

INNOVATIVE FUNDING

*James F. McLaughlin
Mayor Riordan's Office
Los Angeles, CA*

This session presents three program concepts that were designed to improve mobility options at lower cost: coordinating with the U.S. Department of Health and Human Services transportation services; developing a Mobility Allowance to fund alternative service delivery options in areas of lower transit demand; and implementing Smart Shuttles, which would combine flexible use of vehicles with technological improvements.

Partnering with HHS

Each year the U.S. Department of Health and Human Services (HHS) spends more than \$1 billion on transportation services for its programs, primarily related to Medicaid. To date, coordination with public transportation has been minimal in most areas of the country, resulting in many duplicative services, some of which have high costs.

Since the Americans with Disabilities Act (ADA) requires the development of a complementary paratransit service for each fixed route, it appears that there may be some opportunities to use that paratransit system, including the expertise to plan and operate that system. The public transit operator would, under this concept, become the broker, or mobility manager, of the HHS transportation service. Given the experience of high costs and poor service in some areas in Los Angeles, there should be potential for significant cost reduction and service improvement.

The Metropolitan Transportation Authority (MTA) staff in Los Angeles found a similar interest from the Metropolitan Transportation Commission (MTC) staff in the San Francisco Bay Area and joined forces in proposing a Department of Transportation (DOT) demonstration program to the Federal Transit Administration (FTA) to compare ADA paratransit costs and service delivery with Medicaid transportation costs and service delivery and to determine what options were viable if cost savings were achievable. FTA supported the idea and brought it forward for discussion at the DOT/HHS Coordination Council.

An FTA grant of \$50,000 was ultimately awarded to both agencies for an independent evaluation of the

demonstration program. The program has not yet been implemented due to a variety of concerns raised by the California State Department of Health Services. These concerns are currently being addressed by the grantees.

In order to continue to raise issues like increased public transportation and HHS coordination at the national level, MTC took the lead in forming the Coalition for ADA Paratransit Solutions, which includes representatives from many transit providers around the country as well as participation from HHS client groups and other government associations.

Clearly, the implementation of the ADA will raise many institutional, funding, and operational concerns. However, it appears there are proactive ways to approach these concerns — instead of simply bemoaning another unfunded mandate — and improve mobility for the young, the old, the disabled, and the poor.

Mobility Allowance

Mobility Allowance is a term that was coined during the development of the Long Range Transportation Plan by MTA staff. Modeling work based on demands in a twenty-year horizon suggested that service, which today is spread fairly homogeneously throughout the MTA service area, would more logically become concentrated on the high demand corridors, possibly calling for the use of higher capacity vehicles.

In areas of lower demand, it appeared logical to recommend that the subsidies that had been available for MTA fixed-route service operation might be more effectively used by providing them to the local jurisdiction, which would then determine the appropriate service option to match demand and supply. The Mobility Allowance would, therefore, have financial, coordination, and planning advantages compared to the existing system.

From a financial perspective, since the MTA has historically been the highest cost operator in the county — approximately 10 percent to 40 percent higher than local and municipal operators — alternative service delivery options would make the dollars go farther. In addition, these funds would provide an opportunity for local government to leverage their funds or developer fees.

Coordination would also be improved by a joint process to better integrate the services funded by the

Mobility Allowance and the corridor services and rail programs. In the past, local governments have not actively coordinated with the MTA, since they have not believed their input would result in service changes by the MTA and they did not want their local service decisions questioned by MTA staff. A more joint decision-making process should lead to significant service coordination improvements.

Finally, as indicated previously, there would be innovative planning opportunities to match supply and demand, ranging from flexible destination service using smaller vehicles to more traditional fixed-route service. Providers could include contracting with the MTA at a lower contract rate using existing local and municipal operators, or contracting with private companies using any combination of buses, shuttles, and taxis.

The MTA staff will be bringing forward a report to the MTA Board in October more fully defining the concept and requesting proposals from local jurisdictions for demonstration services. These services would be determined by a thorough analysis of the MTA system by line segment, day of week, and time of day. This is another example of a concept that should both stretch existing resources and improve mobility. The Mayor of Los Angeles has also recommended that the service savings that should occur be reinvested to improve service for the transit dependent.

Smart Shuttle

Another concept that the Mayor has strongly endorsed is Smart Shuttle. The Smart Shuttle idea was proposed to our metropolitan planning organization as a third tier in the regional transportation system, which would improve transit use by making available a significant number of smaller vehicles operating on an expansive network of arterial and freeway high-occupancy vehicle lanes, with service efficiency and user access maximized through state-of-the-art "smart" technology. Although it appeared that a full rollout would only pencil out favorably assuming some hefty pricing fees on auto users, the potential to test the idea of multiple uses of smaller vehicles linked by existing technology seemed to have merit.

For example, multiple use could mean peak-period connections to rail services or relieving overcrowding on bus lines, midday use for nutrition or medical trips, and fixed-route service replacement for night and owl

operation. If the Smart Shuttle public transit operation could generate additional revenue during the peak and operate more efficiently at night, then the cost would be minimized. Similarly, if the Smart Shuttle cost for providing Medicaid trips was less than existing costs, that portion of Smart Shuttle operation would also be an improvement. The goal would be to find as many revenue generating uses as possible to bring down the paratransit cost, which has typically substantially exceeded fixed-route cost. Smart Shuttle demonstration programs will likely be managed initially by firms with either contract transportation or taxi experience. However, it appears that these ersatz franchises have the potential for community based or owner/operator management in the longer term.

Summary

These three nontraditional transit service ideas — co-venturing with Health and Human Services programs, providing fixed-route subsidies for alternative service delivery options, and using more flexible services for a variety of trip purposes — indicate that there are opportunities to use new partnerships to improve mobility. There is a definite need for public transit to get "out of the box." We cannot afford, either literally or figuratively, to do business as usual. Let us recognize that our focus should be in using our skills as mobility managers, not necessarily as service providers, to improve mobility and efficiency.

TECHNOLOGY APPLICATIONS

*Michael P. Bolton
Capital Metropolitan Transportation Authority
Austin, TX*

This presentation discusses transit vehicles, communication and technology. This is a hefty subject, because of both the many needs of transit and the many opportunities modern technology affords. This sounds like a perfect match, and it should be. But transit management's applications of technology to date have lagged woefully behind its potential.

This is not entirely unique to transit. When I lived and worked in Ann Arbor, Michigan, I chaired the education committee of the local Chamber of Commerce. I found myself in a very interesting situation. Within a community, which is home to a university, there were people that wanted to get down to basics. Their concept of basics was a 1950s factory