

TCRP

REPORT 85

Public Transit Board Governance Guidebook

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OF THE NATIONAL ACADEMIES

TRANSIT
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PROGRAM

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TRANSIT COOPERATIVE RESEARCH PROGRAM

TCRP REPORT 85

**Public Transit Board
Governance Guidebook**

SIMON & SIMON RESEARCH AND ASSOCIATES, INC.
Elkridge, MD

IN CONJUNCTION WITH

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TRANSIT COOPERATIVE RESEARCH PROGRAM

The nation's growth and the need to meet mobility, environmental, and energy objectives place demands on public transit systems. Current systems, some of which are old and in need of upgrading, must expand service area, increase service frequency, and improve efficiency to serve these demands. Research is necessary to solve operating problems, to adapt appropriate new technologies from other industries, and to introduce innovations into the transit industry. The Transit Cooperative Research Program (TCRP) serves as one of the principal means by which the transit industry can develop innovative near-term solutions to meet demands placed on it.

The need for TCRP was originally identified in *TRB Special Report 213—Research for Public Transit: New Directions*, published in 1987 and based on a study sponsored by the Urban Mass Transportation Administration—now the Federal Transit Administration (FTA). A report by the American Public Transportation Association (APTA), *Transportation 2000*, also recognized the need for local, problem-solving research. TCRP, modeled after the longstanding and successful National Cooperative Highway Research Program, undertakes research and other technical activities in response to the needs of transit service providers. The scope of TCRP includes a variety of transit research fields including planning, service configuration, equipment, facilities, operations, human resources, maintenance, policy, and administrative practices.

TCRP was established under FTA sponsorship in July 1992. Proposed by the U.S. Department of Transportation, TCRP was authorized as part of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). On May 13, 1992, a memorandum agreement outlining TCRP operating procedures was executed by the three cooperating organizations: FTA, the National Academies, acting through the Transportation Research Board (TRB); and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established by APTA. TDC is responsible for forming the independent governing board, designated as the TCRP Oversight and Project Selection (TOPS) Committee.

Research problem statements for TCRP are solicited periodically but may be submitted to TRB by anyone at any time. It is the responsibility of the TOPS Committee to formulate the research program by identifying the highest priority projects. As part of the evaluation, the TOPS Committee defines funding levels and expected products.

Once selected, each project is assigned to an expert panel, appointed by the Transportation Research Board. The panels prepare project statements (requests for proposals), select contractors, and provide technical guidance and counsel throughout the life of the project. The process for developing research problem statements and selecting research agencies has been used by TRB in managing cooperative research programs since 1962. As in other TRB activities, TCRP project panels serve voluntarily without compensation.

Because research cannot have the desired impact if products fail to reach the intended audience, special emphasis is placed on disseminating TCRP results to the intended end users of the research: transit agencies, service providers, and suppliers. TRB provides a series of research reports, syntheses of transit practice, and other supporting material developed by TCRP research. APTA will arrange for workshops, training aids, field visits, and other activities to ensure that results are implemented by urban and rural transit industry practitioners.

The TCRP provides a forum where transit agencies can cooperatively address common operational problems. The TCRP results support and complement other ongoing transit research and training programs.

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NOTICE

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The members of the technical advisory panel selected to monitor this project and to review this report were chosen for recognized scholarly competence and with due consideration for the balance of disciplines appropriate to the project. The opinions and conclusions expressed or implied are those of the research agency that performed the research, and while they have been accepted as appropriate by the technical panel, they are not necessarily those of the Transportation Research Board, the National Research Council, the Transit Development Corporation, or the Federal Transit Administration of the U.S. Department of Transportation.

Each report is reviewed and accepted for publication by the technical panel according to procedures established and monitored by the Transportation Research Board Executive Committee and the Governing Board of the National Research Council.

Special Notice

The Transportation Research Board of the National Academies, the National Research Council, the Transit Development Corporation, and the Federal Transit Administration (sponsor of the Transit Cooperative Research Program) do not endorse products or manufacturers. Trade or manufacturers' names appear herein solely because they are considered essential to the clarity and completeness of the project reporting.

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The **Transportation Research Board** is a division of the National Research Council, which serves the National Academy of Sciences and the National Academy of Engineering. The Board's mission is to promote innovation and progress in transportation by stimulating and conducting research, facilitating the dissemination of information, and encouraging the implementation of research results. The Board's varied activities annually engage more than 4,000 engineers, scientists, and other transportation researchers and practitioners from the public and private sectors and academia, all of whom contribute their expertise in the public interest. The program is supported by state transportation departments, federal agencies including the component administrations of the U.S. Department of Transportation, and other organizations and individuals interested in the development of transportation. **www.TRB.org**

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Rosalyn M. Simon was the principal investigator. Research team members include Monica Simon of SIMON & SIMON; Will Scott and Jackie Davison of Will Scott & Assoc.; Bob Prangley and Steve Delgiudice of Prangley & Co.; and Janet Billson and Norman London of Group Dimensions.

FOREWORD

By *Gwen Chisholm*
Staff Officer
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TCRP REPORT 85: Public Transit Board Governance Guidebook is a reference tool that provides information on the organization and composition of transit boards. The *Guidebook* describes the structure and practices of transit boards and includes information on board-selection methods, board size, board length of service, and board composition. The *Guidebook* also includes a section on the primary role and activities of the transit board and the role of the transit board chair. There are guidelines for determining the roles and responsibilities of board members and a description of the characteristics of an effective board. The *Guidebook* may be used by policymakers, general managers, legal advisors, and board support personnel.

The companion document to the *Guidebook* is a report, *Public Transit System Policy Boards*, that focuses on the findings of the research. A literature review was completed to identify characteristics of governance boards in the public transit industry. A national survey was conducted to identify the characteristics and effectiveness of public transit boards. Five focus groups and six case studies were conducted to discuss transit board effectiveness and the operation of transit boards. This report is published as *TCRP Web Document 21*, available at: www4.trb.org/trb/crp.nsf.

The organization and characteristics of a transit board directly affect how efficiently and effectively a board discharges its role and responsibilities. An understanding of how other transit boards work in terms of size, structure, and duties will help all boards understand what might work best for them and give them examples with which to compare their present structure and composition. In short, better information is needed on today's transit boards. As policy decisions in transit become more complex, the role of a transit board becomes more critical. The *Guidebook* is designed to provide guidance to transit board members, general managers and appointing bodies with respect to board powers, role, responsibilities, size structure, organization, and composition.

SIMON & SIMON Research and Associates, Inc. in conjunction with Will Scott & Associates, LLC; Prangley & Company; and Group Dimensions conducted the research for TCRP Project H-24. To achieve the project's objective developing a public transit board governance reference document, a comprehensive literature review was undertaken to identify information on board powers, board role, board responsibilities, board size, board structure, board organization, and board composition. A national survey of large, medium, and small public transit agencies was conducted to obtain information on transit board characteristics. Also, five focus groups with board members and board member support staff and six in-depth case studies were performed. On the basis of the information gathered, the research team developed the *Guidebook*.

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PUBLIC TRANSIT BOARD GOVERNANCE GUIDEBOOK

ABOUT THIS GUIDE

The *Public Transit Board Governance Guidebook* is a reference tool of public transit board governance practices used by small, medium, and large transit agencies in diverse geographic locations. This guidebook was developed as part of the TCRP Project H-24, “Public Transit System Policy Boards: Organization and Characteristics.” The project’s goal was to provide national data and information on public transit board governance and the nature and characteristics of transit board effectiveness. The advice presented in this guidebook is based on the results of a national survey of transit chief executive officers/general managers and board chairs, a series of focus groups with transit board members and support staff, and case studies of six selected transit system boards.

The guide is divided into six chapters.

Chapter 1 describes the background on TCRP Project H-24 and this guidebook.

Chapter 2 introduces the organization of the guidebook.

Chapter 3 provides information on the organization and composition of transit boards. This section provides information on board selection methods, board size, and board length of service, board composition, board member diversity, and reasons for board service.

Chapter 4 describes the structure and practices of transit boards. This section provides information on new board member orientation, board meetings, committee structure, compensation, and board administrative support. This section also includes guidelines for the structure and governance of committees.

Chapter 5 describes the core areas of transit board roles and duties. This section provides information on the primary role and activities of the board and the role of the board chair. The section also includes recommended guidelines for determining the roles and responsibilities of board members and a sample transit board member job description.

Chapter 6 describes the characteristics of an effective board and offers suggestions for improving board effectiveness.

The case studies provide additional insight on transit board operation.

CHAPTER 1

THE NEED

BOARD GOVERNANCE

Board governance is a prominent part of public administration. On the basis of the theory that a group of citizens appointed or elected for a specified period of time can best represent the public interest, policy boards are an important part of public-sector activities. Although widely accepted at every level of government, little empirical information exists on the organization and characteristics of public policy governance boards. Governance boards are usually created as part of legislation establishing a public organization, but because there is no model legislation, board organization and characteristics vary greatly. A board of directors usually governs public transit systems, but even less information is available about the characteristics and structure of public transit boards. For the most part, the information available is extrapolated from the practices of private-sector and private, non-profit governance boards.

