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*REPORT OF THE
COMPTROLLER GENERAL
OF THE UNITED STATES*

Hindrances To Coordinating
Transportation Of People
Participating In Federally
Funded Grant Programs
Volume II - Case Studies

GAO studied transportation projects in 12 locations to determine the extent of coordination achieved by each project, the circumstances that made coordination possible, and the hindrances that impeded coordination.

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ABBREVIATIONS

AORTA	Appalachian Ohio Regional Transit Association
BMC	Community Action Program Belknap-Merrimack Counties, Inc.

COA	Chelan-Douglas Council on Aging
CSA	Community Services Administration
DAST	Delaware Authority for Specialized Transportation
DIMS	Delaware Interagency Motor Service
DOL	Department of Labor
DOT	Department of Transportation
HEW	Department of Health, Education, and Welfare
LOA	League of Older Americans
Multi-CAP	Multi County Community Action Against Poverty, Inc.
OATS	Older Adults Transportation Service, Inc.
PFP	Progress for People Human Resource Agency
RADAR	Roanoke Agencies Dial-A-Ride System
SCT	Senior Citizens Transportation, Inc.
TAP	Total Action Against Poverty
TRI-MET	Tri-county Metropolitan Transportation District of Oregon
TRIP	Transportation Remuneration Incentive Program
UMTA	Urban Mass Transportation Administration
VTD	Valley Transit District
YMCA	Young Men's Christian Association

Glossary

CETA	Comprehensive Employment and Training Programs, titles I, II, and VI of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 801 <u>et seq.</u>). The purpose of these programs is to provide job training and employment for economically disadvantaged unemployed or underemployed persons.
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Community action programs or CSA funds	Community Action, Community Services Act of 1974 (formerly the Equal Opportunity Act of 1965) title II, sections 212 and 221 (42 U.S.C. 2790 <u>et seq.</u>). The purpose of this program is to enable poor people to participate in community activities and to eliminate poverty.
Title VII	Nutrition Programs for the Elderly, title VII of the Older Americans Act of 1965, (42 U.S.C. 3045). The purpose of this program is to provide older Americans meals, health services, education, counseling, socialization, and recreation.
Title XX	Social Services for Low-Income and Public Assistance Recipients, title XX, part A of the Social Security Act, as amended (42 U.S.C. 1397). The purpose of this program is to enable States to provide social services to public assistance recipients and other low-income persons.
Vocational Rehabili- tation	Rehabilitation Services and Facilities-Basic Support Program, Rehabilitation Act of 1973, as amended (29 U.S.C. 701). The purpose of this program is to provide vocational rehabilitation services to persons with mental and physical handicaps.
Community Development Block Grants	Community Development Block Grants/Entitle- ment Grants, title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301-5317). The purpose of this program is to develop decent housing and expand economic opportunities for low- and moderate-income persons.
Foster Grand- parents	Foster Grandparents, Domestic Volunteer Service Act of 1973, title II (42 U.S.C. 5001-5023)(Supp. V, 1975)). The purpose of this program is to develop volunteer oppor- tunities for the elderly poor to help chil- dren.
Head Start	Child Development-Head Start, title V of the Community Services Act of 1974 (42 U.S.C. 2921 <u>et seq.</u>). The purpose of this program is to provide comprehensive health, educational, nutritional, social, and other services to

economically disadvantaged preschool children and their families.

Medicaid	Medical Assistance Program, title XIX of the Social Security Act, as amended (42 U.S.C. 1396 <u>et seq.</u>). The purpose of this program is to provide financial assistance to States for medical assistance to needy recipients.
RSVP	Retired Senior Volunteer Program, Domestic Volunteer Service Act of 1973, title II (42 U.S.C. 5001-5023) (Supp. V, 1975). The purpose of this program is to develop community service opportunities for retirees.
Section 3	Capital Improvement Grants, section 3, Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1602). The purpose of this program is to acquire, construct, or improve mass transit facilities.
Section 147	Rural Highway Public Transportation Demonstration Program, Federal-Aid Highways Act of 1973, as amended, section 147 (23 U.S.C. 142). The purpose of this program is to increase the mobility of people in rural areas.
Section 16(b)(2)	Capital assistance to private nonprofit organizations, section 16(b)(2), Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1612). The purpose of this program is to acquire mass transit facilities for elderly and handicapped people.
Title III	State Agencies' Activities and Area Planning and Social Service Programs, title III of the Older Americans Act 1965, as amended (42 U.S.C. 3001 <u>et seq.</u>). The purpose of this program is to assist State and local agencies develop comprehensive and coordinated social service systems for older persons.

INTRODUCTION

The following material supplements Volume I of this report. We developed 12 case studies of transportation projects to identify instances in which coordination among projects has been achieved, the circumstances which made it possible, and the hindrances that impeded coordination. We considered projects to be coordinated if they pooled or shared their transportation resources with other recipients of Federal funds for transportation. The term "transportation resources" refers to funds used for transportation, dispatching service, project staff, maintenance garages, and vehicles. Little coordination existed in several of our case study locations. We looked at places, such as Washington County, Oregon; Wenatchee, Washington; and central New Hampshire, to find out why coordination has not occurred and to determine if hindrances to coordination differ from those in coordinated systems. We included the Transportation Remuneration Incentive Program in West Virginia because of its unique approach to meeting the transportation needs of the general public as well as needs of elderly and handicapped persons.

In selecting the 12 transportation case studies, we considered the

- geographic location in order to include a number of different States and standard Federal regions;
- population density of the service area--rural versus urban;
- type of project, that is, social service agencies which transported clients or organizations which were exclusively transportation providers;
- scope of operations, including the size of the service area, the extent of funding, and ridership;
- sources of direct and indirect Federal funding; and
- nature of service provided, that is, demand-responsive, fixed-route, flexible-fixed-route, contract, and charter.

