



To: Mayor Weaver and City Council Members
CC: Robert Jean, Interim City Manager
From: Lisa Von Bargen, CEDD Director
Date: September 2, 2015
Re: Community Transportation Program Changes Report

Valdez has a Coordinated Transportation Plan, approved by the Council at regular intervals. The plan introduction, which follows, has the best summary of its purpose. “Formed in 2007, with the assistance of DOT and the City of Valdez, the Valdez Coordinated Community Transportation Committee (VCCTC) consists of individuals representing different service provision agencies and community groups having a common interest in providing transportation to services for people with special needs (e.g., health issues/disabilities, senior citizens and those unable to meet the cost of their transportation needs) as well as others. It is also an effort to most effectively utilize the resources that are available in Valdez, allowing agencies to more efficiently provide their services and a smoother experience for the consumer...”

Changes in grant funding, and the interpretation of eligible ridership coverage funding require the community, as a whole, to review transportation needs and administration. This is a very complex issue, and unfortunately, staff is still waiting on additional information from ADOT to provide a clear picture of all facts. Following is summary of the current program status, decisions that need to be made and questions for which answers from ADOT are still pending.

All rides currently provided in Valdez are done so “on-demand.” This means consumers call an agency like Connecting Ties, or the Senior Center to request transportation; or the call Valdez Yellow Cab if they are physically capable of riding in a standard vehicle. This is different from communities (mostly urban) which have public transit systems where service is regularly scheduled (like a bus route), or is a combination of scheduled service and on-demand. In that scenario on-demand service is almost exclusively provided for special needs clients (like those requiring a wheelchair accessible van).

Connecting Ties has taken the lead role in administering the grant programs that provide funding for the transportation services in Valdez. Through June 30 of this year, two different matching grant programs were available to help fund transportation services in Valdez. The programs are federally funded by the US Department of Transportation, Federal Transit Administration (FTA) and passed through ADOT to individual communities. The 5310 Program provides social service transportation assistance funding

for the elderly and disabled. The 5316 Program provided transportation assistance funding for low-income individuals to obtain rides to and from work.

The FTA website provides the following description of the 5310 Program. “The Section 5310 program was established in 1975 as a discretionary capital assistance program. In cases where public transit was inadequate or inappropriate, the program awarded grants to private non-profit organizations to serve the transportation needs of elderly persons and persons with disabilities. FTA apportioned the funds among the States by formula for distribution to local agencies, a practice made a statutory requirement by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). In the early years of the program, many of the sub-recipient non-profit agencies used the vehicles primarily for transportation of their own clients...ISTEA also introduced the eligibility of public agencies under limited circumstances to facilitate and encourage the coordination of human service transportation. Increasingly, FTA guidance encouraged and required coordination of the program with other Federal human service transportation programs. In lieu of purchasing vehicles, acquisition of service in order to promote use of private sector providers and coordination with other human service agencies and public transit providers was made an eligible expense under ISTEA...The Transportation Equity Act for the 21st Century (TEA-21) enacted in 1998, reauthorized the Section 5310 program. TEA-21 increased the funding levels for the Section 5310 program but made no significant program changes. In 2005, Congress enacted SAFETEA-LU. SAFETEA-LU introduced the requirement that projects funded with 5310 funds be derived from a locally developed, coordinated public transit-human services transportation plan... [and] introduced a seven State pilot program that allows selected States to use up to one-third of the funds apportioned to them for operating assistance...”

Based on the 2005 SAFETEA-LU requirement, the agencies in Valdez came together to develop the Valdez Coordinated Community Transportation Plan.

This 5310 Program currently remains in place, but is scheduled to sunset in 2017. This is the State’s fiscal year 2017, so program funding will go away as of June 30, 2016. While the program is in place it allows non-profit organizations like Connecting Ties and the Senior Center to apply for operating assistance of up to 30% for the purchase of vehicles and the cost to provide transportation to clients. This program also funds a voucher program for elderly and disabled populations. Elderly and disabled persons may purchase vouchers for \$4 each for rides anywhere they need to go. These vouchers may be used to purchase rides from a third party vendor like Yellow Cab. Fares range depending on what zone of the community a person travels to and from. The voucher program pays the difference between the \$4 voucher value and the real cost of the cab fare. If the cab fare is \$20, 5310 picks up the \$16 difference. Rides may only be purchased from a third party provider. For example, a resident of the Senior Center may not purchase a ride in a Senior Center vehicle. The Senior Center may apply for funding assistance through this program for vehicles and operations associated with providing transportation. But, the rides they give to their clientele must be free in their vehicle.

The 5316 Program ended as of June 30, 2015. It is also commonly referred to as JARC, which stands for Job Access and Reverse Commute. This program was also federally funded through the FTA and administered through ADOT. There is no more funding for this program. Program eligibility was determined by an individual's income status. Program participants applied for eligibility with Connecting Ties (the program administrator) by providing income and bank balance information. Approved participants were able to purchase vouchers for \$4 each to purchase rides from home to work and back. The vouchers were used to buy rides with the local Taxi drivers and on Connecting Ties vehicles. Again, cab fares range depending on what zone of the community a person travels to and from. The 5316 program paid the difference between the \$4 voucher and the standard zone cab fare. If the actual fare for a ride was \$11, the 5316 program covered the \$7 difference. The JARC Program began at the start of the State's 2012 fiscal year (July 1, 2011). Below is the ridership for FY14 and FY15 broken down by month and by service provider. The spreadsheet also shows the comparison of total rides provided for the year compared to JARC rides.

| Months | Total Rides FY14 | JARC Rides FY14 | | | Months | Total Rides FY15 | JARC Rides FY15 | | |
|--------|--|-----------------|------|------|--------|----------------------|-----------------|------|------|
| | | CTI | YC | TTL | | | CTI | YC | TTL |
| Jul-13 | 484 | 17 | 78 | 95 | Jul-14 | 478 | 45 | 88 | 133 |
| Aug-13 | 576 | 19 | 129 | 148 | Aug-14 | 416 | 52 | 88 | 140 |
| Sep-13 | 709 | 18 | 217 | 235 | Sep-14 | 534 | 39 | 89 | 128 |
| Oct-13 | 768 | 10 | 215 | 225 | Oct-14 | 573 | 18 | 65 | 83 |
| Nov-13 | 850 | 9 | 277 | 286 | Nov-14 | 541 | 7 | 52 | 59 |
| Dec-13 | 801 | 34 | 261 | 295 | Dec-14 | 630 | 29 | 40 | 69 |
| Jan-14 | 821 | 61 | 246 | 307 | Jan-15 | 678 | 22 | 147 | 169 |
| Feb-14 | 814 | 55 | 192 | 247 | Feb-15 | 628 | 12 | 203 | 215 |
| Mar-14 | 785 | 39 | 98 | 137 | Mar-15 | 641 | 43 | 257 | 300 |
| Apr-14 | 689 | 77 | 114 | 191 | Apr-15 | 656 | 26 | 198 | 224 |
| May-14 | 466 | 53 | 105 | 158 | May-15 | 610 | 2 | 189 | 191 |
| Jun-14 | 343 | 47 | 99 | 146 | Jun-15 | 525 | 0 | 144 | 144 |
| | 8106 | 439 | 2031 | 2470 | | 6910 | 295 | 1560 | 1855 |
| | JARC = 31% Ridership | | | | | JARC = 27% Ridership | | | |
| | JARC = Job Access and Reverse Commute Program (5316) | | | | | | | | |
| | CTI = Connecting Ties, Inc. | | | | | | | | |
| | YC = Yellow Cab | | | | | | | | |
| | TTL = Total | | | | | | | | |

The following figures provide an understanding of unique users of the program compared to total rides given: 2011- 8; 2012 -5; 2013 – 21; 2014 – 17; 2015 – 5. For the first six months of 2015, based on the number of users (5), the average number of rides per person

was 41 rides per person per month. This tracks appropriately if a person works 5 days a week or 20 days a month.

Initially, staff considered asking the Council to locally fund the JARC program. The problem is, the cost to manage the program is four times the cost of the subsidized rides. Below is a spreadsheet provided by Connecting Ties that outlines the funding associated with just the JARC program. The section highlighted in yellow (\$30,000) represents the amount paid in ride assistance. The remaining \$85,174 is overhead. Please forgive staff for being a bit bombastic, but for that amount of money, all the users could be purchased a car.

| REPLACE JARC FUNDING (JOB ACCESS / REVERSE COMMUTING) | |
|--|----------------------------|
| ESTIMATED ANNUAL ADMINSTRATIVE COSTS | |
| ADMIN SALARY & TAXES (1.0 FTE) | \$38,765.00 |
| ADMIN BENEFITS - HEALTH/RETIREMENT (1.0 FTE) | \$14,928.00 |
| DRIVERS WAGE & TAXES (0.25 FTE) | \$7,411.00 |
| DRIVERS BENEFITS - HEALTH/RETIREMENT (0.25 FTE) | \$3,670.00 |
| PHONE/INTERNET/FAX | \$1,000.00 |
| OFFICE SUPPLIES | \$4,500.00 |
| ADVERTISING | \$1,500.00 |
| FUEL | \$3,000.00 |
| VEHICLE MAINTENANCE/REPAIRS | \$2,000.00 |
| VENDOR REIMBURSEMENT | \$30,000.00 |
| RENT/ARCHIVE STORAGE | \$8,400.00 |
| TOTAL ANNUAL ESTIMATED COSTS | <u>\$115,174.00</u> |

That does not, however, alleviate the issues that with the sunset of the 5316 JARC program, low-income individuals are at a significant disadvantage getting to and from work.

The 5316 programs provided operating overhead reimbursement at a 90/10 split. That means, as the administrator of the programs Connecting Ties only had to come up with a 10 percent match on program overhead expenses.

ADOT recognizes the loss of the 5316 program creates an environment of significant hardship for low-income individuals trying to commute to and from work, especially given the significant distances from outlying subdivisions into the core area of town. Because of the loss of the JARC program, and the upcoming sunset of the 5310 social services program, ADOT is strongly encouraging Valdez move toward creating a Public Transit Program (5311). It is the opinion of staff that ADOT is recommending this direction for two reasons: 1) the 5311 Public Transit Program provides an avenue for funding (albeit only a 60% match); and 2) ADOT is hoping to use Valdez as a pilot location for a small town transitioning to providing a public transit system.

Under the current Community Transportation plan the service providers respond to ride requests “on-demand” with the appropriate amount of notice. Connecting Ties provides dispatch service for those individuals using vouchers for service. Under a Public Transit model some type of regularly scheduled service is normally contemplated. In some instances there are hybrids which include both scheduled service and on-demand rides.

For Valdez to develop a Public Transit Program it would require, either the City to take on the responsibility, or a new non-profit would need to be created to operate the program. A Public Transit program is well outside the mission of Connecting Ties. Nor would they be able to make up the operating cost match required at 40%.

Staff has no idea what the cost would be to create a Public Transit System from scratch. At a minimum would require 1) determination of service level (scheduled only, or scheduled and on-demand); 2) development of a schedule; 3) acquisition of vehicles; 4) acquisition of office space and storage/maintenance facility for vehicles; 5) staff for dispatching and driving, program management and maintenance; 6) creation of a dispatch center – just to name the obvious needs.

When staff queried ADOT if an existing private company like Yellow Cab in Valdez could be contracted to provide Public Transit service, the answer was unknown. Staff still awaits definitive answers from ADOT. However, ADOT seems anxious for Valdez to make a decision because funding for a Public Transit Program is requested and the grant application process begins October, is onerous, and must be completed by December.

Frankly, there is no way this decision can be made in this timeframe. So much more information is necessary, the most important of which is community testimony about what kinds of transportation needs are really necessary in Valdez. At this time, staff is recommending the status quo. It is unfortunate JARC funding has been eliminated. It leaves a gaping transportation need for those with lower incomes. And, it takes \$30,000 in ride revenue away from Yellow Cab drivers and Connecting Ties. But the current overhead far exceeds the benefits to the community. Funding for the social service transportation program remains in place through June 30 of next year. When that goes away, it may be very difficult for the agencies providing this transportation to continue to provide services with going to a full pay-to-ride scenario so the fees pay for the cost of the program. This will undoubtedly cause significant hardship for those members of the community who are disabled or are senior citizens and on a fixed income.

Staff is recommending the public process begin now to determine the transportation needs of the community and what type of transportation program needs to be put in place. This report is before Council now to initiate the discussion of how to begin the public process. If we start now, the community can have a plan in place when the remaining grant program funding sunsets and when a decision needs to be made about Public Transit funding next year.