
Chapter 10

CAUTIONS NEEDED WHEN IMPLEMENTING COORDINATED TRANSPORTATION SERVICES

If coordinating human service transportation and public transit services were so easy, it would happen everywhere—but it does not. To increase the probability of successful coordination efforts, this chapter examines some instances where coordination efforts did not produce the anticipated results and sometimes produced conditions that were less positive than those conditions that preceded the coordination efforts.

The fact that some communities have been more successful than others in

coordinating human service transportation with public transit operations should not be seen as criticism of the less successful communities or coordination in general. Coordination should be recognized as a strenuous process that requires constant nurturing and that a situation apparently successful at one point in time may unravel in a subsequent year. Similarly, with appropriate efforts, localities with little coordination may suddenly leapfrog others who have had years of coordination accomplishments.

POTENTIAL PROBLEMS IN APPLYING COORDINATION

POLITICS, POLITICS, POLITICS

Not recognizing coordination as a political process has led to the downfall of some otherwise vital and beneficial coordinated transportation operations. If successful, a coordinated transportation system becomes much larger than the individual operations that it replaces and becomes a new force within the community to be reckoned with. Larger transportation operations attract more attention, not all of which may be positive or friendly. Political individuals and organizations with vested interests in “the status quo” will often view expanded transportation services as a threat to their own power or influence and may, therefore, take steps to derail both personal and organizational capital invested in the coordinated transportation system. (Some persons have suggested that organized labor might oppose certain kinds of coordination efforts. Although this could possibly occur, this study did not find any instances of organized labor opposition to coordinated transportation services.)

In a large number of instances in which coordination attempts have had detrimental effects, it is the individuals directing coordinated operations that often suffer personal damage to their occupations and incomes. Table 20 describes these and other situations where shifting power structures and personal alliances led to the demise of coordinated transportation services.

DIFFERING SERVICE PRIORITIES

Recent experiences in one California county illustrate how differing objectives and priorities can impact coordination. A nonprofit agency provides coordinated services including ADA paratransit and transportation to adult day services, a large senior meal program, and day programs for people with developmental disabilities. All of the services are provided under contracts with the various responsible public and quasi-public agencies. The coordinated provider is the sole applicant for FTA Section 5310 vehicles, which it uses initially for the ADA service and then for the human service transportation. Although riders are not mixed together on vehicles, drivers and vehicles are shared among the programs, and costs for facilities, administration, driver training, and dispatching costs can be spread over multiple programs.

In 2002, the regional agency responsible for services to people with developmental disabilities decided to terminate its contract with the coordinated provider and contract instead with several for-profit and nonprofit organizations. The decision was based on the agency’s urgent need to control costs and the ability of the other providers to offer a substantially lower cost, at least partly due to increases in overhead at the coordinated provider. These overhead increases appear to be largely a result of pressure to respond to concerns about service quality for ADA paratransit services. For example, driver wages and benefits were improved to help reduce turnover.

Table 20
Communities in Which Coordination Efforts Led to Unintended Results

<i>Location</i>	<i>Situation</i>	<i>Actions Taken</i>	<i>Transportation Service Results</i>	<i>Other Effects</i>
Southeastern large city	Concern about cost-effectiveness of separate human service and transit operations; state pressures to coordinate	Analysis of potential savings completed; lack of political will to coordinate eliminates the possibility of achieving economic benefits	ADA paratransit services continue to be provided by transit authority contractor at low productivity and high cost; other local paratransit services are fragmented	Coordination of human service transportation (not including transit) is threatened by lack of commitment to coordination by the agency funding the greatest number of trips
Southeastern medium-size city	Transit authority wishes to exert greater control over paratransit by consolidating operations formerly coordinated by private nonprofit agency	Competitive bid process results in coordinated (lowest cost) provider being replaced by for-profit contractor; paratransit services to general public riders replaced by ADA-only services	From coordination to consolidation, 1989 - 2002 (after adjusting for inflation), service hours down 7.3%, service miles up 12.6%, costs increase 60%, and passenger trips decrease 19%. Cost per passenger and per hour up substantially; passengers per mile, per hour, and cost per passenger are now significantly worse than peer averages	Former nonprofit agency closes; director and other key staff are unemployed for several years; drivers continue with new contractor; non-ADA human service agency trip needs are no longer met
Midwestern small rural community	Research study demonstrates feasibility of multicounty coordinated transportation operations	Local governments reluctant to invest marginal amounts needed to match state funds. Local human service agency pulls back its coordination commitment and fires previous Transportation Director	Service quality declines dramatically, clients left waiting for hours; preventive maintenance deferred creating serious safety issues; drivers attempt to unionize but are threatened with dismissal	Former director now underemployed; many elderly riders switch to carpools (with elderly drivers of questionable driving skills)

Table 20

Communities in Which Coordination Efforts Led to Unintended Results (continued)

<i>Location</i>	<i>Situation</i>	<i>Actions Taken</i>	<i>Transportation Service Results</i>	<i>Other Effects</i>
Western rural county	Human service agencies form very successful transit authority; some private operators threatened by growth and success of coordinated services	Board of Directors fires skilled and dynamic manager who was largely responsible for coordination, service quality, and success in grant acquisition	Ridership in 2002 declined to levels of 10 years prior; service hours down by 25 percent; vehicles down 20 percent	Executive director is fired but creates a new company that reaches clients beyond the confines of this small community
Western medium-size city	Transit authority wishes to exert greater control over paratransit by consolidating operations formerly coordinated by private nonprofit agency	Transit authority creates unacceptably stringent micro-management of human service transportation provider, which declines to operate under these conditions	Transit authority contracts with transit management company; services, rides, and costs all increase substantially; some major trip scheduling problems arise; probable increase in overall safety	Former private nonprofit agency no longer exists; Executive Director is unemployed

Staff of the coordinated provider expressed concerns about driver qualifications and benefits at the new providers. Staff at the development disabilities agency implicitly acknowledge some start up problems with the new providers but feel that the service is in “pretty good shape” now. The coordinated provider indicates that it has been able to find other business to use the capacity left by the loss of this one large contract.