Public transit boards vary in terms of characteristics, selection methods, duties, roles, and powers. The collaboration of transit general managers/executive officers and board members is vital to the effectiveness of transit agencies, but because so little is written about how they operate, there is often misunderstanding about the critical role of the board and partic-

ularly how it differs from management. The roles of board governance and management are often blurred and the distinction between oversight and interference is unclear. Limited, if any, information is available to public transit executives and board members seeking such a clarification. Similarly, there is a dearth of information to define and describe transit board effectiveness. Such information is needed to assess board performance and to assist transit executives who desire to consolidate or change the structure of their boards to improve their effectiveness.

This study was intended to provide national data and information on public transit board governance and the nature and characteristics of transit board effectiveness. To achieve the study's objectives, three methods of data collection were used:

1. National survey of transit agency general managers/ chief executive officers (CEOs) and board chairs,
2. Focus groups with transit board members on transit board and support staff effectiveness, and
3. Case studies of six selected public transit boards.

The results of this research were used to develop this reference document, which is designed to provide guidance on transit board governance.

CHAPTER 2

INTRODUCTION

The *Public Transit Board Governance Guidebook* is a reference tool of public transit board governance practices used by small, medium and large transit agencies in diverse geographic locations. This guidebook was developed as part of the TCRP Project H-24, “Public Transit System Policy Boards: Organization and Characteristics.” The goal was to provide national data and information on public transit board governance and the nature and characteristics of transit board effectiveness.

RESEARCH METHODOLOGY

To achieve the study’s objectives, three methods of data collection were used:

1. National survey of transit CEOs/general managers and board chairs,
2. Focus groups with transit board members on transit board and support staff effectiveness, and
3. Case studies of six selected public transit boards.

National Survey

A national survey of transit CEOs and board chairpersons was conducted to identify board powers, role, responsibilities, size, structure, organization, composition, and perceptions of board effectiveness.

The survey was administered to the entire population of U.S. public transit systems that are members of the American Public Transit Association (APTA), as listed in the 2000 edition of the *APTA Directory*. Outreach to the Community Transportation Association of America (CTAA) yielded an additional listing of small, rural transit systems. A total of 334 surveys were sent to transit CEOs/general managers; 175 were sent to transit board chairs. (New board chairs had replaced 29 percent of the chairpersons as listed in the directory, and, in the transition, many surveys were not forwarded). A total of 177 responses were received from transit CEOs,

representing a response rate of 53 percent. Board chairs returned 77 surveys, representing a response rate of 44 percent. Collectively these surveys yielded information on 213 transit systems (see Figure 1).

The survey response represents a 50-percent return rate of the surveys distributed and 52 percent of the public transit systems that are APTA members. These systems range in size from those serving populations of over 1 million to areas with populations less than 50,000.

Transit Board Focus Groups

Five focus groups on transit board effectiveness were held with transit board members and board support staff during the APTA Transit Board Seminar in Denver, Colorado, in July 2001. A total of 83 individuals—45 transit board members, and 38 board support staff—participated in the focus groups.

Case Studies

Six case studies were conducted at the following transit systems to provide additional insight on the operation of transit boards:

- Downeast Transportation, Inc., Ellsworth, Maine;
- Fort Worth Transportation Authority, Ft. Worth, Texas;
- Kenosha Transit, Kenosha, Wisconsin;
- Regional Transit District, Denver, Colorado;
- Salem Area Mass Transit District, Salem, Oregon; and
- Southeastern Pennsylvania Transit Authority (SEPTA), Philadelphia, Pennsylvania.

The advice presented in this guidebook is based on the results of the research conducted. Key findings from the national survey, focus groups, and cases studies are incorporated throughout this guidebook. In addition, the cases studies are included in their entirety.

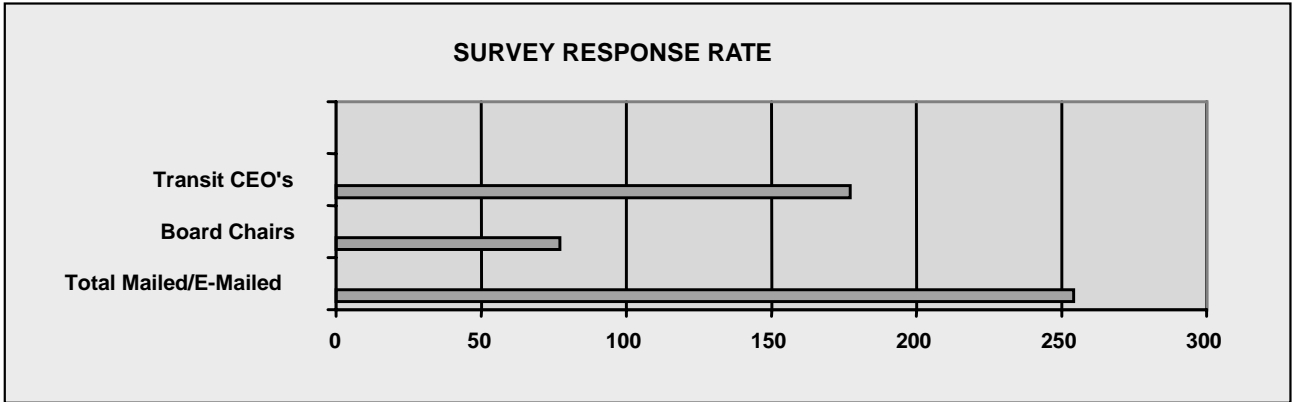


Figure 1. Survey response rate.

CHAPTER 3

ORGANIZATION AND COMPOSITION OF TRANSIT BOARDS

Governance boards are usually created as part of legislation establishing a public organization to provide counsel and balance to the management team. The legislation or subsequent bylaws set forth the method for member selection, terms of office, board size and composition, compensation, and general responsibilities of the members. In some instances, no governance board is required.

The use of public transit policy boards dates back to the passage of the Urban Mass Transit Act of 1964. A shift from private ownership to public governance became the paradigm for public transportation when states and regions enacted legislation to establish transit authorities or transit districts. Transit boards became the legal governing bodies of these newly formed public transit systems. With the existing diversity in transit size, type, geographic location, and so on, the legislation leaves the organization and characteristics of the board to each system. As a result, public transit boards and their specific characteristics vary from system to system.

BOARD MEMBER SELECTION

The selection process for transit board directors varies from organization to organization. Local elected officials representing the political entities that established the transit authorities appointed the earliest boards. Members typically represented specific political jurisdictions, and appointing entities were governors, mayors, city councils, or regional jurisdictions. Appointment by elected officials is the predominant trend in transit board selection methods (1, 2, 3). Similar to earlier research conducted by Passwell et al. (4), the national survey of transit general managers/CEOs and board chairs identified the following types of board selection methods.

In Elected Official Boards, members are indirectly publicly elected, because only elected officials can serve on the board.

Appointment by Elected Officials

Members are appointed by a local or state elected official or entity, usually the CEO (governor, mayor, or township supervisor), or a legislative body (city council, county commission, state senate, or county board of supervisors). In

some instances, a two-step process is used that requires a nomination of a prospective board member by the chief executive and confirmation by the local or state legislative body.

Appointment By Non-Elected Officials Board

Non-elected officials, such as a county transportation agency, appoint citizen representatives to the board.

Joint Powers Authorities

Joint powers authorities (JPAs) are regional boards where elected officials appoint members to represent jurisdictions within the transit system service area. For example, one JPA board reported 10 members, representing nine municipalities and one county within the service boundary. Another JPA board comprises 13 mayors of the local jurisdictions.

Elected Official Boards

Elected official entities, such as a city council or county commission, also serve on the transit board as part of their elected official duties. In some jurisdictions, board members must be members of the legislative arm of the local government in order to be appointed to the transit board.

Publicly Elected Boards

Board members are elected through general public elections usually held every 4 years.

Mixed Boards

Mixed boards comprise a combination of elected officials and citizen representatives. Two parallel mechanisms exist for board member selection. Usually elected officials appoint the elected official members and citizen members are appointed or elected by non-elected officials. In some systems, board members can volunteer for citizen representative seats on the board.

Transportation Advisory Board

A transportation advisory board is a citizen board with no governing powers. Members may be appointed by an elected or non-elected entity or volunteer for board membership to provide guidance and recommendations only (see Figure 2). The advice offered by transportation advisory boards may or may not be taken.

BOARD SIZE

Transit board composition and constituency representation may have changed over the years, but board size has remained consistent over the past 25 years. Usually specified in the enabling legislation or bylaws, transit board size ranges from 5 to 23 members. Medium-sized boards—7 to 10 members—are the most popular. Most transit boards are comprised of 9 members (5).

The importance of board size is related to its interests, effectiveness in planning, and decision-making style (6). Large boards may increase the number of viewpoints, which may slow the pace of decision making and limit the discussion of key issues (7). Small boards may not provide the ideal atmosphere for planning because the role of the individual member is amplified and members may be less willing to yield their authority for decision making. Large boards, on the other hand, in the interest of time, may be willing to yield authority to streamline the decision-making process (3). In determining the size of the board, factors to consider are the system’s structure, group dynamics, and skill needs.

LENGTH OF TERMS

Usually terms range from 1 to 5 years or more, but the average transit board member serves a 3- or 4-year term. Terms of service for transit board members vary in the number of years, as well as re-appointments. For example, many of the board chairs that participated in the survey had been

re-appointed to their respective boards more than once and had served for 10 or more years. In some cases, board members serve staggered terms to provide continuity over time, as well as to allow for fresh ideas and critical thinking. Term limits for board members are an effective way to ensure board vitality, but some terms do not expire. For example, open-ended board member terms were usually political appointees who serve at the pleasure of the appointing body; or agencies that keep a member on the board in perpetuity.

