

FEATURE

Governance Choices for Coordinated Transit

By Matt Baker

Which governance structure is best for your regional coordination effort?



Coordinating transit services between jurisdictions and various transit agencies provides numerous benefits in terms of cost-effectiveness and efficiency. But without an effective system of cooperative governance in place, these benefits can be elusive. A variety of governance models have emerged in transit systems around the country, supporting more effective coordination of transit services. It is crucial to choose or create a model that provides the benefits your coordination effort is seeking.

Transit providers seeking a governance model in Kansas should first look to Kansas statute law, which allows a fair degree of leeway for establishing governance for coordination

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MANAGEMENT

New RTAP Resources for New and Experienced Transit Managers

By Anne Lowder

In our newsletter we provide information and resources on current topics in transit and try to anticipate your questions along the way—but we know we don't capture

them all. Now Kansas RTAP has another way to provide answers to your questions. Two documents have been posted at our Web site to point you in the right direction.

New and experienced managers can find questions answered under a new

resource titled "Frequently Asked Questions (FAQs)." For instance, maybe you are new to transportation and are asking: "Where do I start?" The answer is there. This resource also cover topics for experienced managers such as policy development, program development and training.

We also have a new link titled "Helpful Resources for Transit Managers."

Browsing the resources you will

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efforts. The tool most applicable for these efforts is the interlocal agreement. With the ongoing implementation of the Kansas Department of Transportation's initiative to create a new business model through regional transit, such a tool is more important than ever. And even without KDOT's initiative, the benefits of coordination should convince individual transit providers that even a self-initiated coordination program is worth the effort. The substantial operating, managerial, and funding benefits that coordination provides are simply too good to pass up.

Governance models

The primary elements of governance are board structure, agency financing, and cost allocation. The models that follow have been used across the United States in one form or another. Some transit providers choose elements from several models to create a one suited to their region's unique governing and financial needs.

1) Regional Transit Authority (RTA). These statutorily-authorized agencies are organized by municipal and county governments. Policy decisions are generally made by a board whose members include county and city elected officials, school board members, university administrators, private transit providers, etc., within the service area. Municipalities and counties served are guaranteed voting representation while other stakeholders may only have ex-officio representation. Because an RTA is a state-enabled agency, it has access to more potent funding streams; usually a property tax. For instance, Bay City, Michigan's Bay Metropolitan Transit Authority (www.baymetro.org) levies a 0.75-mil property tax and is authorized to levy up to a five-mil tax. In so doing, an RTA takes some of the funding burden off individual municipalities. As independent government entities, many RTAs, such as

South Central Transit (<http://www.southcentraltransit.org>) of Centralia, Illinois, also benefit from being exempt from paying fuel and property taxes. While an RTA is the most effective regional coordination measure, because it is expansion of government it is also the most politically difficult to create.

The mechanism by which almost all local coordination must take place in Kansas is the interlocal agreement. Such an agreement must explicitly outline a governing structure such as a joint board or individual administrator.

2) Regional Transit Coordinating Council (TCC).

The primary difference between a TCC and an RTA is that a TCC is not a policy-making body. It also lacks the ability to create its own funding. Rather, TCCs such as Ottawa County Transit Agency (OCTA) (www.octapublictransit.org) of Oak Harbor, Ohio, are generally an advisory board for pre-existing transit agencies, usually represented by their general managers or directors. Operations are generally left to the individual private and municipal providers. In OCTA's case, the TCC was formed with a lead coordinating agency and several partner human service agencies.

The primary power of the TCC is coordination. Even still, because it lacks its own funding, individual member-providers can block coordination efforts using the power of the purse. The TCC is a relatively easy introductory model for coordinating transit services in a region because the actual power remains in the hands of member-providers.

3) Joint Powers Agency (JPA) & Joint Powers Board (JPB). A JPA coordinates services between counties and/or municipalities—it does not involve private stakeholders such as nursing homes, hospitals, or churches. A JPA can do whatever its member-providers are legislatively enabled to do. A JPA can operate transit but it cannot create its own funding mechanism. In Fort Dodge, Iowa, the Mid-Iowa Development Association (MIDAS) (www.midascog.net) operates numerous

Sources

- 2008 Medicaid Transformation. Kansas Health Policy Authority. January 2009. http://www.khpa.ks.gov/medicaid_transformation/download/2008/KHPA_2008_Medicaid_Transformation.pdf
- Weaver, Pat and Ron Straight. Innovative Medicaid Transportation Programs Rely on Partnership: A Look at What They've Done. Kansas Trans Reporter, January 1996.

	Regional Transit Authority	Regional Transit Coordinating Council	Joint Powers Agency	Joint Powers Board	Private Not-for-Profit	Private Stock Corporation
GOVERNANCE						
Policy level representation for city/county	+	—	+	+	possible	possible
Policy level representation for other stakeholders	possible	possible	—	possible	possible	possible
Policy input for city/county	+	+	+	+	possible	possible
Policy input for other stakeholders	+	+	+	+	possible	possible
Regional perspective	+	better	+	+	possible	possible
POWERS & FUNCTIONS						
Construct, operate, and maintain transit	+	+	+	+	+	+
Construct, operate, and maintain other modes	+	possible	possible	—	+	+
Condemn property and issue bonds	possible	+	+	—	—	—
CREATION						
Method of creation	legislation	agreement	agreement	agreement	agreement	incorporation
TAXING & REVENUE AUTHORITY						
Potential for new funding	possible	—	—	—	—	—
Reduce reliance on city/county general funds	possible	—	—	—	possible	possible
EXPENDITURE & FUNDING OBLIGATIONS						
Primary control	board	agencies	board	board	board	board
Secondary control	agencies	n/a	agencies	agencies	n/a	n/a
WITHDRAWAL						
Permits withdrawal	difficult	n/a	+	+	n/a	+
Method of withdrawal	legislation	n/a	agreement	agreement	n/a	stock sale

Key: + : strength — : weakness

Figure 1. Advantages and Disadvantages of Governance Models.

