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PUBLIC TRANSIT

Challenges Funding, Investing in Systems, and Coordinating Services

Statement of Dave Wise, Director, Physical Infrastructure Issues

Highlights of GAO-14-278T, a testimony before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate

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Challenges Funding, Investing in Systems, and Coordinating Services

Why GAO Did This Study

Millions of passengers use transit services on a daily basis, and many transit agencies that provide these services receive federal funding. To meet the needs of these passengers in a challenging economy, transit agencies must use federal and other resources wisely, while ensuring quality service.

The July 2012 surface transportation reauthorization act—MAP-21—has addressed a number of transit issues by strengthening federal authority to oversee transit safety and emphasizing the restoration and replacement of aging infrastructure, among other things. While it is too early to assess all of the impacts of MAP-21, the work GAO has done can help inform the next surface transportation reauthorization act.

This testimony covers GAO's recent work on: (1) funding transit; (2) improving capital decision making; and (3) coordinating services for transit-disadvantaged populations.

To address these objectives, GAO drew from its recent reports issued from March 2011 through November 2013. GAO has also analyzed MAP-21, recent rulemaking, and other reports.

What GAO Recommends

GAO made recommendations on these issues in previous reports. The Department of Transportation agreed to consider these recommendations and is in various stages of implementing them.

View GAO-14-278T. For more information, contact Dave Wise at (202) 512-2834 or wised@gao.gov.

What GAO Found

The Moving Ahead for Progress in the 21st Century Act (MAP-21) authorized $10.6 and $10.7 billion for fiscal years 2013 and 2014, respectively, for public transit, but did not address long-term funding. Federal funds available for FTA's transit programs come from the general fund of the U.S. Treasury and the Mass Transit Account of the Highway Trust Fund. The Highway Trust Fund supports surface transportation programs, including highways and transit, and is funded through motor fuel and other highway use taxes; however, revenues have eroded over time because federal fuel tax rate stagnation, fuel efficiency improvements, and the use of alternative fuel vehicles. In May 2013, the Congressional Budget Office estimated that to maintain current spending levels plus inflation between 2015 and 2022, the Fund will require over $132 billion more than it is expected to take in over that period. GAO reported that while Congress transferred over $50 billion in general revenues to the Fund since fiscal year 2008, this approach may not be sustainable given competing demands for funding. For these reasons funding surface transportation remains on GAO's High-Risk List.

To address these funding challenges, sound capital-investment decisions can help transit agencies use their funds more efficiently. GAO's work on transit asset management and bus rapid transit has illustrated these benefits.

Transit asset management: According to the Federal Transit Administration (FTA), it would cost roughly $78 billion (in 2009 dollars) to rehabilitate or replace the nation's aging transit assets—such as buses, rail cars, and escalators. GAO's 2013 report on asset management recognized that many of the nearly 700 public transit agencies struggle to maintain their bus and rail assets in a state of good repair. Sound management practices can help agencies prioritize investments to help optimize limited funding. However, of the nine transit agencies GAO visited, only two measured the effects of capital investments on asset condition and none measured the effects on future ridership. Thus, GAO recommended additional research to measure the effects of capital investments; FTA concurs in part with this recommendation. FTA agency officials recognize the importance of additional research; however, they are hesitant to commit additional resources given their current budget situation.

Bus rapid transit (BRT): In addition to maintaining assets, transit agencies often need to build or expand systems to meet demand. Transit agencies can apply for federal capital-investment funding for new projects through New and Small Starts and Core Capacity Improvement grants. GAO's 2012 report found that many agencies had taken advantage of New and Small Starts funding to develop BRT projects, which generally require less capital investment compared to rail.

GAO's recent work also shows benefits from coordinating transit services for the transportation-disadvantaged—those who cannot provide their own transportation or face challenges accessing public transportation. GAO's 2012 report pointed out that coordination can be challenging, as federal programs provide funding for a variety of services. GAO also concluded that insufficient federal leadership and guidance on coordinating services for the disadvantaged may hinder coordination among state and local providers. The Coordinating Council—a group of federal agencies providing these services—has completed a strategic plan to strengthen interagency coordination, as GAO recommended.