BOARD MEMBER COMPOSITION

Public transit governance boards are important to the success of the transit system and should pay close attention to the composition of their membership. When selecting members, several factors must be considered. Each transportation system has different needs and the board should reflect those needs. Care should be taken to ensure that board membership is balanced along several dimensions: age, gender, race, disability status, and employment background. However, primary emphasis must be placed on the unique contribution each potential member can bring to the board. Consistent with previous research, transit board members are primarily drawn from business, finance, legal, and political circles (1, 4). Transit board members stressed the importance of the need for politically astute members whose influence can be important in securing funding and the support of key constituents. More recently, researchers suggest that political and civic leaders should be appointed to the board because they can represent the views of transit and business leaders (4). Equally important, membership should be based on the potential member’s interest in public transit, support of the system’s mission, values and vision, and commitment to carry out the roles and functions to further the mission of the transit system.

BOARD MEMBER DIVERSITY

The majority of public transit boards are comprised of White males. One-third of the 155 transit boards reported all-White boards. Although at one least female member sits on the majority of transit boards, they are still outnumbered by their male counterparts. Men are three times as likely to be selected for transit board membership than women. Early in the establishment of public transit systems, the former Urban Mass Transportation Administration (UMTA) encouraged the appointment of women and minorities to transit boards. Minority representation on public transit boards has improved, but the research suggested that some transit boards might not be racially representative of their communities. Approximately one-fourth of transit boards reported a having an individual with a disability as a member of the board. See Figure 3.

BOARD MEMBER SELECTION METHODS N=177	
> 60%	Appointed by Elected Officials
> 1%	Appointed by Non-Elected Officials
> 2%	Appointed by Joint Powers Authorities
> 17%	Elected Official Boards
> 5%	Mixed Boards
> 3%	Publicly Elected Boards
> 1%	Transportation Advisory Board
> 11%	No Transit Board

Figure 2. Board member selection methods.

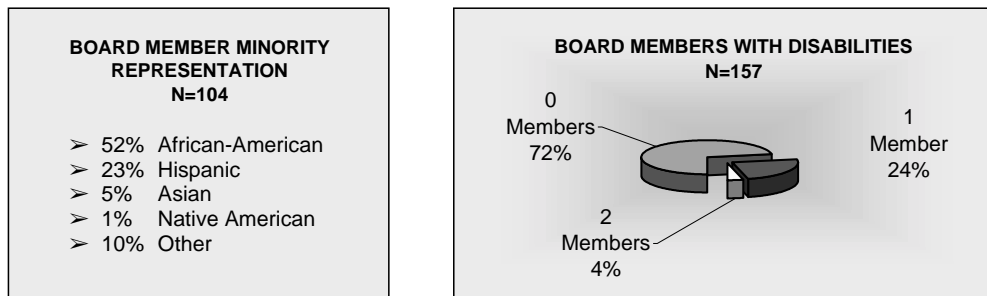


Figure 3. Board member representation.

Of the 104 transit boards reporting on the minority representation of their boards, 52 percent had at least one African-American member and 23 percent reported at least one non-white Hispanic member. Of the 157 transit boards that reported disability representation, 24 percent indicated that they had one board member with a disability.

Importance of Board Diversity

Diversity in gender, disability status, and minority representation should be considered in selecting board members. A

diverse board that provides a broad range of experience and perspectives is usually viewed as a more representative board.

REASONS FOR TRANSIT BOARD SERVICE

Most board members were honored to be asked to serve on their transit boards. When asked why they served on their respective transit boards, the three top reasons identified by board chairs were (1) being asked by an elected official, (2) commitment to their community service, and (3) interest in public transit.

CHAPTER 4

STRUCTURE AND PRACTICES OF TRANSIT BOARDS

STRUCTURE AND PRACTICES

Board structure and practices examine new board member orientation, committee structure, compensation, and administrative support.

NEW MEMBER ORIENTATION

Transit boards are primarily comprised of citizens who may not be experienced with transportation or public governance. New board members will need at least 1 year to develop an understanding and solid knowledge of transportation operations, stakeholders, and community issues. Research revealed that the majority of new board members receive no formal new member orientation. Most directors are interested in formal training that would assist them

New board member orientation should educate members on transit in general, and the specifics of the local transit system.

in defining their role and responsibilities as board members. Directors also recognize that education is ongoing. Some boards provide orientation manuals and board mentors.

Following is a list of recommended topics and information to include in the orientation process:

- Board's role, responsibilities, and member requirements;
- Brief history of transit system;
- Committee structure and responsibilities;
- Current and future strategic plans;
- Introduction to key staff members and departmental responsibilities;
- Mission and goals;
- Tour of transit system;
- Transit system's finances; and
- Transit system's programs and services.

Extensive orientation and ongoing training and development are critical to board member competence and overall board effectiveness.

COMMITTEE STRUCTURE AND FOCUS

Transit boards often use committees to divide the responsibilities of the board among members in order to conduct the business of the board. Committees are used to accomplish specific tasks and to address needs that the board is directly responsible for governing. Committee meetings are separate from the board's meeting.

The types and numbers of committees may be specified in the legislation or bylaws and may depend on the needs of the organization. Committees are comprised of members with the specific expertise and interest necessary to resolve related issues. Their recommendations are presented to the full board for approval.

Research identified the following most commonly used committees:

- Executive Committee,
- Finance/Budget Committee,
- Human Resources Committee,
- Planning Committee,
- Legislative/Government Relations Committee, and
- Marketing Committee.

In addition to standing committees, transit boards may establish ad hoc committees to address short-term tasks. Effective committees are (1) structured according to written guidelines for committee responsibilities, goals, and governance; (2) comprised of committee members with the necessary background and competencies for membership; and (3) staffed by an appropriate member, who serves as a resource to the committee. Figure 4 shows sample responsibilities for the Executive and Finance committees adapted from the *Management Toolkit* (8).

BOARD COMPENSATION

The majority of transit boards are voluntary; members are not compensated for their the time or expenses associated with board membership. Of the 213 transit board respondents, only 31 compensated their board members. Elected officials who also serve as board members are usually salaried, serving on boards as a condition of employment. Compensation is paid on a per-meeting, per-month, or yearly basis. Compensation per

Sample Executive Committee Description
<p>The Executive Committee primarily provides oversight to each committee, ensures that the Board of Directors protects the public, and provides oversight and guidance to the organization in the achievement of its goals and objectives.</p> <p><u>Governance/Oversight Role</u></p> <ul style="list-style-type: none"> ➤ Develop organizational policy recommendations, pertaining to strategic planning, values, ethics, personnel and issues referred to the committee by the full board ➤ When necessary (as specified in the organization's by-laws) act for the full board of directors between meetings ➤ Oversee each committee; make sure that work is effectively coordinated across committees and that communication between committees and with the staff is clear, timely and effective ➤ Actively support and nurture the Executive Director; evaluate the Executive Director annually; develop recommendations for full board approval on the selection; oversee compensation and dismissal of the Executive Director ➤ Evaluate the performance of the Board of Directors and develop recommendations for improvements ➤ Review the annual personnel budget
Sample Finance Committee Description
<p>The Finance Committee ensures that the organization follows sound financial practices and complies with all financial reporting requirements.</p> <p><u>Governance/Oversight Role</u></p> <ul style="list-style-type: none"> ➤ Oversee the preparation of an annual budget for the organization; present annual budget to the full board for approval ➤ Monitor budget implementation and financial procedures ➤ Review and approve any changes to the budget (e.g., suggested new programs, funding cuts), and make recommendations to the full board, when necessary, for approval and/or involvement ➤ Oversee the assets of the organization and manage investments ➤ Recommend an independent auditor for full board approval; set up the audit process with the auditor; review and evaluate the annual audit; present and explain the audit to full board; monitor implementation of any necessary changes in financial management or reporting procedures as recommended in the audit.

Figure 4. Sample responsibilities.

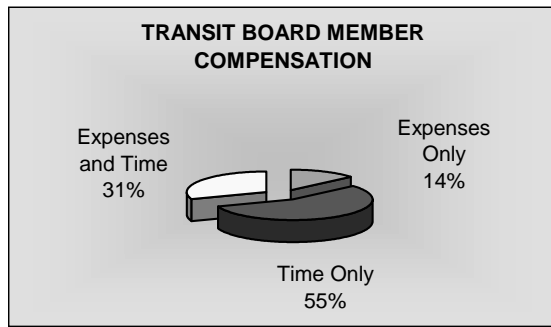


Figure 5. Transit board member compensation.

meeting ranges from \$10.00 to \$250.00; the average is most likely to be \$50.00 per full board meeting (primarily for time only). Most board chairs are not compensated more than the other board members. See Figure 5.

