Reality of Coordinating Transportation Services: Major Issues

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The experiences of several communities in coordinating transportation services at the local level are analyzed, and a realistic assessment of both the potentials that can be realized through coordination and the barriers that participating agencies might face is urged. Key implementation variables—accurate data collection both before and during coordination efforts, resource assessment and coordination problems, organizational and institutional issues, and statutory and regulatory factors—are discussed. It is concluded that it is unwarranted to believe that simply coordinating social-service-agency and other providers' transportation services will solve the problems of resource utilization and cost. Policymakers must clearly identify three factors before beginning coordination attempts: realistic start-up costs, a realistic time frame, and realistic operational costs for coordinated systems.

The following goals are generally given as the rationale for coordinating transportation services:

1. To eliminate overlap and duplication of service (to the same population groups in the same geographic area),
2. To fill gaps in the service,
3. To save money, and
4. To improve and expand the service.

However, the validity of these goals depends to greater or lesser degree on

1. The geographic and demographic characteristics of the area served (e.g., urban versus rural),
2. The type of social service provided (e.g., a multiservice agency that serves several different client groups versus a single-purpose agency that provides a discrete service to one categorical group), and
3. The size and scope of the transportation service provided (e.g., a large fleet of vehicles that serves many clients at different times of the day and/or week for different purposes versus a single vehicle that serves a few clients at the same time each day for one purpose).

It is unlikely that all of these goals can be met for quite some time. To avoid disappointment on the part of participating agencies and local governments, it is essential that the expectations or promises regarding coordination benefits be presented in a realistic manner. It is also essential for the implementation effort to have an accurate picture of the full resources available for coordination and the barriers participating agencies might face.

This paper is based on two interrelated studies that have looked beyond the rhetoric of coordination to some of the very real and pressing issues that confront planners and operators of coordinated transportation systems.

The first study was conducted for the Office of the Secretary, U.S. Department of Transportation (DOT). The first part of this study analyzed the incentives and barriers to coordinated transportation that appear in the statutes and regulations related to funding, planning and programming, service delivery, and coordination that govern eight major federal programs. These programs included the following:

Urban Mass Transportation Act of 1964, as amended
Title III (State and Community Programs on Aging) and Title VII (Nutrition Program for the Elderly) of the Older Americans Act of 1965
Title I (Vocational Rehabilitation) of the Rehabilitation Act of 1973
Formula Grant Program of the Developmental Disabilities Services and Facilities Construction Act of 1970, as amended
Title XIX (Medicaid) of the Social Security Act of 1974
Title XX (Social Services for Individuals and Families) of the Social Security Act of 1974
Title II (Community Action Program) of the Community Services Act of 1974
Title V (Head Start) of the Community Services Act of 1974.

In the second part of the DOT study, a model unified billing and accounting system was developed that can be used by local agencies and organizations attempting to coordinate their transportation services. Included is an analysis of all federal regulations pertaining to cost and accounting principles (e.g., fiscal management procedures).

The second major study was an evaluation of its coordinated transportation demonstration program conducted for the Office of Human Development Services (OHDS) of the U.S. Department of Health, Education, and Welfare. In this program, five grants were awarded in localities across the United States to test different methods of coordinating transportation services. Two of the grantees were transit authorities and three were Community Action Agencies or their affiliates. One grantee is located in an extremely rural area, one is in an area that is an urban-rural mix, and three are in urban areas. In none of the areas had coordination of transportation services been attempted before the grant award. All of these coordination attempts were limited to arrangements among existing transportation providers;

although the concept of coordination can involve contracting with alternative providers such as taxis, none of these did so. Therefore, all statements about coordination in this paper refer only to interagency coordination of existing resources.

A comparison of the results of these two studies shows that some of the statutory and regulatory barriers to coordination that were identified in the DOT study were actually seen at the local level in the OHDS transportation demonstrations.

Based on these experiences and related work with various states (e.g., Massachusetts, Virginia, and Pennsylvania), the following have been identified as major coordination issues.

ACCURATE DATA

The collection of accurate data both before and during the coordination efforts appears to be a major issue in coordinating transportation systems. The following data-collection problems were observed in the DOT and OHDS studies.