In this case, one agency’s priority regarding cutting costs conflicted with another agency’s need to maintain a high level of service quality in order to maintain ADA compliance. The case also illustrates that coordination is commonly implemented through contracts between agencies that are voluntary and subject to modification and cancellation.

LOCAL CONTROL AND COST ISSUES

An unsuccessful attempt at service consolidation illustrates the importance of political support and also appropriate cost accounting. This effort occurred in a rural Northern California county and involved several cities, a county rural transit system, and human service agencies. A major consolidation study demonstrated significant benefits from consolidating and developed support from representatives of transit-dependent groups. However, political leaders from the largest city were troubled by likely loss of policy control and cost increases.

The largest city’s fixed route budgeted hourly operating costs for FY 2001 were \$41.89 (for 35,888 service hours), while the county intercity system had per hour operating costs of \$58.71 (for 16,730 service hours). A second city’s fixed route services were in the \$55 range. Paratransit services throughout the county were generally in the mid-to-upper \$30/hour range. A single contractor already operated services for the two cities and the county. In estimating potential costs for a combined service contract, the contractor proposed an hourly cost somewhere in the middle of the city and county service costs. The result was dramatic savings for the county but increases for the largest city and two smaller systems. The county liked the expected cost savings, but the largest city was not willing to pay a higher cost per hour under a new countywide service contract. The city was also concerned about loss of control with a combined governing body. Despite exploring a variety of creative ways of allocating service costs among the jurisdictions, no solution was found that satisfied all the parties.

This effort did finally result in significant coordination. The study showed that there would be substantial savings from consolidating administration of several services. As a result, two cities contract with the county to administer their transit services along with the county’s transit services, and a third city is planning to do the same. These jurisdictions all use the same private contractor. However, all the entities maintain separate policy control; set their own routes, schedules, and fares; and fund their services separately.

LACK OF STABLE FUNDING

Lack of stable funding is a serious deterrent to coordination between human service transportation and transit service. One rural public transportation provider spent significant political capital changing buses dedicated to individual agencies' clients into geographically based routes. Funded clients were assigned to routes based on where they lived and not on routes exclusive to the agency that funded their trips. The goal was to offer a fixed transit route with scheduled stops to the public by overlaying a rural transit route on existing subscription services. After enthusiastic community acceptance of the new coordinated system, the agency lost a key contract to a competitor. In this case, the contractor, which was another government agency, chose a lower bid price over the concept of coordinated services with other agencies. As a result, the public transportation provider had to abandon the coordinated system that made the fixed route general public service possible.

Funding problems of this nature are now occurring in various states with regard to state non-emergency Medicaid transportation programs. Whereas Medicaid transportation costs are still, on average, less than 1 percent of all state-Medicaid expenses, Medicaid transportation costs are very substantial and are increasing rapidly. In contrast to other sources of transportation funds, Medicaid looms large as a potential funder. In many states and localities, Medicaid funding is the backbone that enables community transportation services to grow and prosper. Therefore, much consternation is being felt

in a number of states in which the Medicaid program has decided to cut transportation expenses to the bare minimum, often eliminating higher quality coordinated transportation providers from lowest cost competitions. Without Medicaid funding, some coordinated operators will not be able to achieve the economies of scale that they need to offer competitive services to other agencies. In this case, looking beyond the needs of only one agency may be necessary to maintain vital transportation services.

BUILDING MORE PERMANENT COORDINATION RELATIONSHIPS

If the potential fluidity of coordination relationships is a major factor in the longevity of coordination arrangements, then steps should be taken to increase the permanence of these relationships. One fruitful approach would be to make coordinated services less dependent upon the persons involved and more dependent upon long-standing written agreements between agencies. Key individuals in the coordination process should strive to make their agreements relatively permanent by committing these agreements to paper with the signatures of the heads of the respective agencies involved. These papers should include action plans that specify lists of activities to be undertaken over time, with milestones for joint meetings and jointly developed products.

Developing realistic expectations about coordination's expected outcomes is

another key tool in implementing successful coordinated transportation. For a number of reasons, coordination seldom returns funds to agency budgets. First, some agencies may have developed transportation operations that are already highly cost effective through the use of volunteer labor or other cost-saving strategies. Second, if coordination succeeds in improving efficiency (say, by reducing per trip costs), the savings are usually reinvested in additional trips because very few communities currently have too much specialized or public transportation service. Therefore, benefit discussions regarding potential cost savings need to be made clearly and precisely to avoid generating unrealistic expectations.

CONCLUSION

The best way to maximize the probability of successful coordination efforts is to fully understand coordination's potential

achievements and potential pitfalls. Fundamentally, coordination is a fluid process involving working relationships among persons who come from different backgrounds and may have at least some differing objectives. Coordination needs to be understood and respected as a political process, one in which power and administrative responsibilities are shared, not controlled by one party or another. For coordinated relationships to survive and prosper, they need to have the continued support of key decisionmakers, they need to continue to demonstrate real benefits to all the parties involved, and they need to be relatively free from the influence of personal political agendas.

Coordination is also best applied to certain circumstances, such as the inefficient use of resources, and not to others, like the insufficiency of resources. Having a realistic understanding of the benefits that coordination can be expected to produce will eliminate most cases of unrealistic and unsatisfied expectations.