Adapted from the Charlottesville-Albemarle Regional Transit Authority Plan, Thomas Jefferson Planning District Commission, Charlottesville, Va., 2008. Nelson/Nygaard Consulting Associates.

transit services for its member cities and counties as well as a school district and various human service agencies. MIDAS relies on service contracts with its client jurisdictions and agencies for funding since it cannot levy a tax to fund itself.

JPAs may be hindered in their coordination efforts because they cannot involve key outside stakeholders who, depending on the region, may be a crucial part of providing transit services. To get around this limitation, some regions have set up JPBs which are substantially like JPAs but include private non-governmental stakeholders in the organizational scheme. Much like a TCC, the JPB is only an advisory body with no actual power of its own. Whatever decisions a JPB makes must be carried out by its member jurisdictions and private operators.

4) Private Not-for-Profit Agency. An alternative to public governance, the non-profit organization allows experienced transportation-providing human service organizations to take the lead in coordination efforts. Non-profits' boards can include government officials and private citizens. Funding generally comes from state and federal transportation grant programs. Much like a TCC, JPA or JPB, a non-profit organization (that as a 501(c)(3) corporation) requires no enabling legislation.

While substantially free of government involvement, a non-profit must tailor its services to grant providers in order to obtain grant funds. In the case that the non-profit is the outgrowth of a human service agency, this tailoring of services is less of an issue since these agencies commonly have previous experience tailoring services to

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receive grant funds. For instance, Missouri's OATS, Inc., (www.oatstransit.org) was formed specifically to facilitate transit for the elderly. OATS relies on Federal Transit Administration Section 5310 (Transportation for Elderly Persons and Persons with Disabilities) grants to fund this service.

5) Private Stock Corporation. Another model of private ownership—a stock corporation—can be owned by either private or public stockholders or by a combination of both. The stock of JAUNT, Inc., of Charlottesville, Virginia (www.ridejaunt.org) is wholly owned by its member jurisdictions. Even though JAUNT is owned by public entities, the corporation itself remains private and operates like any incorporated business. Seats on JAUNT's board of directors are apportioned based on stock ownership. And, because it is private, the board can add jurisdictions by agreeing to issue additional stock. Funding is provided by member jurisdictions eligible for state and federal grants and through service contracts with public and private agencies.

Kansas provisions for coordination

The State of Kansas has specifically provided for a transportation authority in the Topeka region and a statute also allows the City of Wichita to own a transit system. However, the mechanism by which almost all other coordination must take place is the interlocal agreement. Such an agreement permits local governments to “make the most efficient use of their powers by enabling them to cooperate with other localities, persons, associations and corporations on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to

forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.” (K.S.A. § 12-2901 et seq.).

Kansas law allows cities and counties to coordinate with other local governments and private persons and corporations to provide numerous public services. While transit coordination or “transportation” or “transit services” are not expressly authorized, they are also not expressly prohibited. In fact, cooperation regarding economic development, which certainly pertains to transit, is specifically allowed.

Interlocal agreements must explicitly outline a governing structure such as a joint board or an individual administrator.

As for financing, the interlocal entity may issue bonds. The Kansas interlocal agreement resembles a regional transit authority designation without the necessity of specific enabling legislation.

In sum

Any coordination effort is multi-faceted. Between governance structure, operating efficacy, funding reliability, and countless other details, choosing the right setup can be difficult. However, if each facet is examined individually, an appropriate approach can be identified. Cooperative coordinated regional transit can put your agency or coordination effort on the path to more efficient and cost-effective transit services.

To find out more about regional transit governance, go to http://www2.ku.edu/~kutc/pdffiles/KDOT_Regional_Transit_Pilot_Study/11-05-10-KUTCGovernanceModelsWhitePaper.pdf

MANAGEMENT

New transit resources from RTAP, *Continued from page 1*

find links to federal, state, academic and technical web sites of interest to transit professionals. These links include federal programs such as the Bureau of Transportation Statistics (helpful for grant writing) and other online resources for transportation safety, trade associations and organizations concerned with improving transportation.

Included in this list is our own Kansas Rural Transportation Assistance Program at <http://www.ksrtap.org>. KS RTAP is the place to find these FAQs and Resources, as well as other services for local transit

agencies. From the KS RTAP home page, look to the left column and click “Links” to find the FAQs and Resources.

Have a resource or question we missed? Let me know at alowder@ku.edu.

Anne Lowder is a transit trainer with Kansas RTAP.



New and experienced transit managers can now find even more information relevant to their jobs at the Kansas RTAP Web site at <http://www.ksrtap.org>.