APPALACHIAN OHIO REGIONAL TRANSIT ASSOCIATION

ATHENS, OHIO

The Appalachian Ohio Regional Transit Association (AORTA) is a private, nonprofit corporation established to provide public transportation in southeastern Ohio. AORTA operated fixed routes in a four-county rural area and was expanding into three more counties. Also, one city council and several social programs contracted with AORTA for transportation.

AORTA's objective has been to meet the transportation needs of the poor, the elderly, and the general public. AORTA had the support of the community and social leaders, but there was little coordination between AORTA and some social programs which also provided transportation. AORTA had been unable to sell transportation services to some social programs because program officials thought AORTA's contract rates were too high, its vehicles did not provide door-to-door service, and specialized transportation could not be provided for the elderly and handicapped.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

AORTA began as a demonstration project administered by the Tri-County Community Action Agency using Office of Economic Opportunity funds. In December 1971, Tri-County, which served the three Ohio counties of Athens, Hocking, and Perry, began a fixed-route transportation program in Hocking County. AORTA, which began in 1974, continued fixed-route service to these three counties and began service to Vinton County and the city of Athens; in March 1976, it began a program to expand its service area by adding the counties of Gallia, Jackson, and Meigs, as well as offering more types of transportation service.

Since the initial investment of Office of Economic Opportunity funds, AORTA's primary source of Federal funds has been the Appalachian Regional Commission. Beginning in fiscal year 1976, the Federal Highway Administration and the Urban Mass Transportation Administration (UMTA) also became primary funding sources.

Area where the system operates

The Appalachian Regional Development Act of 1965 designated 28 of Ohio's 88 counties as Appalachian Ohio--the southeastern quadrant of the State, covering 13,735 square miles. AORTA served seven of these counties.

The estimated population of Appalachian Ohio in 1974 was 1,179,400 persons or 11 percent of the State total. Its population density of 86 persons per square mile was less than one-fourth the density of the rest of the State.

Appalachian Ohio is characterized by small isolated urban areas which serve the surrounding small towns, villages, and rural communities. People living in this area are isolated because of poor public transportation between the Appalachian region--over 17 percent of the total households do not own an automobile--and large cities like Pittsburgh and Cincinnati.

Major industries in Appalachian Ohio, including coal mining, lumbering, and clay products, are scattered throughout the region. Other industries, such as manufacturing and services, are concentrated in the region's small urban centers.

Approximately 63.5 percent of the 193,000 persons residing in AORTA's seven-county service area--Athens, Hocking, Perry, Vinton, Gallia, Jackson, and Meigs--live in rural communities of less than 2,500. The largest city in the area is Athens, which has a population of about 30,000. The seven-county area covers 3,072 square miles and has a population density of 62.8 persons per square mile. According to 1970 census data, about 16 percent of the population was elderly. These same data showed that 17 percent of the families in AORTA's service area earned an income below the 1970 poverty level. In 1974 the median income for those who were employed ranged from \$7,555 in Meigs County to \$9,819 in Perry County.

In March 1976 the Ohio Bureau of Employment Services estimated that the State had an unemployment rate of 8.2 percent, and the seven counties had an unemployment rate of 9.1 percent. Of a total labor force of 75,853 people, almost 7,000 were unemployed.

Operations of the system

AORTA's bus system was managed by its Executive Director, with policy formulated by the AORTA Board of Trustees. The AORTA board had representatives from county commissions, city governments, Ohio University, and several local social service programs. As of August 31, 1976, AORTA provided:

- Public transportation to rural residents of Athens, Hocking, Perry, and Vinton Counties.
- Transit service in the city of Athens under a contractual arrangement with the city council.
- Semi-fixed-route service for senior citizens in Vinton County under a contract for services agreement.
- A special contract service in Athens County for senior citizens.
- A charter service for trips which do not infringe on the rights of commercial carriers.

The following chart shows AORTA's ridership, fleet mileage, and operating costs for calendar year 1975 and the first half of 1976.

	<u>1975</u>	<u>January to June 1976</u>
Ridership:		
Senior citizens service	-	1,560
Charter service	6,495	3,445
Athens rural routes	10,778	5,216
Hocking rural routes	13,920	7,483
Vinton van service	48	851
Athens city routes	<u>138,424</u>	<u>63,648</u>
Total	<u>169,665</u>	<u>82,203</u>
Fleet mileage	235,300	126,723
Operating expenses	\$159,032	\$ 96,600
Cost per passenger	0.94	1.17
Cost per vehicle-mile	0.68	0.76

AORTA operated 10 vehicles in its transportation system and used one bus to provide service once or twice a week to more than 35 rural communities in Hocking County. The bus operated 5 days a week in the county and provided commuter service three times a day between the towns of Logan and Nelsonville. The Hocking bus also made a morning and afternoon run on one of its five rural routes. Each route

was served 1 day a week. AORTA also provided daily service to a senior citizen nutrition site just outside of Logan.

In Athens County, rural service was offered to about 35 communities. AORTA served three rural routes once or twice a week and a commuter route three times a day between Athens and Nelsonville.

In the city of Athens, AORTA offered fixed-route services 12 hours a day, 5 days a week and 10 hours a day on Saturday. AORTA operated on five routes in the city using three buses to provide service every hour on four of the routes. The fifth route had hourly service except during peak commuting time. During this time, the route provided half-hour service on the city's two main streets. The routes could be covered in a half-hour by staggering bus departures; AORTA could cover all five routes with only three buses.

In late 1975 AORTA agreed with the Vinton County Commission on Aging to lease the commission's two vehicles and to transport senior citizens. If space was available, the general public could also ride these vehicles. AORTA leased each vehicle for \$1.00 a year. The commission also arranged to pay one driver's salary from Comprehensive Employment and Training Act (CETA) funds. For this service, AORTA established monthly flexible routes and time schedules which were advertised in a flyer and a public news release.

On all public, fixed, and rural routes the fare was 25 cents for the first 5 miles and 5 cents for each additional mile. Senior citizens received a 15-cent discount. Bus fares on city routes were 20 cents a ride and 32-ride pass cards could be purchased for \$5.00. Senior citizens could ride free in the city of Athens or to the senior citizen nutrition site in Hocking County.