Ridership and Trip Characteristics

These data are necessary for planning a coordinated system; one must determine the types of clients to be served (and possibly the special services they require), where they go, and how often. However, most social service agencies that provide transportation services do not keep adequate or accurate records of ridership and the trip characteristics of their clients. For example, in a study of social-service-agency transportation conducted by the University of Texas at Austin, it was found that most agencies did not keep detailed or complete records of the trip characteristics of their clients because such information was not considered relevant to the major social service function of the agency. When such data were available, indices and classifications were poorly detailed and "rarely were in a form that had meaning for traditional transit planning" (1, p. 8). This study found that, although many social service agencies kept records of total passenger trips, they could not determine whether the aggregate represented a few passengers riding many times or a large number of passengers riding infrequently. Most social service agencies did not record the time of the day the trip was taken, the physical characteristics of the passengers, or the extent to which riders required hands-on service (e.g., wheelchair tie-downs, fastening of seat belts, or assistance in entering or leaving the vehicle) (1, p. 16).

The observations of both the DOT and the OHDS studies indicate that the Texas study is representative of national social-service-transportation record keeping. And the same observations have been made in a state of California study of social service providers (2). Poor and inaccurate record keeping has and will continue to cause severe problems in the planning and evaluation of coordinated systems.

Costs

Accurate cost data are integral to the planning of a coordinated (or any) transportation system. However, the Texas study found that (1, p. 16)

> When reporting their costs, most social service agencies excluded any expenses borne externally. Generally excluded were direct expenses such as vehicle purchase and driver salary if the vehicle was donated or obtained through a grant and the driver was already a full-time employee. Hidden subsidies, such as free garaging or free maintenance or volunteer drivers, were often completely ignored. The majority of social service agencies directly providing transportation services to their clients did not depreciate their vehicles if they had obtained them for little or no cost. Administrative expenses and telephones were rarely calculated because they were part of the agency's total budget. Fuel and maintenance costs were often obscured by inaccurate or inadequate bookkeeping.

These findings are borne out by the OHSD and DOT studies. Indeed, the Texas study documented what those involved in the field of (coordinated) human service transportation have been observing for years.

Another point should be made about cost data. Because social-service agencies often do not know their true transportation costs, they have little understanding of the savings that could accrue to them through coordination. Thus, the cost-savings argument may not be an effective means of persuading agencies to participate in a coordination effort. Social service agencies base their transportation decisions on their perception of client needs and, to a lesser degree, their understanding of their own costs. Most social service agencies have no clear idea of their clients' true transportation needs and such a poor idea of their real service costs that it is not realistic to expect them to drastically change these arrangements simply because they appear inefficient to persons or agencies outside the social welfare field (1, p. 51).

Vehicle Maintenance and Repair

Accurate transportation vehicle and service inventories are also crucial to the planning of a coordinated system. The age and condition of vehicles is not usually considered in transportation-service inventories, although recent experience indicates that exclusion of such information can be a mistake. It is only on or after start-up of operations that some coordinated systems find that many of the vehicles provided by participating agencies are so old and in such poor condition that extensive repairs will be needed to use them and that maintenance costs are higher than anticipated. This can increase costs and cause severe service-delivery problems.

RESOURCE-COORDINATION PROBLEMS

Drivers

When transportation resources including those of social service agencies are being coordinated, the part-time-driver issue becomes important. Often, an agency uses staff paid for other functions as parttime drivers of their vehicles. If the coordinated transportation system is unable to use these persons, the agency may not wish to participate. The agency may not require their services as full-time teachers, aides, caseworkers, and such and, if driving is no longer required as part of their jobs, will be forced to cut back. In the clearinghouse type of coordination (where each agency continues to operate its own service but shares space, rides, and time with other agencies through a central dispatching service), this has proved to be a real problem. In this type of system, time is shared on agency vehicles during off-peak hours (when the vehicles are not in use by the participating agency). During these hours, the agency personnel used for driving are generally engaged in other work. Because the clearinghouse may not be an operator, it has no pool of drivers and, therefore, the vehicles cannot be shared.