Chairman Johnson, Ranking Member Crapo, and Members of the Committee:

I am pleased to be here today to discuss our recent work on transit issues. It is my hope that we can help inform the committee as it prepares to develop the next surface transportation reauthorization act. Millions of passengers use transit services on a daily basis in the United States, and many of the local transit agencies that provide these services receive federal funding. To meet the needs of these passengers in a challenging economy, transit agencies must use federal and other resources wisely, while ensuring safety and quality. The most recent surface transportation reauthorization act, Moving Ahead for Progress in the 21st Century Act (MAP-21),[1] enacted on July 6, 2012, authorized funding for federal highway and public transportation programs through September 30, 2014. MAP-21 did not address concerns about funding for surface transportation programs over the longer term, but it did address a number of other areas of concern by modifying certain transit programs, at the same time strengthening federal authority to oversee transit safety,[2] emphasizing the restoration and replacement of aging infrastructure, consolidating some grants, and streamlining project development, evaluation, and delivery. The Federal Transit Administration (FTA)[3] is developing guidance for implementing many of these changes. I will highlight today our recent work that has implications for current and future

[1]Pub. L. No. 112-141, 126 Stat. 405 (July 6, 2012).

[2]Rail transit generally has been one of the safest forms of public transportation. However, notable accidents are cause for concern. GAO's 2006 report found that officials from the majority of the state oversight and transit agencies stated that the State Safety Oversight program enhances rail transit safety, but that FTA faced several challenges in administering the program. For example, state oversight agencies received little or no funding from FTA and had limited funding for staff. GAO, *Rail Transit: Additional Federal Leadership Would Enhance FTA's State Safety Oversight Program,* GAO-06-821 (Washington, D.C.: July 26, 2006). GAO's 2011 report also found challenges including the low level of safety in some transit agencies and the difficulty hiring and training qualified staff. GAO, *Rail Transit: FTA Programs Are Helping Address Transit Agencies' Safety Challenges, but Improved Performance Goals and Measures Could Better Focus Efforts,* GAO-11-199 (Washington, D.C.: Jan. 31, 2011). MAP-21 provided FTA with new safety authority, including authority to establish new safety requirements for all recipients, as well as conduct investigations, audits, and examinations. Pub. L. No. 112-141, § 20021, 126 Stat. 405, 709-717.

[3]The Federal Transit Administration is the agency within the Department of Transportation responsible for providing financial and technical assistance to local public transit systems.

transit programs and describe how MAP-21 has affected these areas to date.

My statement today describes our work on three main challenges: (1) funding transit, (2) improving capital-investment decision making on maintaining and expanding transit systems, and (3) coordinating transit services for transit-disadvantaged populations among various federal and state or local agencies. To the extent that these challenges can be addressed as MAP-21 is implemented, Congress, along with transit and federal agencies, will better be able to leverage increasingly limited federal dollars.

For this statement, we drew primarily from our reports—including those on funding transit, managing assets, and coordinating services for the transportation-disadvantaged—issued from June March 2011 through November 2013.[4] We also analyzed MAP-21, recent rulemaking, and other reports. The reports cited in this statement contain more detailed explanations of the methods used to conduct our work. The work on which this statement is based was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Long-Term Funding Challenges Remain

Funding for transit projects comes from public funds allocated by federal, state, and local governments and system-generated revenues earned by transit agencies from providing transit services. The Department of Transportation reported: (1) that in 2008, federal funds were nearly 40 percent of total transit agency capital expenditures; (2) that state funds provided approximately 12 percent; and (3) that local funds provided the

[4] See list of these reports in Related GAO Products section.

remaining 48 percent of total transit agency capital expenditures.[5] Our November 2012 report found similar funding trends. Specifically, local funding exceeded total federal funding for the 25 projects approved for federal New Starts grants—part of FTA's Capital Investment Grant Program—from October 2004 through June 2012.[6] Federal funding is an important part of this picture, and according to FTA, MAP-21 authorized federal funding for public transit—$10.6 billion for fiscal year 2013 and $10.7 billion for fiscal year 2014. However, while state and localities face their own funding challenges, MAP-21 did not address long-term transportation federal funding challenges.

Federal funds available for the FTA's transit programs come from two sources: (1) the general fund of the U.S. treasury and (2) the Mass Transit Account of the Highway Trust Fund. Both of these sources of federal funding face difficulties. Currently, congressional budget discussions raise issues about general fund federal spending. This affects transit programs, such as the Capital Investment Grant Program, which are funded through annual appropriations from the general fund.

[5]U.S. Department of Transportation, *2010 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance,* Washington, D.C. In 2008, total public transit-agency expenditures for capital investment were $16.1 billion and accounted for 41.5 percent of total available funds. Federal funds were $6.4 billion in 2008, 39.8 percent of total transit agency capital expenditures. State funds provided an additional 12.4 percent, and local funds provided the remaining 47.8 percent of total transit agency capital expenditures. Of total 2008 transit capital expenditures, 76.4 percent ($12.3 billion) was invested in rail modes of transportation, compared with 23.6 percent ($3.8 billion) invested in nonrail modes. This investment distribution has been consistent over the last decade.

[6]The Capital Investment Grant Program is the primary mechanism through which FTA provides capital grants to project sponsors like transit agencies. The New Starts and Small Starts programs provide funds to transit project sponsors to build new or expanded fixed-guideway transit systems. Small Starts also includes projects known as Very Small Starts projects. These three categories—New, Small, and Very Small projects—vary by total project cost and amount of the Capital Investment Grant Program contribution to the cost. For New Starts, total estimated project costs exceed $250 million; for Small Starts, they are less than $250 million, and for Very Small Starts, they are less than $50 million. For New Starts, the federal contribution is at least $75 million, for Small Starts it is less than $75 million. For further information on sources of funding for Capital Investment Grants, under SAFETEA-LU, see GAO, *Public Transit: Funding for New Starts and Small Starts Projects, October 2004 through June 2012.* GAO-13-40 (Washington, D.C.: November 14, 2012). MAP-21 made some changes this program.

In addition, the Highway Trust Fund authorizes funds for transit programs primarily through statutory formulas,[7] and there are concerns over the fund's decreasing revenue. The primary mechanism for funding federal highway and transit for more than 50 years is the Highway Trust Fund, which is funded through motor fuel and other highway use taxes. These taxes were established to make the federal-aid highway program self-financing—that is, paid for by the highway users who directly benefit from the program. For many years, user fees in the form of federal fuel taxes and taxes on commercial trucks provided sufficient revenues to the Highway Trust Fund; however, revenues into the fund have eroded over time, in part because federal fuel tax rates have not increased since 1993 and in part because of improvements in vehicle fuel efficiency. In May 2013, the Congressional Budget Office estimated that to maintain current spending levels plus inflation between 2015 and 2022, the Highway Trust Fund will require over $132 billion more than it is expected to take in over that period. About $35 billion of that deficit would be in the transit account. To maintain current spending levels and cover revenue shortfalls, Congress has transferred more than $50 billion in general revenues to the Highway Trust Fund since fiscal year 2008. This approach has effectively broken the link between taxes paid and benefits received by users and may not be sustainable given competing demands and the federal government's growing fiscal challenge. As we have previously reported, this trend will continue in the years ahead as more fuel efficient and alternative fuel vehicles take to the roads. We have previously concluded that a sustainable solution to funding surface transportation is based on balancing revenues to and spending from the Highway Trust Fund. Ultimately, major changes in transportation revenues, spending, or both will be needed to bring the two into balance. For this and other reasons, and because MAP-21 did not address these issues, funding surface transportation remains on GAO's High-Risk List.[8]

[7]Formula funds are apportioned to grant recipients based on distributions prescribed by federal statute. GAO, *Surface Transportation: Competitive Grant Programs Could Benefit from Increased Performance Focus and Better Documentation of Key Decisions*. GAO-11-234 (Washington, D.C.: March 30, 2011).