Transportation in the city of Athens and the services in the nutrition site were provided under contracts. The city of Athens, the Tri-County Community Action Agency, and the county Welfare Department contracted with AORTA to provide transportation.

The contract with the Athens County Welfare Department supported two services: (1) a special service which began in April 1976 for the elderly in Athens County and (2) a dial-a-ride service which began in November 1976. For

senior citizens who were eligible under the title XX program, AORTA offered free door-to-door services 4 days a week between their homes and a day living center. The center provided AORTA a list of people to be picked up. Dial-a-ride service was also provided free for these senior citizens between their homes and other social services, but reservations had to be made 48 hours in advance. As people called in, the names were checked against a list of title XX eligibles provided to AORTA by the county welfare office, and the driver checked these names as people boarded the van. The general public could also use the dial-a-ride service for a fare of 25 cents for the first 5 miles and 5 cents for each additional mile.

AORTA does not record receipts and expenditures for each Federal social program that purchases transportation services. AORTA and various local social service agency officials purchasing service from AORTA told us that AORTA received funds from the Federal, State, and local programs shown on the following page.

AORTA FUNDING SOURCES

<u>Sources</u>	<u>Period</u>	<u>Amount</u>
Direct Federal grants:		
Federal Highway Administration (section 147)	Mar. 1976 to Mar. 1979	\$369,548
Appalachian Regional Commission	Fiscal year 1975	35,000
(Appalachian State research, technical assistance and demonstration projects)	Fiscal year 1976	34,906
	July 1976 to June 1977	30,000
UMTA (section 16(b)(2))	Fiscal year 1976	21,595
ACTION (Mini-grant Program)	Oct. to Dec. 1975	3,500
Federal funds received indirectly through local governments and social service agencies:		
Revenue sharing (city of Athens)	Calendar year 1976	\$40,000
CETA Programs	Calendar year 1975	846
	Calendar year 1976	18,000
Revenue sharing (Athens and Hocking Counties)	Calendar year 1975	8,472
Title XX, (for contract services to be provided)	Calendar year 1976	6,000
Title VII	Fiscal year 1975	(maximum) 2,245
State funds received through participating local governments:		
Ohio Elderly Bus Fare Assistance Program (Athens, Hocking, Perry, and Vinton Counties and the city of Athens)	Oct. 1975 to Nov. 1976	\$32,776

Accountability to funding sources

The Appalachian Regional Commission was one of AORTA's primary sources of Federal funds. AORTA received grants under the Appalachian State Research, Technical Assistance and Demonstration Projects Program every year beginning in fiscal year 1974. These grants provided administrative funds on a cost-reimbursement basis. AORTA submitted a quarterly progress report and an administrative expense list to the commission, which reviewed it and made payments directly to AORTA.

AORTA provided services on a contract basis and did not account for costs to the different social service agencies. Using funds granted under title VII, the Tri-County Community Action Agency contracted with AORTA to provide transportation for \$11.00 a day, 5 days a week, for the Hocking County Senior Nutrition Programs. The program officials told AORTA's drivers where to pick up elderly clients. Program officials verified that the service they purchased was provided by relying on clients to complain if drivers failed to pick them up.

The Athens County Welfare Department administered Federal funds provided under title XX. Using title XX funds, the Welfare Department contracted with AORTA for service to the elderly in Athens County and for dial-a-ride service. Ohio required a 30-percent local match for title XX programs, which AORTA paid to the Welfare Department on a monthly basis. AORTA sent a monthly statement to the Welfare Department showing the service hours, the total cost at \$12.40 an hour, and a list of title XX clients who received the service.

The city of Athens contracted with AORTA to provide city bus service for \$8.75 an hour for each bus. All fares collected by AORTA on the city routes belonged to the city. The city bus drivers kept records of the number of passengers, the number of elderly passengers, and the fares received. Each month AORTA submitted these records, a statement showing the service hours, and the total cost less fares collected.

Because anyone could ride the public fixed routes, AORTA did not keep track of who rode the vehicles. However, drivers did keep track of the total number of riders, including elderly passengers because they rode free in Athens and paid lower fares on the rural routes.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

No other public transportation system received Federal funds in AORTA's service area. Many federally funded social service agencies, however, provided transportation services for their clients and some received State and local funds.

The types of transportation services provided varied among the different programs. Some organizations owned and operated their own vehicles or paid for transportation provided by other organizations. Other agencies reimbursed clients for travel costs or paid volunteer drivers and agency staff to transport clients in personal vehicles. The chart on the following page lists some of the agencies which funded transportation, the types of services provided in AORTA's present or planned service area, and their reasons for not using AORTA.

HOW THE SYSTEM DEVELOPED

The rural transportation project evolved from the experiences of Tri-County Community Action Agency's outreach workers. These community workers provided "on-call" transportation to the rural elderly and disadvantaged using surplus Government vehicles. The agency operated 77 General Services Administration surplus vehicles to provide client transportation. Tri-County determined that a bus system could reduce the client taxi service provided by its outreach workers. The Office of Economic Opportunity awarded funds to Tri-County for the start of the bus system. Under Tri-County management, the system began with one route in Hocking County and later was expanded to serve the city of Athens and Athens County under grants from the Office of Economic Opportunity and the Appalachian Regional Commission.

In March 1974 AORTA was formed to administer the transportation program because Tri-County believed that a broad-based public transportation system could maintain transportation services better than a federally dependent system and because a public bus system would avoid the stigma of a "poor people's bus system." AORTA continued to provide those services which Tri-County previously offered. AORTA also began providing limited fixed-route service to Vinton County, which was funded by the Vinton County Commission on Aging.