Staff Training

Recent experience has shown that, in a consolidated sys-

tem (where drivers, dispatchers, and vehicles of several different agencies are pooled into a single unified system), the issue of training can be very important. The change from driving a known vehicle and a finite number of passenger trips each day for a relatively small social service or rehabilitation agency to driving different vehicles and an unknown number of passengers to different locations each day is a difficult adjustment for most drivers (and participating agencies). As noted above, most social-service-agency transportation drivers do not drive a full 40-h week; some perform other duties when not driving clients. With the advent of consolidation, this may change. Drivers may be expected to conform to a set daily work schedule. Routes may be unfamiliar, passengers may be different from the people they have driven for their agencies, and they may be expected to fill out trip logs (a task not usually required by their previous employers). The confusion generated by these changes can affect the drivers' performances and attitudes toward their (new) passengers. Similar problems arise with dispatchers. What is required in these situations is a rigorous training program before start-up of operations.

Insurance

Transportation systems operate under a liability concept with respect to their insurance framework. The liability for personal injury or property damage rests with the owner of the vehicle and the driver or his or her employer. If the vehicle is operated for hire, even though no profit is made, the driver and owner are expected to use extreme care, while the driver and owner of a not-for-hire vehicle are expected only to exercise ordinary care (3, p. 41). Because insurance companies must charge premiums to cover operating costs and expected losses, the rates charged on public for-hire transportation are high to compensate for the high probability of losses. This has cost implications for public mass transit operators that become involved in coordinated service by providing supplemental service to elderly and handicapped clients of social service agencies (through purchase of service contracts) on a fleet of small-sized, specially equipped vehicles. However, mass transit operators can usually obtain insurance for coordinated services more easily (albeit at a higher cost) than can a social-service-agency transportation provider that coordinates (pools) the services of several other social service agencies. This is because the insurance industry is reluctant to insure new types of service with which it has no previous experience and no statistical data unless the service is provided by a large existing company or institution (4).

ORGANIZATIONAL AND INSTITUTIONAL ISSUES

Contractual Arrangements

Experience has shown that it is important to obtain a firm commitment from each agency that has agreed to participate in a coordination effort early in its development. Letters of agreement from prospective participating agencies do not always turn into actual participation (e.g., in terms of funds, vehicles, staff time, or other resources). This can considerably delay the start-up of operations. Although few agencies are willing to negotiate a formal contract in the early stages of the coordination process, the contracting procedure should begin on receipt of the initial agreements. Many social service agencies have strong policy boards that must approve any contractual arrangement entered into by the agency. This is often a lengthy political process that, if it is not attended to early in the planning stage, can substantially delay the start-up of operations.

Organization and Management

The organization and management of any coordinated transportation system is largely dependent on the nature of the jurisdiction(s) to be served, the agencies involved, and the type of coordinated system developed. However, close attention should also be paid to issues such as (a) the organizational location of the operating agency and (b) programmatic jurisdiction. Operating agencies that are located within other large social service organizations can be delayed in start-up because they must respond to bureaucratic procedures imposed by their parent agency. Other coordinated systems may be limited in the scope of their coordination efforts because of their location in an agency that has as its mandate the service of one particular target population (e.g., the elderly).

Resistance of Private Operators

In a community, there may be many private operators that already serve a large portion of the transportation market of elderly and handicapped persons. These operators will see the coordination or (especially) consolidation of several federally subsidized transportation services as a threat to their business. Whenever a coordinated transportation system is being developed in a medium- to large-sized community, it should be expected that (certain) private operators will protest.

Bringing these people on board either as members of advisory committees or as participants in the system, does not even begin to provide a solution to this problem. Private operators have a very different motivation for providing service than do social service agencies or public mass transit operators. The private operator is in business to make a profit; he or she must charge a certain rate to each customer to make that profit and must operate at a certain level of efficiency to maintain that profit.

Social service agencies are generally public or private nonprofit organizations in the business of providing services or groups of services to their respective client populations. They generally receive an amount of money annually or quarterly from the federal, state, and/or local governments to provide these services. Their primary motivation is the effective provision of service to their clients. Efficiency has very little to do with this, and profit has nothing to do with it.

Private operators are frequently heard to complain that a coordinated system is unfair competition because it is federally subsidized and the private operator is not. This is sometimes true. But for some private operators, most of their business is Medicaid transportation (in one case, 99 percent of a private operator's business is Medicaid transportation).

In some cases of competition, the private operator may have the support of state statute (related to regulation of medical transportation), public service or public utility commission rulings, and federal Medicaid regulations.

The result is often legal action in the form of appeals, injunctions, or lawsuits against the coordinated system or the state or federal funding sources or both. This issue has not been adequately dealt with at the federal or state level and has created severe problems at the local level in substantial and costly delays in the implementation of coordinated transportation systems.

STATUTORY AND REGULATORY BARRIERS AND INCENTIVES TO COORDINATION

All of the eight programs included in the DOT study either mandate or encourage various forms of transportation coordination. However, with the exception of the Urban Mass Transportation Act, the primary focus of these programs is the provision of health, rehabilitative, or social services. Under these programs, transportation is viewed not as a primary service, but as a means of access to the primary health, rehabilitative, and social services provided to the client populations served by the various programs. Because transportation is not the primary focus, the fact that a program mandates or encourages its coordination does not necessarily mean that this can be facilitated or even achieved.

Almost all of the federal officials involved in regulating these programs find the concept of coordinated transportation attractive, and this is especially true of the officials of programs that emphasize coordination (e.g., Title III of the Older Americans Act, Community Action Programs, Developmental Disabilities, and UMTA special efforts programming). However, they also agree that many of the regulatory requirements related to funding, planning, and service delivery could act as barriers to coordinated transportation at the state or local level. Some officials also have noted instances where a particular federal requirement might not actually pose a barrier but, because it is subject to misinterpretation at the state and local levels, could inhibit coordination. In addition, all officials have noted that there are state or local rulings, policies, or procedures that affect their programs in ways that can create barriers to coordinating services, including transportation.

The analysis of the eight programs shows few incentives to coordination. Indeed, the statutory and regulatory requirements governing funding, planning, services, and coordination are often at odds with each other, both within a given program and across program lines. Thus, although the regulations governing a given program may include requirements that are incentives to coordination, the same program regulations may also include requirements that pose barriers to coordination.

The term barrier is defined here as an obstacle, hindrance, or limitation that can occur during the coordination process. As such, it can generally be overcome by varying degrees of time and patience, but any one of the barriers can cause substantial delays in the start-up of coordinated transportation systems. Several of the barriers faced by the OHDS demonstrations were caused by federal statute or regulations (primarily involving Medicaid, Title XX of the Social Security Act, and some misinterpretation of Title VII of the Older Americans Act).

CONCLUSION AND SUMMARY

It is an illusion to believe that simply coordinating human-service-agency transportation and mass transit services for the elderly and handicapped will lead to better utilization of resources. There is not yet any conclusive evidence that cost savings can be attributed to coordinated transportation. Factors such as insurance, vehicle maintenance, data collection, and staff training all serve to increase the costs of coordinated systems during their early stages of implementation. The time and effort required to overcome some of the statutory and regulatory barriers to coordination also have attached costs.

If coordinated transportation is to become real public policy, then the issues revolving around resources must be addressed. These issues include the following:

1. What are the realistic start-up costs associated with coordinated transportation?
2. What is a realistic time frame for planning such systems?
3. What are the realistic operational costs of such systems?

In medieval times, many people believed in the existence of a philosopher's stone that would provide the key to the universe and, in effect, solve all of the problems of mankind.

The quest for coordination is, in many respects, becoming our equivalent of the medieval search for a philosopher's stone. The view is that, if only social-service-agency transportation, paratransit, and public transit can coordinate their activities, they can save money, expand services, free staff for other work, and so on. In other words, if we can find the right formula for coordination, we can reconcile the irreconcilable, harmonize competing and wholly divergent interests, overcome irrationality in governmental structures, and make hard policy choices with which everyone will agree.

Just as the alchemists never found their philosopher's stone, we will never be able to invest magic into the concept of coordination. This worthwhile concept can be turned into reality only by facing the issues and helping state and local planners and local operators to deal realistically with the issues that confront them.

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