[8]GAO, *High-Risk Series: An Update*, GAO-13-283 (Washington, D.C.: February 2013).

Effective Capital-Investment Decisions Help Transit Agencies Use Funds More Efficiently

Our recent work describes how sound capital-investment decisions can help transit agencies use federal and other transit funds more efficiently, and MAP-21's new requirements for transit agencies to use asset management are consistent with our recent findings.

Transit Asset Management

Improved transit asset management is important because of (1) the large backlog of transit assets—such as buses, rail cars, elevators, and escalators—that are already beyond their useful lives; (2) increasing demand for transit services; and (3) financial strains on transit providers due to rising fuel prices, decreased state and local funding, and likely limitations of federal funding going forward. According to FTA, roughly $78 billion (in 2009 dollars)[9] would be necessary to cover the costs of rehabilitating or replacing the nation's transit assets and bring them to a state of good repair. Sound asset-management practices can help agencies prioritize their capital investments to help optimize limited funding.

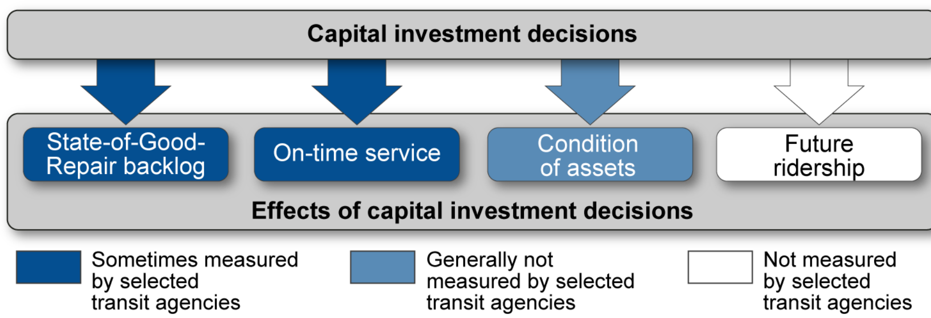
Our July 2013 report on transit agencies' management of their assets recognized that many of the nearly 700 public transit agencies in the United States struggle to maintain their bus and rail assets in good repair. Further, assets that are not in an acceptable condition and not rehabilitated or replaced could reduce safety, on-time service, and ridership. Our review of selected transit agencies[10] found that while some transit agencies were starting to follow leading practices, including developing asset inventories to obtain accessible, consistent, and comprehensive information, some also faced challenges such as collecting unreliable data. To help prioritize capital investments, transit agencies would benefit from estimating the effects of those investment

[9]Since there has been some inflation since 2009, the cost of $78 billion in 2014 dollars, would be somewhat higher.

[10]We reviewed agencies by conducting site visits and interviews, examining documents, and consulting relevant literature. We selected agencies for review in two ways: 1) using a selection process for transit-agency site visits, and 2) reviewing transit agency case studies included in two key reports we identified through a comprehensive literature review.

decisions. Transit agencies that measure and quantify the effects of their capital-investment decisions are likely to make a stronger case for additional funding from state and local decision-makers. However, of the nine transit agencies we visited, only two measured the effects of capital investments on the condition of certain transit assets and none of the agencies measured the effects on future ridership, in part because they lacked the tools to determine these effects. Figure 1 below shows the extent to which selected transit agencies measured the effect of capital investments.

Figure 1: Extent to which Selected Transit Agencies Measure Effects of Capital Investments on State-of-Good-Repair Backlog, On-time Service, Asset Condition, and Future Ridership



Source: GAO.