According to AORTA officials, the creation of the transit association was important because it furnished a

OTHER TRANSPORTATION IN AREA

<u>Agency or program</u>	<u>Client usage</u>	<u>Estimated annual cost</u>	<u>Source of funds</u>	<u>Transportation provided by</u>	<u>Reasons for not using AOR's</u>
Tri-County Community Action Agency: Head Start	Transports 90 children, 5 days a week, to and from Head Start centers	\$ 9,000	Head Start	Seven agencies own vehicles	AOR's costs were too high
Senior Nutrition Program:	Transports elderly to nutrition centers	-	-	-	None given
Perry County	Transports about 10 persons a day	2,500	Title VII	Reimbursement to Head Start for use of vehicles	AOR's costs were too high
Athens County	Data not available	1,900	Community Action Program	Reimbursement to volunteers for mileage	AOR's costs were too high
Outreach	Transports clients infrequently on immediate basis	19,200	Community Action Program	Reimbursement to staff for mileage or use of six General Services Administration vehicles	Clients have an immediate need for transportation
Athens County Welfare Department	Transports one or two clients daily who need immediate transportation	5,000	Title XX	Reimbursement to staff for mileage and own one station wagon	Clients have an immediate need for transportation
Beacon School	Transports mentally retarded children 5 days a week	37,500	Educationally Deprived Handicapped Children's Program	Six school-operated vehicles	Mentally retarded children need door-to-door service

<u>Agency or program</u>	<u>Client usage</u>	<u>Estimated annual cost</u>	<u>Source of funds</u>	<u>Transportation provided by</u>	<u>Reasons for not using AORTA</u>
Jackson-Vinton Activity Center	Transports 80 mentally retarded children, 5 days a week, 9 months a year, and transports 40 adults 5 days a week all year	\$27,500	Ohio Department of Mental Health and Retardation and Ohio Rehabilitation Services Commission. No federal funds are used to provide transportation	Six county-owned vehicles	Mentally retarded children need door-to-door service
Jackson-Vinton Action, Inc: Head Start	Transports 90 children 5 days a week to and from Head Start center	13,000	Head Start	Contract drivers using personal vehicles on reimbursement basis	AORTA was not yet available in area
Outreach	Transports 300 clients a month	16,800	Community Action Program	Five agency-owned vehicles	AORTA was not available and clients have an immediate need for transportation
Senior Nutrition Program: Jackson County	Transports 20 senior citizens a day	1,800	Title VII	Volunteer drivers reimbursed per capita	AORTA was not yet available
Vinton County	Transports about 10 senior citizens a day	1,000	RSVP and CEFA	One agency-owned vehicle	AORTA was not yet available

<u>Agency or program</u>	<u>Client usage</u>	<u>Estimated annual cost</u>	<u>Source of funds</u>	<u>Transportation provided by</u>	<u>Reasons for not using AORTA</u>
Athens Mental Health Center serves six counties and is expanding to nine counties	Transports patients for recreational field trips and to special clinics Patients: -300 psychologically handicapped -150 mentally retarded	\$38,800	State of Ohio --No Federal funds are received for transportation	Twelve State-owned vehicles	Liability for patients; patients need special care and attention
Meigs County Council on Aging Senior Citizens Center	Transports 400 elderly persons a month	15,600	Title III and RSVP	Three center-operated vehicles	Elderly require door-to-door service and AORTA was not yet available
Jackson Gallia Meigs Mental Health Center	Mentally ill in service area are transported if part of treatment plan	Unknown	Title XX	Reimbursements to staff for use of personal vehicle and client travel arranged through social service agencies	AORTA was not yet available
Veterans Administration Hospital, Chillicothe, Ohio	Agency did not have data on the number of clients from AORTA service area traveling to VA hospital	Unknown-suspected high	VA Hospital budget appropriations	Reimbursements to patients for mileage	Not within AORTA's service area
Bureau of Vocational Rehabilitation	Depends on clients' treatment plan	Not available	Ohio Rehabilitation Services Commission	Reimbursements to clients or providers of transportation service	Clients are encouraged to become self-sufficient
Retired Senior Volunteer Program (Athens and Hocking Counties)	Transportation to volunteer sites	5,000	RSVP	Reimbursements to volunteers for mileage in personal automobiles	Irregular time schedule of volunteers requires personalized transportation

corporate means for low-cost transportation within the participating counties. They believed that the corporate method allowed interested parties to join together in a rural transportation program.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

Administering agency and project officials could not identify any legal restrictions which would prevent them from coordinating transportation resources. However, AORTA management said their transportation services were regulated to a limited extent by the Ohio Public Utilities Commission and viewed this as a potential problem. Also, some local social service officials did not believe that AORTA could meet their program's transportation needs.

State problems

AORTA management viewed regulation by the Ohio Public Utilities Commission as a potential problem. AORTA staff believed that they would lose the flexibility they needed to change routes and to negotiate contracts if the commission regulated AORTA's fares and routes. As such, they would not be able to coordinate with other programs.

The commission did not regulate transportation systems operating within city limits; however, it regulated motor carriers operating in unincorporated areas and on intercity routes. Because AORTA operated in these two areas, it could be required to get a Certificate of Public Convenience and Necessity from the commission. The commission had allowed AORTA to operate without a certificate because AORTA was a nonprofit corporation. If someone complained, however, commission officials stated that they might reconsider their position.

Local problems

Local agency officials could not identify any Federal restrictions to coordination of transportation services. If they contracted with AORTA, these officials were concerned about the loss of convenience, loss of personal service, and higher costs.

Officials of those agencies which served the elderly and handicapped believed that AORTA could not provide door-to-

door service. According to the officials, some of the elderly and handicapped were unable to walk to bus stops or could not wait very long to be picked up. Some elderly and handicapped persons needed help to get on and off a bus. The officials said that a transit system like AORTA's generally would not provide this service.

Some local officials said that AORTA's contract rates were too high. AORTA officials believed that their rates might seem high in comparison to the social service programs' transportation costs because those programs accounted for operating costs only and did not consider the cost of vehicles purchased with capital grants, driver salaries which were paid with Federal Comprehensive Employment and Training Act funds, or overhead expenses and administrative costs. AORTA, on the other hand, computed its rates on the basis of total program costs.