ADMINISTRATIVE SUPPORT

Board members often require administrative support to fulfill their board responsibilities. The research revealed that

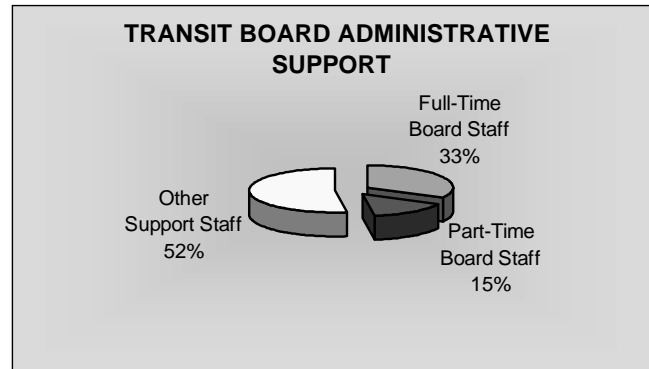


Figure 6. Transit board administrative support.

most boards have regular, but not necessarily full-time, administrative support. The most common source of board support is the CEO/general manager's administrative staff. Board meeting agendas are usually developed by the general manager and board chairs. Board administrative support is usually in the form of board correspondence, meeting reminders, obtaining information from staff or other board members, and assisting new members with their board responsibilities. See Figure 6.

CHAPTER 5

TRANSIT BOARD ROLES AND RESPONSIBILITIES

Transit boards are charged to serve as the policy makers of a transit system. Transit governance also includes providing strategic guidance, legal and fiduciary oversight, and customer representation. Although enabling legislation gives the board “power” to govern, it fails to provide the director with

The primary duty of the board is to set policy. Board members must understand the distinction between policy and management.

the “process” for effective governance and fulfillment of its role and responsibilities. Transit board members have a general understanding of their roles and responsibilities. However, some are confused about the boundaries of their authority and role in day-to-day operations. As

a result, the lines between management and the board are often blurred.

Often, the role of the board is discussed in terms of policy versus management, where policy should be the role of the board, and administration and management, under the purview of the CEO. However, the distinction between policy and management is often distorted when board governance is characterized by a merging of management and policy-making functions. Transit board members often are criticized for their proclivity to get involved in day-to-day operations or to function as part-time administrators. Consequently, the role and responsibilities of the board must be clearly defined and understood by those who must fulfill them. Upon entering board service, all members should be provided a written job description that clearly delineates their role and responsibilities. A sample board member job description is shown in Figure 7.

BOARD CHAIR

The leadership of the board chair is considered very important. However, in relationship to other board members, board chairs described their role as chair as “a facilitator” who moderates meetings and helps the board to work effectively. Board chairs are usually the primary spokesperson and liaison with the CEO and appointing bodies.

The specific roles and responsibilities for board members and board chairs will vary depending on the structure of the

organization. However, there are *general* duties that will apply to most boards. Below are recommended responsibilities for the board chairperson and board members. The chair exerts general leadership, including setting the meeting agenda, chairing the meetings, making committee assignments, and serving as the liaison with the general manager and the board.

Board Chair Responsibilities

- Provide leadership to the board.
- Ensure effective action of the board through leadership.
- Convene board meetings and make appropriate arrangements if not able to attend a meeting (often the Vice-Chair will preside).
- Develop meeting agendas with the Executive Director.
- Establish committees.
- Appoint committee chairs.
- Work in partnership with the Executive Director.

Board Member Responsibilities

- Attend board meetings and other important board-related meetings (e.g., committee meetings).
- Prepare accordingly for all meetings, read minutes and reports.
- Understand and support the mission of the organization.
- Be familiar with the organization’s bylaws and policies.
- Vote on major policies and major actions (e.g., financial expenditures, and changes in programs and/or services).
- Be willing to participate in committees.

The attached chart (Figure 8) delineates the roles and responsibilities of board members, committees, and the executive director (8). It is designed to help distinguish the differences between policy and management.

Board members are also responsible for understanding and upholding their legal responsibilities as board members. Organizational bylaws and the legislation may also specify the director’s responsibilities, relationships and professionalism. Below is a sample conflict of interest statement:

Sample Transit Board Member Job Description	
Title:	<ul style="list-style-type: none"> o Member, ABC Transit System Board of Directors
Reports To:	<ul style="list-style-type: none"> o Chairperson, ABC Transit Board of Directors
Purpose:	<ul style="list-style-type: none"> o To serve the ABC Transit Board as a voting member o To develop policies and procedures for the operation of ABC Transit o To monitor the finances of ABC Transit, its programs and performances.
Term:	<ul style="list-style-type: none"> o Three years
Meeting Attendance:	<ul style="list-style-type: none"> o Three regular Board Meetings each year o Board committee meetings o New Board Member orientation training o Other periodic meetings, including conference calls and Board retreats
Board Obligations:	<ul style="list-style-type: none"> o Support the Vision, Mission, and Values of ABC Transit o Establish Policy o Hire, supervise and evaluate the President/CEO o Lead the strategic planning initiatives o Monitor finances and ensure adequate funding o Update long-range plans
Specific Duties:	<ul style="list-style-type: none"> o Attend meetings and demonstrate commitment to Board activities o Be well informed of current issues and meeting agenda items prior to the meetings o Contribute skills, knowledge and experience, when needed o Listen respectfully to other points of view o Participate in Board discussions and decision making o Represent ABC Transit to the public and private industry o Educate yourself about transit needs of the community o Assume leadership roles in various Board activities, as needed o Actively participate on at least two Board committees

Figure 7. Sample transit board member job description.

Statement of Policy

No board member shall use his or her position, or the knowledge gained there from, in such a manner that a conflict between the interest of the organization or any of its affiliates and his or her personal interest arises.

Each board member has a duty to place the interest of the organization foremost in any dealings with the organization and has a continuing responsibility to comply with the requirements of this policy.

The conduct of personal business between any board or committee member and the organization and any of its affiliates is prohibited.

Board or committee members may not obtain for themselves, their relatives, or their friends a material interest of any kind from their association with the organization.

If a board member has an interest in a proposed transaction with the organization in the form of any personal financial interest in the transaction or in any organization involved

in the transaction, or holds a position as a trustee, director, or officer in any such organization, he or she must make full disclosure of such interest before any discussion or negotiation of such transaction.

Any board or committee member who is aware of a potential conflict of interest with respect to any matter coming before the board or committee shall not be present for any discussion of or vote in connection with the matter.

Disclosure

To implement the policy, board members of the organization will submit annual reports and, if not previously disclosed, will make disclosure before any relevant board or committee action. These reports will be reviewed by the Executive Committee, which will attempt to resolve actual or potential conflict(s) and, in the absence of resolution, refer the matter to the Board of Directors. (8)

Area	Executive Director	Committee	Board
Executive	<p>Runs all day-to-day operations</p> <p>Informs Board to help shape policy and mission</p> <p>Makes staff hiring/firing decisions</p>	<p>Makes recommendations to the full board for hiring, firing, and evaluating the Executive Director</p> <p>Makes governance and policy decisions in crises</p> <p>Coordinates and monitors work of all committees</p> <p>When requested, offers input to assist the executive director in day-to-day decisions</p>	<p>Makes major governance decisions with input from Executive Director</p>
Finance/Audit	<p>Manages day-to-day finances</p> <p>Proposes budget</p> <p>Reports spending against budget</p>	<p>Reviews budget in detail</p> <p>Aids Executive Director in ensuring appropriate financial controls are in effect</p> <p>Oversees audit</p>	<p>Discusses and approves budget</p> <p>Reviews figures quarterly (at each meeting)</p>
Public Relations	<p>Manages day-to-day public relations activities</p> <p>With the PR board committee, builds an annual plan for public relations</p> <p>Requests assistance on specific PR tasks from the Board and oversees completion of those tasks</p>	<p>Ensures that an annual public relations plan is submitted and approved</p> <p>Helps the executive staff plan for public relations needs</p> <p>Carries out specific requests for assistance from the Executive Director</p>	<p>Approves annual public relations plan</p>
Personnel/Human Resources	<p>Manages everyday personnel activities</p> <p>Suggests personnel policies and procedures</p>	<p>Assures personnel policies and procedures in place</p> <p>Approves personnel policies and procedures</p> <p>Adjudicates in cases of formal grievance</p>	<p>Votes on personnel policies when necessary</p>

Figure 8. Sample role and responsibility chart.

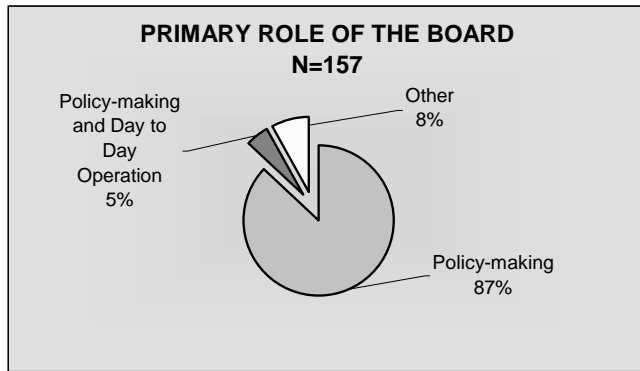


Figure 9. Primary role of transit board.

PRIMARY ROLE OF TRANSIT BOARD

Transit executives and board chairs agree that the board's primary role is policy maker. Although offered the choice of identifying the role of their boards as day-to-day management, none selected this option. Only 5 percent of the CEOs selected the combination of policy making and day-to day operation (see Figure 9).

The most frequent responses specified in the "Other" category were as follows:

- Advisory/liaison role,
- Budget approval,
- Route and fare changes,
- Awarding contracts,
- Fiduciary oversight, and
- Hire/terminate CEO.