Accordingly, we recommended that the Administrator of FTA conduct additional research to help transit agencies measure the effects of capital investments, including future ridership effects. The FTA concurs with this recommendation, in part. FTA agrees that more research to identify the operational impacts of not addressing the state of good repair backlog will support better asset management by transit agencies. However, according to FTA officials, given the agency’s current budget situation, it is difficult for it to commit to conduct additional research in the near future. FTA has almost $10 million in research projects on transit asset management underway.

MAP-21 directed FTA to provide transit agencies with tools and guidance they need to help them better prioritize capital investment decisions. MAP-21 also directed FTA to develop asset management requirements for all recipients of federal transit program funds, including a transit asset management plan, which must include at a minimum, capital asset inventories, condition assessments, and investment priorities.[11] Since the enactment of MAP-21, FTA has been developing guidance to help transit agencies implement leading practices in transit asset management and a decision support tool to prioritize investments. FTA also issued an advance notice of proposed rulemaking (ANPRM) in October 2013 and requested that comments be submitted to them by January 2, 2014.[12] The ANPRM states that FTA is seeking to ensure public transportation systems are in a state of good repair and transit agencies provide increased transparency into their budgetary decision-making process. FTA is seeking public comment on, among other things, (1) proposals it is considering and (2) questions regarding the following:

- the requirements of a National Transit Asset Management System, including four options for defining and measuring state of good repair, and
- the relationship between safety, transit asset management, and state of good repair.

As FTA completes its analysis of these comments and further develops a National Transit Asset Management System, transit agencies may be better equipped to implement current leading practices in transit asset management and comply with future transit asset management requirements envisioned by MAP-21.

Bus Rapid Transit

In addition to maintaining transit agencies' existing assets in a state of good repair, some transit agencies also face a need to build and expand their systems to meet demand. To meet these needs in a financially constrained environment, transit agencies can apply for capital funding available from the federal government through the Capital Investment

[11]Pub. L. No. 112-141, § 20019, 126. Stat. 405, 707.

[12]78 Fed. Reg. 61251 (Oct. 3, 2013).

Grant Program, which includes New and Small Starts grants.[13] In many cases, transit agencies have taken advantage of this federal funding to develop bus rapid transit (BRT) projects, which often require less capital investment than other transit modes. For example, New York implemented a BRT project for the M15 line. This BRT line provides critical transportation service in Manhattan for over 55,000 riders a day, connecting many neighborhoods that are a long walk from the nearest subway station. Thus transit agencies are able to meet transit demand with BRT projects with a lower initial capital investment than other modes of transit, like heavy rail. Specifically, we found in our 2012 report that median costs for the 30 BRT and 25 rail transit projects we examined from fiscal year 2005 through February 2012 were about $36.1 million and $575.7 million, respectively.

BRT characteristics vary from project to project but generally include improvements to infrastructure, technology, and passenger amenities that attempt to replicate rail transit. We found that starting with the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)[14] in 2005, opportunities for BRT expanded and transit agencies took advantage of them. SAFETEA-LU revised eligibility for major capital investment projects to include corridor-based bus capital

[13]The Capital Investment Grant Program is the primary mechanism through which FTA provides capital grants to project sponsors like transit agencies. The New Starts and Small Starts programs provide funds to transit project sponsors to build new or expanded fixed-guideway transit systems. Small Starts also includes certain corridor-based bus rapid transit projects and what are known as Very Small Starts projects. MAP-21 added a new category to this program, “core-capacity improvement projects.” New, Small, and Very Small Starts projects—vary by total project cost and amount of the Capital Investment Grant Program contribution to the cost. For New Starts, total estimated project costs exceed $250 million; for Small Starts, they are less than $250 million, and for Very Small Starts they are less than $50 million. For New Starts the federal contribution is at least $75 million, for Small Starts it is less than $75 million. A “core capacity project” is a substantial corridor-based capital investment in an existing fixed-guideway system that increases the capacity of a corridor by not less than 10 percent. 49 U.S.C. § 5309.