Local officials viewed AORTA as a mass transit system operating fixed routes which served the general public. Many of these officials were pessimistic and doubted whether AORTA would ever serve the needs of special groups like the elderly. AORTA officials believed that they could serve these groups on a contract basis and provide more efficient transportation through consolidated management and vehicle maintenance.

A-95 CLEARINGHOUSE REVIEW PROCESS

Office of Management and Budget Circular A-95 stressed cooperation between Federal agencies and State and local governments, and it encouraged a review system to coordinate intergovernmental planning for specified Federal programs. In Ohio, coordination was sought through review of applications for Federal assistance by State and regional clearinghouse activities. The State-level clearinghouse role was to channel applications to various State agencies whose concerns relate to the proposed project.

The State clearinghouse, operating under the office of the Governor, processed all applications and proposals for Federal funding that required the A-95 review except those funded by the U.S. Department of Transportation (DOT). Programs funded by DOT were processed by the Ohio Department of Transportation, Bureau of Environmental Affairs.

The State clearinghouse and the Bureau kept mailing lists of State agencies interested in various programs and

sent applications for Federal assistance to them for comments. The State agencies had 30 days to comment, but if an agency did not comment, the State clearinghouse and the Bureau assumed that the applications were acceptable. They reviewed comments and either issued letters of clearance or recommended actions to improve coordination. These comments were forwarded with the grant proposal to the applicable Federal agency.

The State clearinghouse and the Bureau did not review proposed programs but relied on State agencies with expertise in specific program areas to perform the reviews. Generally, State agencies had not commented on transportation services which were proposed in social service or housing applications. Instead, comments centered on the delivery of social services and on the convenience of housing programs to urban centers.

As a review agency, the Ohio Department of Transportation took special interest in two types of programs--transportation and housing. Transportation programs were generally reviewed for information only, and the department usually concurred with the proposal. The department reviewed housing programs to see if transportation services would be convenient, available, and necessary to the housing project. The department encouraged building public housing near available transportation services.

A State clearinghouse official said that the clearinghouse role should be strengthened so that it has the authority to approve or disapprove proposals. According to this official, Federal agencies must make a commitment to support and to use the results of the A-95 review.

The regional clearinghouses functioned as A-95 review processors at the local level. The clearinghouses were generally regional planning commissions. These clearinghouses circulated proposals to local social service agencies and local governments which have an interest in certain types of programs. The regional clearinghouses also resolved exceptions and compiled comments which were forwarded to the State clearinghouse. Regional clearinghouse officials believed that they have a strong role in the A-95 review process.

PROJECT PLANS

In March 1976 AORTA began a 3-year expansion project, which will cost over \$1.1 million, with a \$369,584 grant under the Federal Highway Administration's section 147 program to cover a part of this cost. Other planned sources of funds included the Appalachian Regional Commission, revenue sharing, fares, contract revenues, and in-kind contributions. With these funds, AORTA planned to buy nine vehicles and provide its full range of transportation services in the seven-county area. AORTA expected the first delivery of buses for this project in late 1976.

AORTA planned to (1) establish several commuter runs for industrial workers to and from major employment centers and (2) provide transportation to the University Hospital in Columbus and to Holzer Medical Institute in Gallipolis. Many residents already made trips to these hospitals for special treatment. In addition, AORTA intended to provide transit service to the students at Ohio University, Rio Grande College, Hocking Technical College, and Buckeye Hills Career Center.

AORTA had also proposed under this expansion intercity routes on which vehicles would carry passengers and freight. Rural routes in each county would be modeled after those in Athens and Hocking Counties and would serve small urban centers and county seats.

Although AORTA started a dial-a-ride service on a pilot basis only in Athens County, it planned to establish this service in all seven counties by soliciting social service agencies for contract service agreements. The seven-county dial-a-ride service would also be available to the public.

AORTA would charge the public to use the dial-a-ride system, and the fares would be the same as those charged on rural routes. AORTA planned to divide the cost of the service between the public and the local welfare departments and to continue to provide the 30-percent matching requirement on costs allocated to these departments.

The section 147 grant would permit AORTA to (1) increase its staff, (2) plan the expansion program, and (3) seek contractual arrangements. AORTA hoped eventually to cover all costs with fares and contract revenues. If these revenues were sufficient, AORTA might not require future Federal grants or subsidies to continue its operation.

In June 1975 AORTA received a section 16(b)(2) grant of \$21,595 to purchase two vehicles. The vehicles were to be equipped with wheelchair lifts and lower steps for the elderly and handicapped. AORTA expected delivery of these two vehicles in late 1976.

The city of Athens had requested \$132,000 under UMTA's section 3 program. These funds would be used to purchase five buses for AORTA's city routes. AORTA officials believed that the buses would be delivered in early 1977. AORTA intended to lease each of these vehicles from Athens for \$1.00 a year.

OUR OBSERVATIONS

AORTA provided transportation services to the public and offered a mechanism for a coordinated social service transportation system through its contract services.

Developing a coordinated transportation system depends to a large extent on the managers' initiative. The system's managers must get both the moral and financial support of local organizations, such as city and county governments and social service agencies. To get this support, they must show that their transportation system is needed and that it will work. Since social service agency officials believed that a fixed-route system cannot meet their transportation needs, AORTA may be able to generate more contract business if it can offer more flexible service.

COMMUNITY ACTION PROGRAM OF BELKNAP-MERRIMACK

COUNTIES, INC., CONCORD, NEW HAMPSHIRE

The Community Action Program of Belknap-Merrimack Counties, Inc., (BMC) was the major social service provider in its area. In support of its programs, BMC provided transportation to some of its client groups. BMC's transportation services increased as it expanded its role as a social service provider. Although administering agency and project officials could not identify any Federal restrictions to coordination, other factors, such as special transportation needs of different programs, have limited coordination of transportation resources.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

BMC, a private, nonprofit corporation, was incorporated in May 1965. BMC was designated by Belknap and Merrimack Counties as the primary antipoverty agency and social service provider for the area. The agency's purpose was to:

- Serve as a catalyst and facilitator for the multiple needs of low-income persons.
- Coordinate and educate existing agencies to better serve the low-income sector.
- Develop and implement programs to serve the needs of the poor.
- Involve low-income persons in decisionmaking.

