal transportation partnerships.

Public School-Public Transit Coordination

In Altoona, Pennsylvania, secondary and high school students ride public transit to and from school along with the general public. The local public operator, Altoona Metropolitan Transit Authority (AMTRAN), has had a contract with the local school district for the past 28 years (Crum and Bogren 1995). The bus routes are designed for the public school system but are open to general public ridership. Except for students who qualify for bus passes because of income status, all passengers pay the regular fare. Coordinated public school-public transit has proven to be a beneficial community partnership. The school district provides cost-efficient transportation for a segment of their student population; elementary school students are transported on school buses. The transit system receives operating revenue from the contract as well as increased ridership. Parents, family members, and significant others are more knowledgeable about public transit services, which results in greater community patronage of the system. An optimum benefit of this program is that students become experienced public transit users at an early age and are more apt to become regular consumers of public transportation.

Transit Bus Pools

Students who attend "magnet schools" in Nashville, Tennessee, also ride to school on public

transit buses. In the majority of the nation's public school systems, students are assigned to attend their designated neighborhood or district's schools. In large metropolitan areas, these schools are usually within walking distance from the students' homes. In suburban and rural settings, public school transportation is provided. At the secondary level, many school systems have adopted the policy of magnet schools, which usually offer open enrollment systemwide by application. Because magnet schools are not necessarily in the students' districts, transportation is usually not available to cover the diverse geographical areas of entire school systems. To address this concern in Nashville, a unique partnership was formed with the school district and the local public operator, Metropolitan Transit Authority, and parents of students selected to attend magnet schools.

In this program, parents planned the bus routes. Guaranteeing revenue to offset the operating recovery with a minimum of 48 passengers per route at a bus fare of 75 cents per person, the service was opened to the general public. Using a bus pool concept, MTA allotted six bus pools to serve nine communities serving the magnet schools throughout the region. The coordinated model of public school-public transit served to promote community cooperation and collaboration, to increase the community's mobility options, to provide the operational cost-recovery needs of the systems, and to provide the opportunity for students to become acclimated to public transit.

Medicaid-Public Transit Bus Passes

The Health Care Financing Administration (HCFA), overseer of the Medicaid program, has approved the use of public transit bus passes for some nonemergency medical transportation trips (*TD Access & Safety Report*, Jan. 24, 1996). The action resolves a longstanding debate about the use of Medicaid funds for nonmedical transportation. Regulatory policy governing Medicaid implicitly requires that transportation costs must be necessary and reasonable for medical care. Because a bus pass is useable for unlimited bus trips for the entire month, the issue of concern centered on the nonmedical-related trips that would be made using the Medicaid-purchased pass.

The benefits of the potential cost savings to HHS outweighed the regulatory issue. Priority will be placed on purchasing monthly bus passes for frequent users of Medicaid transportation who are functionally capable of riding fixed-route transit. In addition to a substantial cost savings, transit systems will benefit from the boost

in monthly pass sales, decreased paratransit demand, and increased fixed-route ridership; and Medicaid recipients will benefit from the increased mobility afforded by unlimited transit use. This model of federal interagency coordination produces more value for the funds expended and serves to benefit all associated parties.

Although these were two different approaches to coordination and cooperation between federal department programs, both achieved costs savings, increased public transit ridership, and increased the mobility options for the passengers. The transportation needs of the targeted individuals were met in the most integrated setting, general purpose public transit.

Controversy: Opposition from the Public and Private Sector

All parties are not convinced of the benefits of coordinated transportation service delivery. Contrary to the claim that coordination increases efficiency, opponents argue that coordination may result in diseconomies of scale and reduced service quality. They claim that coordinating public and health and human service transportation is often "mixing apples and oranges," because the two services use different vehicles, drivers, practices, and standards.

Head Start

Claiming to have the lowest operating costs of human service transportation, Head Start agencies contend that coordination offers them little, if any, incentives. Their operating costs are comparably lower than public transit because of reduced labor costs due to the substantial use of volunteer drivers. Public transit drivers must be licensed as commercial drivers. Head Start agencies require that their drivers receive rigorous training in the safe transport of children; however, comparable training is not always required for public transit operators. Vehicles used for Head Start transportation must meet the higher standards of the Federal Motor Vehicle Safety Standards (FMVSS), while public paratransit vehicles must comply with DOT regulations (49 CFR Part 38). Agencies preferred to maintain unlimited use of their vehicles to address emergency situations, and for the most part, were against transporting young children with adults.

National School Transportation Association (NSTA)

DOT/HHS Coordinating Council discussions are underway to consider coordinating public school

transportation with other public and human service transportation (*TD Access & Safety Report*, Feb. 7, 1996). Vocal opposition has been raised by NSTA against coordinating public school transportation for several reasons. NSTA argues that school bus transportation is far safer than public paratransit. Public school vehicles must comply with more stringent regulatory standards and have a record of less vehicular accidents (Crum and Bogren 1995). NSTA, too, asserts that their drivers are better trained and more knowledgeable about transporting children. They further claim that coordination would increase their insurance liability and ultimately increase operating expenditures.

Health and Human Service Agencies

Generally, the representatives of human service agencies interviewed cited concerns about coordination but were not totally opposed to it. Issues of concern centered around control of service quality. Critics argued that mixing populations through coordination may reduce service quality to their program beneficiaries. Other issues were raised that the expanded use of vehicles may increase maintenance frequency and eventually decrease the useful life of the vehicles. Organizational representatives voiced concerns that vehicles may not be available in the event of a crisis.

National Medical Transportation Association

Members of the National Medical Transportation Association (NMTA) cited their concerns about coordinating Medicaid nonemergency medical transportation with public transit. The organization argues that proponents of coordination have focused on critiquing budgets rather than focusing on how to best serve the client. NMTA view themselves as more responsive to the range and variations of passenger needs. Private providers can provide a higher level of service than that provided by public transit. For example, NMTA can provide door-through-door paratransit, service delivery from the passengers' residence through the door of the service provider. They also claim that NMTA drivers are better trained and better prepared to respond to the medical conditions of passengers. Consistent with its mission, the NMTA was established as a cost savings alternative to public transit and nonprofit paratransit.

Summary and Conclusions

In an era of limited fiscal resources and increased demand for paratransit services, effective and efficient

service delivery is essential. Numerous federal programs are spending significant amounts of money for beneficiary transportation services. Transportation expenditures are not isolated but usually encompassed in broader budget categories, such as "support services." As a result the real costs of federally funded transportation are unknown. However, it is clear that multiple systems result in duplication, fragmentation, and increased costs. Transportation coordination has been suggested as the major strategy to ameliorate this problem and reduce costs. It has been pointed out that coordination may not always present the best alternative and careful cost analysis should be conducted prior to coordination to determine the feasibility of real cost savings. Additional alternatives and innovative strategies must be identified by all concerned parties--public and private sector transportation providers, federal and state service-delivery systems--to maximize funding and community transportation resources.

PART III: RECOMMENDATIONS FOR RESEARCH

To address the problems and concerns highlighted in this digest, the following research topics are recommended.

Costs Benefits Analysis

A methodology should be developed to determine the cost effectiveness of coordinating community federally funded transportation resources.

Itemization of Transportation Expenditures

It would be beneficial if federal programs that fund beneficiary transportation services were required to itemize and track expenditures. Standard procedures for annual reporting of transportation expenditures would assist in determining the magnitude of transportation expenditure.

Survey of Federal Transportation Spending

General information exists about approximate transportation expenditures within HSS; however, little is known about actual expenditures in other federal programs. A survey to determine expenditures for beneficiary transportation services in other federal

programs would provide a one-time estimate of transportation expenditure.

Evaluation Studies

To determine the success of federal interdepartmental coordination, evaluation studies to gauge their success of selected model programs would illustrate the potential for savings.

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