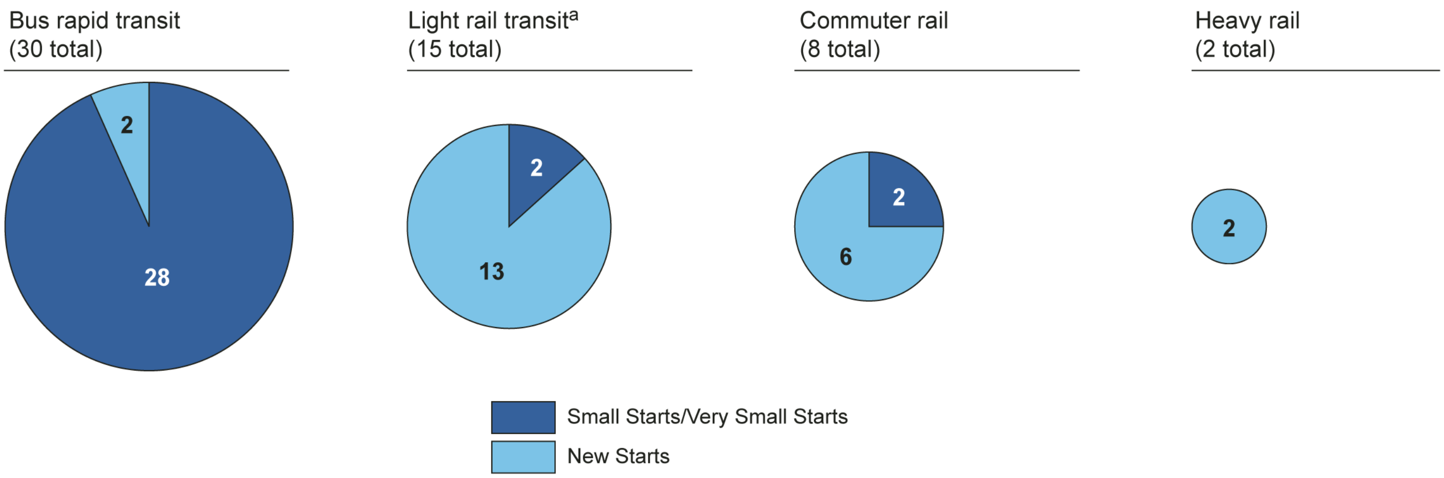
[14]Pub. L. No. 109-59, 119 Stat. 1144 (Aug. 10, 2005).

projects.[15] According to all of the five BRT project sponsors we spoke with during our work, even at a lower capital cost, BRT could provide rail-like benefits. For example, Cleveland RTA officials told us the Healthline BRT project cost roughly one-third ($200 million) of what a comparable light-rail project would have cost.[16] Similarly, Eugene, Oregon, Lane Transit District (LTD) officials told us that the agency pursued BRT when it became apparent that light rail was unaffordable and that an LTD light rail project would not be competitive in the New Starts federal grant process. In terms of benefits, these projects—and most other BRT project we examined—increased ridership and improved travel times over the previous bus service. As a result of the lower initial capital costs for BRT along with the benefits of improved service, transit agencies took advantage of federal New and Small Starts dollars to invest in a relatively large number of BRT projects, as compared to other modes of transit. (See fig. 2).

[15]Under SAFETEA-LU, a fixed-guideway capital project included a corridor-based bus capital project if—"(A) a substantial portion of the project operates in a separate right-of-way dedicated for public transit use during peak hour operations; or (B) the project represents a substantial investment in a defined corridor as demonstrated by features such as park-and-ride lots, transit stations, bus arrival and departure signage, intelligent transportation systems technology, traffic signal priority, off-board collection, advanced bus technology, and other features that support the long-term corridor investment." Pub. L. No. 109-59, § 3011, 119 Stat. 1144, 1579.

[16]In addition, Cleveland RTA told us the Healthline BRT reduced the overall operating budget and the average costs per rider decreased.

Figure 2: Total Projects in New Starts, Small Starts, and Very Small Starts with Grant Agreements by Mode, Fiscal Year 2005 through February 2012



Source: GAO analysis of FTA documents.

Note: Exempt projects were excluded from our analysis.

[a]One streetcar project, the Portland Streetcar Loop, is included in this analysis as a light rail project.

In addition, we found that although many factors contribute to economic development, most local officials in the five case study locations we visited believed that BRT projects were contributing to localized economic development. For instance, officials in Cleveland told us that an estimated $4 to $5 billion had been invested near the Healthline BRT project—associated with major hospitals and universities in the corridor. While most local officials believed that rail transit had a greater economic development potential than BRT, they agreed that certain factors can enhance BRT's ability to contribute to economic development, including physical BRT features that relay a sense of permanence to developers; key employment and activity centers located along the corridor; and local policies and incentives that encourage transit-oriented development. Our analysis of land value changes near BRT lines at our five case study locations lends support to these themes.

MAP-21 included a few changes that affected BRT. For example, MAP-21 defined BRT more narrowly and specifically than SAFETEA-LU. Specifically, MAP-21 required that BRT projects include features that emulate the services provided by rail, including defined stations rather than bus stops. This is consistent with our work, as we found that including rail-like features appears to lead to increased economic development along BRT corridors. In addition, MAP-21 made a distinction between BRT projects that are eligible for New Starts versus Small Starts funding.[17]

Coordination Efforts for Transportation-Disadvantaged Populations Are Under Way

Effective federal coordination can help maximize limited resources, while still providing essential services—especially to transportation-disadvantaged populations, including those who cannot provide their own transportation or may face challenges in accessing public transportation due to age, disability, or income constraints. We have previously reported that transportation-disadvantaged populations often benefit from greater and higher quality services when transportation providers coordinate their operations. Additionally, as we reported in our findings on duplicative efforts and programs, improved coordination of these programs and transportation services has the potential to improve the quality and cost-effectiveness of these services, while also reducing duplication, overlap, and fragmentation of services.[18]

However, effective coordination can be challenging, as federal programs provide funding under a variety of services, including education, employment, and medical and other human services. Our 2012 report on transportation-disadvantaged populations found that 80 federal programs in eight different agencies fund a variety of transportation services. While some federally funded programs are transportation focused, transportation was not the primary mission for the vast majority of the programs we identified. For example, the Department of Health and Human Services' Medicaid program reimburses states that provide Medicaid beneficiaries with bus passes, among other transportation options, to access eligible medical services. Total federal spending on services for transportation-disadvantaged populations remains unknown

[17]Under MAP-21, a corridor-based bus rapid transit project, in which the majority of the project does not operate in a separated right-of-way dedicated for public transportation use during peak periods, is eligible for Small Starts funding; New Starts eligibility is limited to those fixed guideway bus rapid transit projects in which the majority of the project operates in a separated right-of-way dedicated for public transportation use during peak periods. 49 U.S.C. § 5309(a).

[18]GAO, *Government Operations: Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,* GAO-11-318SP (Washington, D.C.: March 1, 2011) and *Government Operations: List of Selected Federal Programs That Have Similar or Overlapping Objectives, Provide Similar Services, or Are Fragmented Across Government Missions,* GAO-11-474R (Washington, D.C.: Mar. 18, 2011).

because federal departments did not separately track spending for roughly two-thirds of the programs we identified.

Our June 2012 report also concluded that insufficient federal leadership and lack of guidance for furthering collaborative efforts might hinder the coordination of transportation services among state and local providers. Officials in each of the five states we selected for interviews said that the federal government could provide state and local entities with improved guidance on transportation coordination—especially related to instructions on how to share costs across programs (i.e., determining what portion of a trip should be paid by whom). To promote and enhance federal, state, and local coordination efforts, we recommended in 2012 that the Secretary of Transportation, as the chair of the Interagency Coordinating Council on Access and Mobility (Coordinating Council), along with the Coordinating Council's member agencies, should meet and complete and publish a strategic plan outlining agency roles and responsibilities and articulate a strategy to help strengthen interagency collaboration and communication.[19] Also, the Coordinating Council should report on the progress of its prior recommendations and develop a plan to address any outstanding recommendations. DOT agreed to consider our recommendation and the Coordinating Council's member agencies responded by issuing a strategic plan for 2011–2013, which established agency roles and responsibilities and identified a shared strategy to reinforce cooperation, and officials have indicated they will continue to take steps to implement our recommendations.

FTA has made some progress in enhancing coordination for transportation-disadvantaged populations. According to FTA officials, as a result of MAP-21, the agency has been updating program guidance and has issued draft program circulars for its Urbanized Area Formula Program, Enhanced Mobility for Seniors and Individuals with Disabilities Program, and the Rural Areas Formula Program, all of which discuss coordinated transit programs, among other issues. In addition, FTA

[19]The Coordinating Council is a group of federal agencies that, among other things, is charged with promoting interagency cooperation and establishing appropriate mechanisms to minimize duplication and overlap of federal programs and services so that transportation-disadvantaged persons have access to improved transportation services. Chaired by the Secretary of Transportation, the Council is composed of the Secretaries of Health and Human Services, Education, Labor, Veterans Affairs, Agriculture, Housing and Urban Development, Interior and Justice as well as the Commissioner of the Social Security Administration and the Chairperson of the National Council on Disability.

continues to support federal programs that play an important role in helping transportation-disadvantaged populations by providing funds to state and local grantees that, in turn, offer services either directly or through private or public transportation providers. Further, some FTA programs require or encourage their grantees to coordinate transportation services. For example, FTA's Enhanced Mobility of Seniors and Individuals with Disabilities program—which provides formula funding to states to serve the special needs of transit-dependent populations beyond traditional public-transportation service—requires grantees to coordinate their transportation services and establish locally developed, coordinated public transit-human services transportation plans.[20] We continue to examine these funding, service delivery, and coordination issues.[21]

Chairman Johnson, Ranking Member Crapo, and Members of the Committee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

GAO Contacts and Acknowledgments

If you or your staff have any questions about this testimony, please contact me at (202) 512-2834 or wised@gao.gov. Contact points for our offices of Congressional Relations and Public Affairs may be found on the last page of this statement. In addition, to the contact named above, Cathy Colwell, Geoffrey Hamilton, Hannah Laufe, Sara Ann Moessbauer, Tina Paek, Stephanie Purcell, and Amy Rosewarne made key contributions to this statement.

[20]MAP-21 consolidated DOT's Transportation Services for Individuals with Disabilities and New Freedom programs into the Enhanced Mobility of Seniors and Individuals with Disabilities program.

[21]See GAO, *Transportation-Disadvantaged Populations: Coordination Efforts are Underway, but Challenges Continue*, GAO-14-154T (Washington, D.C.: Nov. 6, 2013).

Related GAO Products

Transportation-Disadvantaged Populations: Coordination Efforts are Underway, but Challenges Continue. GAO-14-154T. Washington, D.C.: November 6, 2013.

Transit Asset Management: Additional Research on Capital Investment Effects Could Help Transit Agencies Optimize Funding. Washington, D.C.: July 11, 2013.

High-Risk Series: An Update. GAO-13-283. Washington, D.C.: February 2013.

ADA Paratransit Services: Demand Has Increased, but Little is Known about Compliance. GAO-13-17. Washington, D.C.: November 15, 2012.

Public Transit: Funding for New Starts and Small Starts Projects, October 2004 through June 2012. GAO-13-40. Washington, D.C.: November 14, 2012.

Bus Rapid Transit: Projects Improve Transit Service and Can Contribute to Economic Development. GAO-12-811. Washington, D.C.: July 25, 2012.

Transportation-Disadvantaged Populations: Federal Coordination Efforts Could Be Further Strengthened. GAO-12-647. Washington, D.C.: June 20, 2012.

Government Operations: Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue. GAO-11-318SP. Washington, D.C.: March 1, 2011.

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