BMC sponsored and operated a comprehensive range of antipoverty and related services, such as vocational rehabilitation, nutrition, and Head Start programs, for area residents. BMC operated six multipurpose neighborhood centers as points for coordination and delivery of services to every community in the two counties.

BMC's major funding sources were Head Start, title XX, title III, section 16(b)(2), vocational rehabilitation, Community Services Administration (CSA), Community Development Block Grant, and local government funds.

Area where the system operates

BMC, headquartered in Concord, served 2 of New Hampshire's 10 counties--Belknap and Merrimack. The Belknap and Merrimack

County area is a rural and semirural area of 35 towns and three cities encompassing 1,516 square miles in central New Hampshire.

The total population of the two counties in 1970 was 113,292 persons. A majority of the population (54 percent or 61,090) resided in the towns whose average population was 1,745 residents. Basic services, such as welfare offices, employment security, social security, doctors, hospitals, and mental health services, were highly concentrated in the three cities.

The heavily wooded, agriculturally oriented area had a barely adequate system of secondary roads. Population centers within the area had a variety of light industry, including textiles, electronics, shoes, and leather goods. In Concord, the largest employer was the State government.

OPERATIONS OF THE SYSTEM

Over a 10-year period, BMC expanded to a 1976 operating level of \$800,000 a year, a staff of over 100 employees, and multiple State, Federal, and local funding for more than 20 ongoing programs.

BMC had a 24-member board of directors--one-third appointed by publicly elected officials, one-third representatives of the private sector, and one-third elected by low-income persons.

BMC owned its own vehicles and transported clients free of charge. Head Start children, who represented the majority of BMC's riders, accounted for about 2,200 one-way passenger trips a month. They were picked up in the morning, taken to a Head Start center, and returned home in the afternoon. There were four Head Start centers, and one van was used for each center.

BMC ran two vans over fixed routes for senior citizens. BMC considered a senior citizen as anyone 60 or older but generally did not refuse a ride to anyone.

The senior citizens were picked up in rural areas and brought to the cities of Concord and Laconia to visit medical facilities and senior centers or to shop. These people accounted for about 1,200 one-way passenger trips a month. Each town received service once or twice a week between Monday and Friday. A 35-cent donation was requested from these riders.

Three of the six neighborhood centers operated by BMC had vans that were used to transport senior citizens to shopping centers, medical facilities, and meals programs and children to day-care centers. The people who rode these vans accounted for about 650 one-way passenger trips a month.

BMC operated a Vocational Rehabilitation Program which provided carpentry training. This program used one van to transport trainees and supplies.

BMC also had a contract with a day care center to provide transportation 5 days a week for children attending the center. BMC transported about 10 children a day.

BMC's transportation activities at the time of our review are summarized below:

- Ten regularly scheduled routes funded by the State Council on Aging to serve elderly residents of rural areas in Merrimack County.
- Six regularly scheduled routes funded by title XX for low-income persons in Belknap County.
- Demand-responsive transportation funded by title III and the city of Laconia Community Development funds to serve the elderly.
- Transportation funded by the CSA and local contributions to take low-income persons on shopping trips in the city of Franklin.
- Transportation funded by title XX and local funds to take eligible groups or individuals to needed services in the two counties.
- Transportation funded by Head Start for low-income children from 10 communities to attend 4 Head Start centers.
- Transportation funded by New Hampshire's Division of Vocational Rehabilitation to take groups of handicapped persons to training and work sites.
- Transportation funded by Lakes Region Day Care Center to take children to day care centers.

As a result BMC provided:

- Daily transportation for about 80 children to Head Start centers, about 10 children to day care centers, and up to 20 vocational rehabilitation clients to training or work sites.
- Weekly transportation of about 130 persons on 15 rural fixed routes.
- 334 one-way trips a week to eligible title XX clients.
- Two weekly shopping trips.
- Daily demand-responsive trips for elderly persons in Laconia.

As of May 1976 BMC had a fleet of 16 vehicles. At that time BMC was operating nine vehicles which had a capacity of from 10 to 16 passengers. One of the vehicles not being operated was to be put into service soon, and the other six were either not functional or were considered too expensive to operate.

Funding of the system

Four Federal agencies provided BMC with funds to purchase vehicles. Three of the four agencies and one additional agency provided BMC with operating funds.

The Department of Health, Education, and Welfare's (HEW's) Social and Rehabilitation Service provided operating funds under title XX. HEW's Administration on Aging also provided operating funds under title III, which were handled through State agencies. HEW's Office of Child Development provided operating funds directly to BMC for Head Start programs.

CSA was another source of transportation operating funds for BMC. The majority of the funds were used to support BMC's general and administrative functions, but some were also used to fund the operation and maintenance of transportation programs. The city of Laconia provided some of its HUD Community Development Block grant funds to BMC for transportation service. BMC also received donations from cities, towns, and private individuals.

BMC's vehicles were obtained through Head Start and title III programs, CSA funds, the section 16(b)(2) program, and the General Services Administration Excess Property Program.

The following table shows BMC's sources of transportation funds.

<u>Agency</u>	<u>Program</u>	<u>Grants/contract period</u>	<u>Funds for transportation</u>
HEW	Head Start	1/1/76-12/31/76	\$ 20,000
CSA	CSA funds	3/1/76-2/28/77	2,000
State of New Hampshire:			
Division of Welfare	Title XX	1/1/76-12/31/76	26,000
Council on Aging	Title III	4/1/76-3/31/77	25,000
Transportation Authority	Sec. 16(b)(2)	awarded 10/6/75	51,000
Division of Vocational Rehabilitation	Individual contracts	ongoing	2.00/trip
Merrimack County	Budget Appropriations	1/1/76-12/31/77	5,000
City of Laconia	Community Development Block grants	7/1/75-6/30/77	10,000

Accountability to funding sources

BMC's two major sources of operation and maintenance funds were title III and title XX.

BMC submitted title III program budgets with estimated project costs and ridership to the State Council on Aging. BMC also submitted monthly ridership and quarterly financial reports to the council. BMC's title III financial system was subject to monitoring by the Council on Aging. BMC was required to keep local donations in a separate savings account,

and Council on Aging approval was required to spend these funds. The Council on Aging also required an independent audit of BMC's title III program. The ridership report was a summary of the driver's logs, and it included client names. In addition, Council on Aging area directors occasionally rode the bus to monitor the program.

BMC submitted a similar budget for title XX to the New Hampshire Division of Welfare. Based on this budget, BMC and the Division of Welfare negotiated a per-ride rate for reimbursement. BMC was responsible for maintaining a file, which had to be updated every 6 months, of all eligible clients. To be reimbursed, BMC submitted a statement to the Division of Welfare listing every client served and the number of rides each client received during the billing period. BMC was also subject to audit by the Department of welfare for the title XX program.

The city of Laconia specified how it wanted its Community Development Block Grant funds spent by BMC and required monthly reports of expenditures by line item. Laconia also required a final report at the end of the program year and maintained the right to audit the use of its funds.

BMC submitted quarterly reports on Head Start program expenditures by line item and was subject to an independent audit each year.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

BMC's area directors identified three other agencies that received Federal funds and that had transportation components but did not use BMC's transportation services. One organization, providing office-type job training and day care services, had one van it used to transport clients to the center. The agency's director believed that coordination would be difficult because his clientele changed rapidly (every 2 or 3 weeks), and therefore his transportation did not run on a constant fixed route.

A day care center in Concord had a 15-passenger van to transport children between their homes and the center each morning and afternoon. The center had a driver and another adult on the van to monitor the children's behavior. The children's ages ranged from 18 months to 6 years, and some had to be carried on and off the van. The center's director believed that for this reason BMC could not provide the

center with the kind of specialized transportation service it needed.

The third organization was a health care center. The center's transportation needs were being provided by an ambulance service. The center had considered using BMC's transportation service but had decided that its needs were not compatible with BMC's service. Doctors associated with the center preferred ambulance service because the center's clients were elderly and sickly.

BMC's director believed that BMC's transportation services did not duplicate services provided by these organizations. BMC's director told us that the only transportation system to rural areas was provided by BMC's routes.

HOW THE SYSTEM WAS DEVELOPED

BMC has provided transportation services by reacting to the needs of various groups. BMC took no specific action to consolidate or coordinate transportation in the area. Its transportation programs grew as it expanded its delivery of social services to area residents. Vehicles were acquired and routes and services were developed piecemeal. BMC's first transportation service was provided by a 1958 model bus acquired through the General Services Administration Excess Property Program. This bus was used on an irregular basis for special services, such as picnics for senior citizens.

In October 1971 Head Start provided BMC with funds to purchase four new vehicles to support BMC's Head Start program. In February 1973 HEW's Office of Child Development provided BMC with an additional vehicle to support a home-bound version of Head Start. Two months later the New Hampshire Council on Aging funded the purchase of a van for a pilot transportation model project to provide regularly scheduled fixed-route service in Merrimack County.

In September 1974 BMC acquired a second General Services Administration excess vehicle.

In March 1976 BMC used CSA funds to purchase two vehicles for transportation service in Belknap County. The following month Head Start provided BMC with funds to acquire two additional vans to support the Head Start program.

In May 1976 BMC received four section 16(b)(2) vehicles. One of the vehicles was to be used for 1 year by the Laconia State School. BMC expected this vehicle to be returned to it in May 1977.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

Administering agency and project officials could not identify any Federal restrictions to coordination. However, other factors limited the efficient coordination of transportation resources.

State problems

The State's administration of title XX created administrative problems for BMC. Although HEW's Social and Rehabilitation Service allowed the State to accept a client's self-declaration of income to determine eligibility, the State required BMC to document each client's income. The documentation process was an administrative burden and required updating every 6 months. Many senior citizens regarded the verification procedure as an assault on their integrity and privacy.

A State official stated that he believed that there was no effective way to coordinate rural transportation in New Hampshire. He said that, in part, this was because funding and authority came from a number of State and Federal agencies. He also stated that better service to low-income people might result from increased coordination.

Local problems

BMC's director noted that agencies tended to protect their own interests and that they were reluctant to share resources with others, making coordination more difficult. He also indicated that agencies preferred the flexibility of having their own vehicles. He believed that joint Federal, State, and local agreements on which agency was to receive Federal transportation funds would motivate people and agencies to work together to meet their transportation needs.

BMC's director believed that all transportation for Belknap and Merrimack Counties should be coordinated by BMC because of (1) BMC's demonstrated capability and delivery system and (2) its ability to work at Federal, State, county, and local levels.

A-95 CLEARINGHOUSE REVIEW PROCESS

The State had a central clearinghouse and eight local or regional clearinghouses. When an agency applied for

federal funds, it had to send an application or "Notification of Intent" to the central clearinghouse. The central clearinghouse sent the application to the appropriate local clearinghouse and to other interested State and local agencies for review.

A State clearinghouse official said that he believed that all transportation functions should not necessarily be given to BMC for its operating area. Additionally, he stated that other social service agencies had a role in meeting transportation needs of their clients.

PROJECT PLANS

BMC's greatest need was for operating funds to keep its vehicles on the road. It had sufficient financial resources to continue transportation services through April 1977, but if additional sources of operating funds were not forthcoming, BMC would have to curtail its transportation activities. BMC's director hoped that Federal legislation would be enacted to provide operating subsidies for transportation in rural areas.

OUR OBSERVATIONS

BMC is a social service agency that provided transportation to its clients primarily as a means of carrying out its own missions. It had not developed a fully coordinated or integrated transportation system. Although BMC applied for a section 147 grant in March 1976 to further the coordination and consolidation of federally assisted transportation in the two-county area, the application was not approved. Therefore, BMC's coordination with other agencies was limited to a contract to provide transportation for a day care center.

CHELAN-DOUGLAS COUNCIL ON AGING

WENATCHEE, WASHINGTON

The Chelan-Douglas Council on Aging (COA) operated a transportation system, funded in part through several Federal programs, solely for the elderly in the Wenatchee, Washington, area. In addition, there were six other organizations in Wenatchee that used Federal funds to purchase or provide transportation services.

COA operated a transportation system during part of 1973 to meet the needs of the elderly and the handicapped; however, this system incurred a deficit and service was discontinued. Since 1973, one of the organizations providing transportation for the handicapped did discuss transportation coordination with COA, but COA was unable to provide this service again because it did not have enough funds to meet all the needs of the elderly and did not receive any additional funds to serve the handicapped.

Also, COA's vans, purchased in part with UMTA section 16(b)(2) funds, were limited to transporting only the elderly under a State of Washington Certificate of Public Convenience and Necessity. The State agency administering applicants to obtain such a certificate for transporting only the elderly and/or handicapped.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

The transportation office of COA operated a point-to-point transportation system for senior citizens living within a 10-mile radius of the COA office in Wenatchee. Federal funding for the transportation system was provided primarily by HEW's title III program.

In addition to providing transportation for senior citizens, COA operated an HEW title VII Senior Meals and Outreach Program and a Retired Senior Volunteer Program (RSVP) funded through ACTION. COA's transportation system also provided services to participants in these programs.

Area where the system operates

The services of COA included the cities of Wenatchee, Chelan, Cashmere, and Leavenworth in Chelan County and the cities of East Wenatchee and Waterville in Douglas County. In 1975 these cities had a population of about 26,000.

In Chelan County, Wenatchee is the largest city, with a population of about 17,700. Wenatchee is the major trade and commercial center in north-central Washington. Just across the Columbia River is the largest city in Douglas County, East Wenatchee, with a population of about 1,100.

The estimated population of Chelan and Douglas Counties was 40,900 and 18,100, respectively, in 1975. The 1970 census reported that over 16 percent of the two counties' population was 60 years old or older. An official of the Chelan County Regional Planning Council stated that Chelan County has a rapidly maturing population, and the birth rate is substantially below the State average.

The total work force, as of February 1976 was about 28,380 and unemployment rate was 13.3 percent. In 1970 the median family income was \$8,508 in Chelan County and \$7,929 in Douglas County.

Operation of the system

COA, a nonprofit organization, operated the following programs for the elderly in the Wenatchee area:

- Senior Meals and Outreach Program which was partly funded by HEW through title VII.
- Retired Senior Volunteer Program which was partly funded by ACTION through RSVP.
- Transportation Program which was partly funded by HEW through title III.

The transportation office of COA operated a radio-dispatched point-to-point transportation system for all ambulatory senior citizens, 60 years old or older, living within a 10-mile radius of Wenatchee, Washington, including East Wenatchee. Citizens under 60 years of age were not allowed to use the service unless their spouses met the age criteria. Service was provided 6 days a week. Four vans were used Monday through Friday to provide rides between the hours of 8 a.m. and 5 p.m., and one van was used on Saturday between the hours of 10 a.m. and 4 p.m. No fees were charged for the rides, but a 50-cent donation was suggested. Also, rides were provided to the meal program participants from 12 noon to 1 p.m. and from 2 p.m. to 3 p.m. and to Retired Senior Volunteer Program participants. Advance reservations were not required for service within the 10-mile radius of Wenatchee.

In addition, 1-day-a-week service was provided to Wenatchee from the cities of Chelan, Cashmere, Waterville, and Leavenworth. Each city was provided service on a different day of the week; the service consisted of two round trips, one in the morning and one in the afternoon, between Wenatchee and any location in the city being served. Suggested donations for these rides ranged from \$0.75 to \$1.50, depending on the distance. Reservations had to be made at least 1 day in advance for rides from these cities.

During calendar year 1975, COA used four vehicles which traveled 45,457 miles to provide 16,933 rides. During calendar year 1976, COA used five vehicles which traveled 72,816 miles to provide 26,398 rides.

As of December 1976, COA had 20 volunteer drivers--3 whose salaries were paid by title III. Through October 1976 it had a CETA-paid driver.

Funding of the system

Funds for operating COA's transportation system were provided by passenger and local donations, title III, and the Retired Senior Volunteer Program. In addition, title III funds had been used to purchase and lease vehicles for the system, and UMTA section 16(b)(2) funds had been used to purchase additional vehicles, radio equipment, and one hydraulic lift for wheelchair riders.

During calendar year 1975 and the first half of calendar year 1976, the transportation office reported the following resources, excluding carry-over funds from previous years.

	<u>1975</u>	<u>First half of 1976</u>
Title III grant	\$11,948	\$14,649
RSVP	942	600
Cash contributions	4,978	3,542
In-kind contributions	5,797	4,509

In calendar year 1975 COA's transportation office used four vehicles to provide transportation to the elderly, including a vehicle leased in December 1975. However, for most of the year, there were only two vehicles in operation at one time. Title III and local matching funds were used to lease two of the vehicles and to purchase one of the

other vehicles. The fourth vehicle was originally purchased in 1973 by the Senior Meals Program Office with title VII funds, but since November 1974, that vehicle had been operated solely by COA's transportation office. The transportation office reimbursed the Senior Meals Program at the rate of 10 cents a mile for the number of miles it transported non-meal riders. In December 1975 COA returned the vehicle to the Senior Meals Program Office for use in the Leavenworth, Washington, senior meals program.

In January 1976 COA traded in the vehicle purchased with title III funds and bought another vehicle. In June 1976 COA purchased four new vehicles with funds from the city of Wenatchee and with a section 16(b)(2) grant. The two leased cars were returned.

In July the title III vehicle COA purchased in 1976 was loaned to its outreach program. The transportation office was reimbursed at the rate of 15 cents per mile by title VII. The transportation director subsequently advised us that the vehicle was returned to COA's transportation office in October 1976 and was again used for the title VII transportation program.

Accountability to funding sources

The transportation system's principal funding source was title III. