PUBLIC TRANSPORTATION
Federal Role Key to Rural and Tribal Transit

What GAO Found
The Federal Transit Administration’s (FTA) Formula Grants for Rural Areas Program (rural transit program) is FTA’s only dedicated grant program for rural and tribal transit. FTA apportions nearly all program funds to states. State transportation agencies then allocate funding to rural and tribal transit providers as sub-grantees. The remainder of program funds—$30 million annually—supports the Tribal Transit Program through direct apportionments to tribes based on a new statutory formula ($25 million) used for the first time in fiscal year 2013, or through discretionary grants ($5 million). Twenty-two of the 30 selected rural and tribal transit providers GAO spoke with indicated that rural transit program funds are essential to sustaining transit in their communities, noting that without these funds, transit service in their area would be reduced or, in some cases, eliminated. FTA’s oversight activities focus on state transportation agencies that oversee providers. FTA also offers support to providers, such as for training on safety, and providers generally agreed that this support is useful.

From 2009 through 2012, the types of services offered by rural and tribal transit providers have remained about the same. Demand-response service, in which riders call in advance to schedule their trips, and fixed- or deviated-fixed-route service, in which a bus will deviate from an established route, are most typical in rural areas (see fig.). In this period, ridership increased 4 percent, and operating costs increased 19 percent, according to FTA national data.

Rural Transit Service in 2012

Selected rural and tribal transit providers identified an array of operational and funding challenges. For example, 24 of the 30 providers GAO interviewed said that it was difficult to hire and retain qualified drivers, and 16 said that it was hard to secure local or state funds to meet the rural transit program’s funding-match requirements. Some providers GAO interviewed addressed these respective challenges by offering training and through dedicated local tax funding. GAO also found that the new Tribal Transit Program’s statutory formula—which emphasizes miles driven in providing transit services—resulted in some tribes receiving grant amounts that varied significantly from previous levels, with increases and decreases of 50 percent or more common. According to FTA officials, larger tribal transit systems tended to receive increased awards, while smaller systems tended to receive reduced awards. FTA officials also indicated they anticipated that when implementing the formula for the first time that it would result in very different funding levels for some tribal transit providers. Accordingly, FTA conducted outreach and meetings with providers to educate them about these likely changes. Selected tribal transit providers and FTA have considered strategies to mitigate declines in Tribal Transit Program funding and are still in the process of adjusting to new funding levels.

United States Government Accountability Office