Board chairs identified their top 10 activities as follows:

- Fiduciary oversight /budget approval,
- CEO performance evaluation,
- CEO selection,
- Strategic planning,
- Establishing fares,
- Setting organizational priorities,
- Liaison with elected officials,
- Overall fiscal control,
- Contracting, and
- Community relations (general).

The board listens to staff presentations and provides policy guidance. After listening to staff reports, the board's time is taken up by reading and acting on agenda items and approving policy matters.

PRIORITIZATION OF ACTIVITIES

According to transit CEOs, board members spend considerable time on major policy questions, fiscal issues, and planning for the future. Data indicate that board members spend the most time on the following activities presented in rank order:

- Establishing service policies/standards,
- Fiduciary/budget approval,
- Strategic planning,
- Overall fiscal control, and
- Setting organizational priorities.

CHAPTER 6

TRANSIT BOARD EFFECTIVENESS

Paaswell and his colleagues defined board effectiveness in terms of transit system performance (4). These researchers explored the relationship between the type of board structure and its relationship to system performance. Transit system performance was analyzed by two performance criteria, *the ability to restrain costs while increasing ridership*. The research concluded

An effective transit board achieves its annual strategic goals and objectives.

that the effectiveness of a transit governance system is explained by assessing the relationships that it does or does not foster between the transit system and its authorizing environment. According to the researchers, key suggestions for effective boards and transit system success include the following:

1. Boards should include individuals who are critical to securing funding and support of key constituents.
2. Board members should include members who share the vision of transit's role.
3. Boards should include members who bring a business ethic.
4. Dedicated funding that contributes to success.
5. A multimodal focus that enhances effectiveness.
6. Board members should focus on policy, not management.

Transit board members and support staff identified the following characteristics of effective board members and effective transit boards.

OVERALL CHARACTERISTICS

Characteristics of Effective Board Members

Advocate for the Community

Effective transit board members advocate for services that meet the needs of the community.

Committed to Public Transit

Effective transit board members must be committed to and advocate for public transportation.

Focused

Effective transit board members are focused on the mission of the transit system and the purpose of the board.

Knowledgeable

Effective transit board members take the time to make sure that they are knowledgeable about public transit, the transit system, and current issues.

Open to Communication

Effective transit board members respect each other's opinions, but also feel free to ask timely and substantive questions.

Political

Effective transit board members should be aware of or have relationships with politicians and other key leaders who may influence transit system decisions.

Prepared

Effective transit board members perform duties responsibly and are accountable for board meeting preparation and participation.

Team Player/Consensus Builder

Participant comments about the importance of being a team player and consensus builder and putting aside personal agendas for the good of the board appeared consistently across all focus groups. According to these discussions, effective transit board members operate as a team and are willing to reach consensus for the good of the transit system.

Understands the Board's Role

Effective transit board members understand their role and responsibilities as policy makers.

Characteristics of an Effective Transit Board

Achieves Goals

An effective public transit board achieves the goals identified in the strategic plan. In terms of transit system performance, at a minimum, this would include the quality of the transit service, meeting community needs, increased ridership, and so on.

Assesses Progress

An effective transit board monitors its progress on an annual basis, but also conducts a through assessment every 3 to 5 years. Such an assessment would not only evaluate progress in terms of the transit system's performance, but also evaluate the effectiveness of the board's organization, structure and functioning, and its impact on performance. A comprehensive assessment includes evaluating the board's composition, membership, orientation, meetings, committee structure, and information flow, as well as transit system performance criteria. This type of assessment would be under the purview of the board development committee.

Balanced

An effective transit board is balanced along several dimensions. These dimensions include age, gender, race, skills and talent, transit system riders, constituency, and jurisdictional and political representation. In terms of skills and talent, many focus group participants mentioned the importance of having board members who are political, as well as those with business, financial, legal, and marketing backgrounds.

Cohesive Group

An effective transit board functions as a cohesive group. Open communication is encouraged, but the group supports the majority opinion. Personal and individual agendas are eliminated or decreased for the good of the transit system. Board members are team players who are willing to support the majority decisions of the board.

Committed

An effective transit board is committed to and advocates for public transit. Board members are focused and account-

able. They attend meetings, devote adequate time for meeting preparation, stay abreast of the issues, and participate in meetings and work to influence favorable outcomes for the transit system.

Educates

An effective transit board informs and educates its members. All new members receive a orientation, which includes at a minimum: (1) a thorough introduction to transit history and current facts; (2) budget information; (3) policies, procedures and statistics about the transit system; (4) meetings with the general manager/CEO and key staff, board chair and executive committee chairs; and (5) tours of the equipment and facilities. In addition, they are informed of the role and responsibilities of a board member, kept abreast of current issues, and provided access to ongoing education and training.

Focuses on Policy

An effective transit board understands the distinction between policy and management and focuses on policy making. Member role clarity and expectations are communicated and reinforced by the board chair and executive committee. All activities, such as meetings and agenda items are designed to focus members on policy making and away from day-to-day management concerns.

Maintains Good Communication

An effective transit board has a good communication system that encourages open, honest discussion, as well as challenging questions. The board assures the flow of accurate information in a timely manner to all members, including the dissemination of written materials prior to board and committee meetings.

Maintains a Good Relationship with CEO

Effective transit boards have established positive and supportive working relationships with the chief executive officer and senior support staff.

Helps to Improve Transit System Performance

A major objective of an effective transit board is to be able to put service on the street in a cost-effective manner that meets the mobility needs of the community. Performance measures include cost per revenue miles, cost per revenue hours, vehicle-hours per employee, and vehicle miles.

Increases Revenue

An effective transit board understands and undertakes a critical fund-raising role, which includes generating ridership and farebox income. This role often includes communicating with legislators and other key leaders through meetings, information dissemination, presentations, and providing testimony.

Knowledgeable

Effective transit boards do not work in a vacuum. They are knowledgeable of the community that the system serves in terms of culture and needs of the community business leaders, and other organizations.

Politically Astute

Effective transit boards establish good working relationships with all constituent groups and stakeholders, including, employees, support staff, community, legislators, politicians, and labor. Politically astute boards also monitor employee morale and the system’s reputation and image in the community.

Strategic

Effective transit boards help the transit system to set a strategic direction and shape a strategy for the future. The board helps the system to identify and maintain focus on strategic priorities.

Strong Chair

A strong chairperson is essential for an effective transit board. It is the chair’s role to lead and motivate the board in achievement of the transit system’s mission, strategic goals, and performance.

INFLUENCES ON BOARD EFFECTIVENESS

CEO/general manager leadership and board commitment were identified as the two main influences on transit board effectiveness. Board member commitment, the receipt of timely information, and the chair’s own ability to provide leadership were also considered as key influences on effectiveness by the board chairs. Clarity of the board’s role and management expectations were also considered very important to board success. The weakest influences on board effectiveness were board orientation, measurement of board effectiveness, and compensation. See Figure 10.

CEO Ratings of Influences on Board Effectiveness N=155	
Factor	Majority Rating
CEO/GM Leadership	Very strong
Board Commitment	Very strong
Board Receipt of Timely Information	Strong
Board Chair Leadership	Strong
Clarity of Board Role, Duties, Activities	Strong
Clarity of Management Expectations of the Board	Strong
Board Composition	Strong
Board Size	Strong
Most transit systems (54 %) considered compensation as having “a weak to no impact” on effectiveness.	

Board Chair Ratings of Influences on Board Effectiveness N=75	
Factor	Majority Rating
CEO/GM Leadership	Very Strong
Board Commitment	Strong
Board Receipt Timely Info	Strong
Chair’s Leadership	Strong
Clarity of Board Role	Strong
Clarity of Mgt Expectations	Strong
Board Composition	Strong
Board Structure	Strong
Political Responsiveness	Strong
Dedicated Funding	Strong
Planning Involvement	Strong
Committee Structure	Strong
Evaluation of Mgt. Performance	Strong
Board Transit Knowledge	Strong
Board Diversity	Strong
Board Orientation	Somewhat Strong
Measure Board Effectiveness	Somewhat Weak
Compensation	Somewhat Weak

Figure 10. CEO and board chair ratings of influence on board effectiveness.

Board Assessment

Board members should have sufficient continuity and institutional memory to promote long-term planning and follow through (4). However, the current research shows that very few boards are actually conducting evaluations of overall board effectiveness. Of those that do measure effectiveness, it is usually an informal self-assessment (see Figure 11). Sometimes it can be as informal as asking, “Did we achieve our goals this year?” Systems that conduct assessments do so on an annual basis. A small percentage of transit boards also hire outside consultants to evaluate their performance.

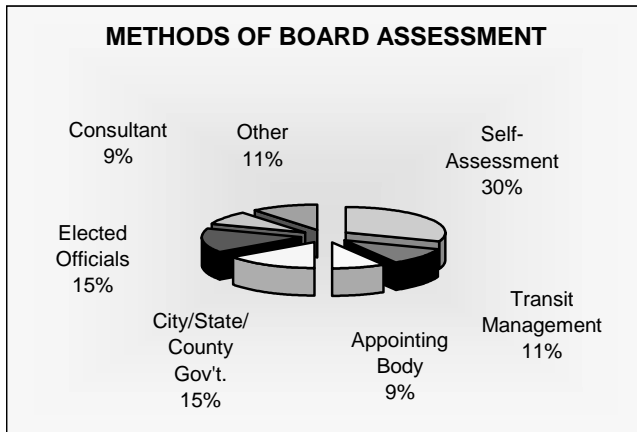


Figure 11. Methods of board assessment.

Measures to Assess Board Effectiveness

A board that has defined its role and responsibilities already has the criteria for evaluating its performance. Board members provided the following criteria for measuring board effectiveness:

- *Achieves Strategic Goals*
Did the system achieve the goals and objectives as identified in the strategic plan?
- *Appearance of Equipment*
Are the vehicles and facilities safe, well maintained, and clean?
- *Balanced Budget*
Did the year end with a balanced budget?
- *Increased Ridership*
Did ridership increase?
- *Labor/Management Relationship*
What is the relationship among the board, transit system, and labor? Were contract negotiations successful?
- *Meets Community Public Transit Needs*
Do the transit services meet the needs of the community?
- *Morale/Attitudes of Employees*
What are the attitudes/morale of the transit system employees?
- *Public Opinion of Board and Transit System*
How does the public view the system?
- *Quality of Transit Service*
Has the quality of the service improved? What are the areas of complaints?

- *Reputation with Media*
Does that transit system have a positive reputation with the media?
- *Revenue*
Was there an increase farebox income? Was there an increase in revenue?
- *Transit System Performance*
How did the transit system perform during the year?
- *Working Relationship Among Board Members*
Does the board work as a cohesive group?
- *Working Relationship with General Manager/CEO and Other Staff*
Does the board have a positive relationship with the CEO and other transit system staff?

IMPROVING TRANSIT BOARD EFFECTIVENESS

To improve effectiveness, the board should evaluate its dynamics, such as board composition, board size, board characteristics, board member orientation, how the board functions, board bylaws, board committees, and the board itself. Suggestions for improving transit board effectiveness include the following:

- Appointing bodies should carefully weigh appointments, particularly in terms of the appointee's interest and time commitment.
- Appointing bodies should get input from the board regarding the expertise or representation needed prior to making board appointments.
- The role of the board should be clearly defined, discussed and written.
- Board functions should be clearly described, discussed and written.
- Board members should have clearly defined attendance requirements.
- Board members should receive formal orientation to the board and ongoing education.
- Board members should receive information in a timely manner.
- Committee assignments should be made based on the member's experience and interest.

Transit CEOs and board chairs provided the following suggestions for improving board effectiveness:

Quality Improvement: Engage in various quality improvement strategies, such as finding ways to enhance board mem-

ber commitment and time allotted for board work, or measuring board effectiveness more formally.

Board Composition and Structure: Improve board composition and structure by broadening board diversity (perhaps by including elected officials and others), and streamline the board and committee structures.

Planning: Engage in strategic and long-range planning.

Communication/Information Flow: Improve information, communication, and knowledge, in terms of board member experience with and knowledge of transit and of providing information from management in a clear, timely fashion.

Although there is “no universal formula for what boards should look like or how they should function (9),” the right board membership with the right competencies and team dynamics remain critical factors in determining board effectiveness and efficiency.

CASE STUDIES

DOWNEAST TRANSPORTATION, INC. ELLSWORTH, MAINE

Appointed by Non-Elected Officials Board

Downeast Transportation, Inc. (DTI) is a private, non-profit agency that operates regularly scheduled fixed route public bus service via 17 small buses and vans in Hancock County. DTI provides service in Ellsworth, all of Mount Desert Island, the Blue Hill peninsula including Brooklin, Sedgwick, Deer Isle and Stonington, the northern Hancock County town of Otis, the coastal towns of Hancock, Sullivan, Gouldsboro and Winter Harbor in eastern Hancock County, and the Town of Bucksport in western Hancock County. One of the major areas served by the transit system is Acadia National Park and neighboring village centers. The Island Explorer features seven bus routes linking hotels, inns and campgrounds with destinations in Acadia National Park. Another attraction served by Downeast Transportation is Bar Harbor, a major tourist area southeast of Ellsworth. Service is provided on seven routes on alternate days of the week.

Board Organization and Structure

In 1979, constituents in Hancock County, Maine decided to establish a public transportation system. That same year, Downeast Transportation Inc. was established as a Section 501(c)(3) corporation to provide environmentally sound public transportation services. Specifically, the system was chartered to provide

- transportation services to individuals with disabilities and to senior and low-income citizens of Hancock County, Maine;
- general public transportation;
- transportation resource information and technical assistance to Hancock County residents, the Maine DOT, and other non-profit transportation companies; and
- contract for transportation services in adjacent areas.

A self-perpetuating board of directors was originally appointed by the system's incorporators to govern the organization. Focusing on policy-setting issues, the board

- provides overall direction to the Corporation;
- sets the operating policies of the Corporation;

- promotes a comprehensive areawide transportation system;
- monitors and supervises the quality of transportation services provided;
- assures that such services meet the identified transportation needs of the public;
- employs, supervises, and evaluates the work of the General Manager;
- assists and participates in fundraising; and
- reviews and approves the annual budget.

The board is comprised of nine members and two alternates, who serve 3-year staggered terms. Board members may serve consecutive terms, and are responsible for filling board vacancies. Board meetings are held every other month and last for about 2 hours. The board structure is informal, operating with two standing committees: the Executive and Island Explorer Committees. These committees meet on an as-needed basis. Board members receive a limited orientation and training, and receive no administrative support. Neither the chair nor board members are compensated or reimbursed for board-related service or expenses. The board does not conduct self-assessments or measure overall board effectiveness.

Characteristics of Board Membership

The board is comprised of all Caucasian members (seven males and three females), which reflects the demographics of the county. The service area is less than 1 percent non-Caucasian.

Board membership is comprised of a cross-section of residents who are interested in transportation. Current board members are employed as follows:

- Campground Ferry Operations Manager,
- National Park Superintendent,
- Representative from "Friends of Acadia,"
- Transit Planners,
- Housewife, and
- Retirees.

Board/CEO Interaction

The relationship between the board and the General Manager is "*like family*." Management reports and financial

statements are sent to board members in advance; therefore, meetings are relatively short. This was evidenced during the site visit, where the meeting agenda and packet had been mailed to the Board members in advance, and members appeared to have read the information prior to the meeting. The board meeting was extremely informal, with the General Manager leading most of the discussion. Board members appeared to have a lot of confidence in its General Manager.

Perceptions of Effectiveness

The General Manager is pleased with the effectiveness of the board. Although board members may become too focused

on the day-to-day operation, the board works well as a team and, *“No one really punches his or her agenda on [the General Manager].”* The Board has evaluated the General Manager only twice in the past 8 years. The Board and General Manager agreed that there is a need for the board members to become more involved in raising funds to improve local transportation services. The Board also noted the need for improved orientation and training of board members.

Board meeting attendance is typically good; however, there was a period when a quorum (5 members) was not met. One of the primary reasons for low attendance is the long distance some members have to travel; the meetings are held in the transit system’s administrative offices in Ellsworth. According to the members, the board is effective in meeting the needs of the individuals that they serve.

THE FORT WORTH TRANSPORTATION AUTHORITY (THE “T”) FORT WORTH, TEXAS

Appointed by Elected Officials Board

The “T” serves a population of 504,000 in a service area of 294 sq mi in Tarrant County and the City of Fort Worth. The “T” provides fixed route and demand response service with large and small transit buses and transit vans. In a joint venture with Dallas Area Regional Transit, the “T” built and operates the Trinity Railway Express (TRE) that connects the cities of Dallas and Fort Worth through northeast Tarrant County with a commuter train. The “T” provides well over 5 million trips a year with a fleet of 144 buses and vans and 66 contracted vehicles. Daily management of operations is contracted to a national management company.

Board Organization and Structure

The “T” was organized under the statutes of the state of Texas and has a nine-member Board of Trustees. The members are appointed by the elected official of each of the eight districts within Tarrant County, and the Tarrant County Commissioner’s Court appoints one at-large member. The members serve a term of one to six 1-year terms. There is full-time administrative support for the board. The board members meet twice per month for board business. One meeting, attended by “T” board members, management and staff, and is used to develop a consent agenda for the business meeting. The budget is developed at meetings held in June and July.

An annual retreat is held to develop updates to the strategic plan. Board members, management, and staff attend the retreats. At the retreat, the board chairman designates committees and assigns members to standing and ad hoc committees that address key issues for the current fiscal year. The standing committees include the Executive Committee; the TRE Committee, consisting of three members; the Strategic Planning Implementation Committee, consisting of two members; and the Mobility Impaired Transportation Committee (MITC), consisting of two members.

Characteristics of Board Membership

The board is comprised of eight men and one woman. The educational and employment backgrounds of the board are diverse and provide a broad range of talents: education, legal, human resource management, financial, executive, engineering and real estate. Six members are White, two are African Americans, and one is Hispanic.

Board/CEO Interaction

The project team observed a monthly meeting of the Board of Trustees. The meeting was attended by eight of nine board

members. The Chairperson worked from consent agendas and the meeting moved at a good pace. The interactions between the CEO, “T” staff, and the board were orderly and respectful. It was obvious that a style had evolved among the participants and each knew the role that she or he played in the process. It was clear that the CEO had set the agenda with clear input from the board.

Perceptions of Effectiveness

- Board Commitment,
- Chairperson’s Leadership,
- CEO/GM Leadership,
- Receipt of Timely Information,
- Clarity of the Board’s Role, and
- Clarity of Management Expectations.

According to the “T” board, measuring effectiveness, orientation, and compensation have had very little influence on board effectiveness. The board members felt strongly that effectiveness is measured by how much of the strategic plan is achieved. Members felt that the public focuses on the *quality of transit service* when judging board effectiveness, as well as fiscal responsibility. In their opinion, the impact of board effectiveness on the performance of the transit system is determined by an approved strategic plan derived in consultation with the community. Such a plan provides clear, unambiguous direction for the organization. Generally, the members felt an assessment would be a valuable contribution to the organization; but there was not necessarily a pressing need for an assessment. It was apparent that the board was comfortable with the board’s effectiveness, and felt strongly that establishing a strategic direction was their key mission.

Board Chair

The board chair indicated that the CEO’s leadership is essential to the success of the board and its effectiveness. At the “T,” the CEO sets the agenda and is responsible for the level of communication and the information that the board receives. The chair acknowledged that it was only recently he realized that he was responsible for evaluating the CEO and the management company. According to the chair, the strategic planning process focuses the board on the key issues and their responsibilities, one of which is evaluating the CEO. Planning also encourages an evaluation of the existing committee structure.

The chair acknowledged the importance of orientation, and felt that the learning curve for a new board member was from 6 to 9 months. Currently, new members receive a PowerPoint presentation on the “T”, staff briefings, facility tours, and information on the enabling legislation and board by-laws. In the chair’s opinion, the board could use help in making the orientation more attractive and interesting. He identified

punctuality, readiness to contribute and work, commitment of time and talent, and preparation for meetings as measures of effective board members. The primary measure of an effective board, in his opinion, is attainment of strategic goals, but not necessarily directly measuring the impact of board effectiveness on organizational effectiveness.

CEO

According to the CEO, the recent focus on his evaluation evidenced a change in how the board viewed its role and structure. He considered orientation important, but not crucial to the effectiveness of the board. He considered the monthly board workshops a great tool for educating the board and developing a working relationship between the staff and the board members. The major obstacle to board effectiveness is the lack of direction for the organization, and the lack of clarity of the board's role. The CEO felt that the working relationship of the CEO and the board chair is a key factor in board effectiveness. Collective leadership is not effective; a strong chairperson is capable of adapting the leadership style

to what is needed to effectively lead the other board members. The CEO described an effective board as one that (1) works for the common good; (2) exhibits community spirit—no hidden agendas; and (3) advocates for business.

In the opinion of the CEO, a restructured meeting format and working relationship improved the relationship between the board, CEO, and staff. This change was precipitated by the increasing complexity of the "T's" role in the community and community expectations. In the past, the "T" had no strategic plan. It held one business meeting a month. Usually, these meetings would result in lengthy question and answer sessions, with little board action. About 3 years ago, the board hosted a retreat and developed their first strategic plan, and introduced a new meeting format. The board, CEO and staff meet in a workshop to discuss out the issues and questions related to the agenda prior to the business meeting. A consent agenda is then developed that results in an efficient board meeting with few issues or unanswered questions. In addition, the CEO felt that a by-product of the monthly workshops has been the education of the board and increased confidence in the staff.

KENOSHA TRANSIT KENOSHA, WISCONSIN

Appointed by Elected Officials Board

Kenosha Transit serves a population of over 84,000 persons within a 21-sq-mi service area. It has a fleet of 52 buses and six rail trolleys and provides service Monday through Saturday. With an annual budget of \$4.9 million, annual ridership is 210,000. Kenosha Transit is a municipal operation and part of the Department of Transportation of the City of Kenosha. The Director of Transportation serves as chief executive officer of the transit system, with reporting responsibility to the City Manager and seven-person citizen advisory board.

Board Organization and Structure

The Mayor of Kenosha with the consent of the City Council, appoints the Kenosha Transit Board. The seven members are appointed for 3-year terms. The board is strictly advisory and only makes recommendations to the City Council on matters of budget and policy. The Board meets monthly and is not compensated. Unless there is an issue of concern, it is not unusual to 2 months without a board meeting. There is no committee structure. The Director of Transportation and his Administrative Assistant provide staff support to the board.

Characteristics of Board Membership

The board is all male and there are no minority members. The vocational composition of the board includes a retired bus driver, radio announcer, property owner, retired alderman, a CEO of a manufacturing firm, a retired public administrator, and a college professor.

Board/CEO Interaction

There was general agreement among all parties that the board and Director of Transportation Chairperson have established a good working relationship and “*consider themselves a team.*”

Perceptions of Effectiveness

According to six of the seven board members, the major influences on board effectiveness are as follows:

- CEO/GM Leadership,
- Board Commitment,
- Board Knowledge of Transit,
- Receipt of Timely Information,
- Clarity of the Board’s Role,
- Chair’s Leadership,
- Board Political Responsiveness,
- Dedicated Funding, and
- Receipt of Timely Information.

According to the board members, orientation, committee structure, diversity, and compensation have little to no influence on board effectiveness. They indicated that involving the board in external relations and planning could improve effectiveness. Board members also indicated that they wanted more of a role in developing plans and policy. Generally, the members identified providing the overall direction for the system and the quality of the transit service as the benchmark for board effectiveness.

In an advisory capacity, the transit board serves at the pleasure of the mayor and council to oversee transit operations. The board has little impact on the performance of the Director of Transportation, because he is evaluated by the City Manager. The members are focused on the operation of the system, rather than strategic direction. Generally there seemed to be a sense of frustration among the board members about their advisory, rather than of governing role. They were concerned that the advisory role prevents them from looking at the system strategically and focuses their input on operational issues. Focusing on operational issues is problematic because of the lack of distinction between providing advice on operational issues and getting involved in managing the system. The board chair emphasized the importance of not micromanaging the transit system, indicating that, “*Transit system management is not the board’s role, it’s up to the director.*”

According to the chair, effective board members are committed, attend meetings, are prepared, and are willing to contribute their knowledge and perspective at board meetings. He viewed orientation as helpful but not a major influence on effectiveness. The work of the board is not measured. As an advisory board and not a center of accountability, it is difficult to measure effectiveness. The chair identified transit system performance, safety and budget adherence as indicators of board effectiveness.

REGIONAL TRANSIT DISTRICT (RTD) DENVER, CO

Publicly Elected Board

The Regional Transit District (RTD) is a public agency created in 1969 by the Colorado General Assembly. The RTD operates as a mass transportation system in a six-county service area, which includes all of Boulder, Denver, and Jefferson counties and parts of Adams, Arapahoe, and Douglas counties. Serving 42 municipalities in six counties, the RTD serves a population of 2.3 million. The transit agency provides service via 1,096 buses, 31 light rail vehicles, and 186 vans. Annual ridership from July 2000 to June 2001 was 80,291,760, and the total operating budget for 2001 was \$262,129,000. The RTD has 2,656 employees.

Board Organization and Structure

The RTD is governed by a 15-member, publicly elected Board of Directors. Directors are elected for a 4-year term, with elections staggered so that eight seats are open in one general election and seven in the next. The Board of Directors has its regular meetings on the third Tuesday of each month, with study sessions held the week before the regular Board meeting. The board's structure includes several standing and ad hoc committees:

Standing Committees

- Executive,
- Financial/Administrative,
- Legislative,
- Operations,
- Planning and Development, and
- Customer Service/Marketing.

Ad Hoc Committees

- DBE Outreach Committee,
- SE Corridor Committee,
- Central Platte Valley Committee,
- Access-a-Ride Committee,
- New Transit Technologies Committee,
- GM's Performance Evaluation Committee,
- Southwest Light Rail Line Committee,
- Re-districting Committee,
- TransTeq Mall Shuttle Committee,
- Mission Statement Committee,
- DUT Committee, and
- West Corridor Committee.

Two board retreats that focus on strategic planning and board development are held annually. Thirteen of the 15 mem-

bers participated in the last retreat. Generally, there are adequate orientation and training for new Board members.

Characteristics of Board Membership

Board members represent a broad range of disciplines and skills. Occupations of the board members include the following:

- Architect;
- Attorney;
- Business Owner;
- Coordinator for an Architectural Firm;
- Exec. Administrative Assistant./Marketing;
- Manager of a Trade Association;
- Managing Partner, Executive Search Firm;
- Marketing Director, Engineering and Survey Firm;
- Owner Of Appraisal Service Business;
- Owner, Association Management and Public Opinion Research Business;
- Owner, Nut and Fruit Franchise;
- President, Business Consulting Firm;
- Principal, Elementary School;
- Retired District Court Judge;
- Senior Manager, Colorado Dept. of Personnel/GSS; and
- Two Retirees.

Board/CEO Interaction

There appeared to be a good working relationship among the board members, and between the board and the General Manager. The board chair indicated that she has developed a good working relationship with the General Manager. She explained that the General Manager is very open and notifies her right away on issues that she needs to be aware of, "*Making sure that she has no surprises.*" She believes that the Board is strategic, and does not micro-manage the General Manager. The General Manager was just as complimentary of the board and pleased with their positive working relationship. He explained that he has developed a personal relationship with almost all of the members. Responding immediately to board requests, he focuses on always trying to come up with a "win-win" outcome for the board and management.

There also appeared to be a high level of commitment among board members. All members were present for the board meeting, and nearly everyone was punctual. Each month a different director chairs the study session prior to the regular board meeting. Having a non-officer chair the study session prior to the regular board meeting seemed to be a good idea for providing exposure and developing leadership for board members. In spite of the study session, the board meeting was lengthy (due to the number of agenda items) and included

an executive session and dinner. The chair appeared to be democratic in her role, allowing all members to fully participate in the meeting. Distributed prior to the meeting, the board informational packet included the agenda, action items, and was 83 pages in length.

Board Chair

The board chair explained that the board has changed dramatically during the past 4 years. Current board members are civil and the atmosphere is pleasant. She credits the current success with (1) listening; (2) not burning bridges; and (3) not taking personal credit for system improvements, but recognizing staff contributions. The issues that the board continues to address are:

- Light rail,
- Privatization,
- Labor,
- Growth and land use, and
- Redistricting.

Perceptions of Effectiveness

The board chair ranks the board as an “8” on a 10-point scale in terms of effectiveness, based on the following:

- Good outreach with stakeholders
- Solid committees
- Not getting bogged down in details
- Doing homework
- Trying to not be too parochial.

The General Manager scored the board as a “9” out of 10 for effectiveness. Describing this board as, “*The best one ever*,” he explained that the board has a shared vision and positive acceptance of the division of their responsibilities in terms of policy versus administration/operations. The current board is 100 percent pro-rail; while the previous board was split on rail support. Previously, there was a lot of bad press and the RTD had a negative image in the community. The current situation has changed significantly and, as a result, the RTD is getting positive press.

**SALEM AREA MASS TRANSIT DISTRICT
(CHERRIOTS)
SALEM, OREGON**

Publicly Elected Board

Cherriots serves a population of 160,000 in a service area of 70 sq mi. Cherriots provides fixed route and demand response service with a fleet of 50 buses. Cherriots provides service on weekdays and Saturdays. Sunday service is not available. The annual operating budget is about \$8.1 million.

Board Organization and Structure

The Salem Mass Transit District is organized under the Oregon Statute. There are seven board members, who are publicly elected from within the mass transit district. The 4-year terms are staggered so that three seats are up every election. The Cherriots staff provides staff support to the board. The board meets once a month.

Characteristics of Board Membership

The vocational make-up of the board consists of a mayor, a small businessperson, a retired police officer, a school-teacher, a school administrator, a former Assistant Secretary of State for Oregon, current professor of journalism, a neighborhood activist and a member of State Department of Conservation and Development. There is one woman and no minorities on the board.

Board/CEO Interaction

The study team observed a monthly Cherriots Board meeting. The board works from a consent agenda and dispatches agenda items relatively quickly. Workshops are conducted in preparation for the monthly meeting. The workshops are designed to address time-consuming issues of concern prior to the regular board meeting. Staff is available to provide details and to assist in the discussion of the issues presented. As a result, the workshops have served to improve the relationship between the staff and board. The board seems to have a high level of confidence in the transit system staff. The members, too, appeared very knowledgeable of transit and the issues. The CEO sets the meeting agenda based on the agreed-upon strategic direction.

The CEO needs to focus the board, and the board needs to focus the CEO—a reciprocal need. The CEO said it is essential that they work together as a team. The CEO works with the chairperson to review the agenda before each board meeting, and anticipates issues that may arise with other board members. Before each board meeting the CEO meets with each board member.

The CEO indicated that he enjoyed an excellent working relationship with the Board Chairperson. He said he generally uses the chair as a, “*sounding board*,” to avoid any surprises. In turn, the board respects the CEO for his knowledge.

Perceptions of Effectiveness

Six of the seven board members identified the following influences on the board’s effectiveness:

- Board Commitment,
- CEO/GM Leadership,
- Receipt of Timely Information,
- Clarity of the Board’s Role,
- Chair’s Leadership, and
- Board Political Responsiveness.

The least influential factors were identified as (1) board orientation, (2) committee structure, and (3) compensation.

Board Members

As elected board members, it appeared that the board members have a clear focus on the community and are developing a plan to meet its needs. The board members were especially focused on strategic planning, providing direction, excellence in service, and fiscal accountability. Board members identified three areas that needed improvement as external relations, planning, and information.

According to the members present, the public measures their effectiveness by how well they provide service and their fiscal stewardship. They also indicated that they were measured by how well they establish a strategic direction. Although an assessment is not conducted, board members believed it would be a very beneficial experience for Cherriots to do an annual self-assessment. They saw the need for a self-assessment as a way to determine how well they were focused on the transit system’s mission.

Board Chair

The board chair viewed the CEO’s leadership as the focal point and guide for the board. In his opinion, the CEO sets the organizational goals on which he is evaluated annually. The CEO develops goals for the organization for the next year for which he will be evaluated. According to the chair, management and staff drive the monthly meeting agendas. Although the board does not evaluate itself, as elected board members, the public indirectly conducts evaluations. Community involvement and responsiveness are the keys to the success of the board.

The chair described the importance of board orientation as “*overrated*.” As publicly elected officials, board members are required to do their homework, be familiar with the issues affecting Cherrlots, and how they might make a difference with their service. He also thought that APTA was a great source of education for board members.

In November 1999, the board developed a set of values and a code of conduct to address *What Makes an Effective Board?* In this document, the board identified the following aspects of an effective board:

- Diligence and Commitment,
- Listening and Communicating with an Open Mind,
- Trust and Respectful Behavior,
- Efficient Conduct,
- Team Work, and
- Leadership and Stewardship.

Every 2 years the composition of the board changes because of the staggered terms of board members. The chair viewed the elections as an opportunity to obtain new ideas. Although the chair has primary responsibility for committee assignments, board members indicate their committee preferences to encourage involvement and commitment of their time, talents and contacts. The work of the board is reviewed every other July 1st. The chair indicated that he measures board effectiveness by

- attainment of their annual goals and follow through on their strategic plan,
- response to new challenges and opportunities, and
- degree of mutual respect and comity on the Board.

The chair emphasized community involvement as the key to obtaining and maintaining financial support through local tax levies. The chair was very focused on setting a strategic direction and getting the most from the board by creating an excellent working environment for them.

CEO

According to the CEO, election pre-qualifies the board members’ interest and ability to serve on the board. There is no formal orientation process, but board members are encouraged to speak up if they need additional information. He allocated much of his time to working with board members and encouraging them to work with each other. He was very concerned about educating board members and finding ways to enhance their commitment to their jobs. In his opinion, to create an effective board, it is essential to foster excellent working relationships, minimize internal conflicts, and encourage respect. There is a need for a creative tension—getting board members out into the community to send a clear message of their commitment. Regarding board assessments, he indicated that at retreats they always asked, “*How well are we doing?*”

**SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY (SEPTA)
PHILADELPHIA, PA**

Appointed by Elected Officials Board

The Southeastern Pennsylvania Transportation Authority (SEPTA) serves the Greater Philadelphia urbanized area, which has a population of 4,222,211. The SEPTA service area encompasses 2,174 sq mi and a population of 3,728,909. This area includes five counties served by SEPTA. In 2000, SEPTA served 317,254,707 passengers (annual unlinked trips). Annual operating expenses were \$680,075,657. SEPTA is a multimodal agency which provides the following transportation services:

- Bus,
- Commuter Rail,
- Demand Response,
- Heavy Rail, and
- Light Rail, and
- Trolleybus.

Between 1988 and 1996, SEPTA ridership declined 21 percent, representing a loss of nearly 200,000 daily trips on the transportation system regionwide. Compounding the ridership losses, an escalating operating deficit, calculated to increase by at least \$192 million for the years 1999 through 2003, jeopardizes the viability of the organization.

Board Organization and Structure

Elected officials appoint the SEPTA board members. Philadelphia and the surrounding suburban counties appoint two members each; the State house and Senate majority leaders and the governor each appoint one. This arrangement gives the suburbs a predominant voice in matters relating to the Authority. Regular and special meetings are held monthly.

The board uses a committee structure. Most of the work of the board is conducted in the Administrative and Operations Committee, which meets the week prior to the regular board meetings.

Characteristics of Board Membership

The composition of the board is unusual because the majority of the members represent the County, not the City of Philadelphia. The board comprises elected officials, business and laypersons. Two of the 13 are female and two are African American.

Board/CEO Interaction

Board members appeared to be committed to the task. The General Manager described a very positive working relationship with the board. He has both a personal and business relationship with the board members. Board meetings are typically short in duration.

Perceptions of Effectiveness

There is no formal training for board members, but in terms of effectiveness, the General Manager ranks the board as a "9" out of 10. The reasons for his rankings are as follows:

- Strong support of management,
- Strong support of management's agenda,
- Assistance in soliciting external support for the agency, and
- Fundraising.

The general manger identified the following areas for improvement: (1) measuring its own effectiveness and (2) annual evaluation of the General Manager.

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Abbreviations used without definitions in TRB publications:

AASHO	American Association of State Highway Officials
AASHTO	American Association of State Highway and Transportation Officials
ASCE	American Society of Civil Engineers
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
FAA	Federal Aviation Administration
FHWA	Federal Highway Administration
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
IEEE	Institute of Electrical and Electronics Engineers
ITE	Institute of Transportation Engineers
NCHRP	National Cooperative Highway Research Program
NCTRP	National Cooperative Transit Research and Development Program
NHTSA	National Highway Traffic Safety Administration
SAE	Society of Automotive Engineers
TCRP	Transit Cooperative Research Program
TRB	Transportation Research Board
U.S.DOT	United States Department of Transportation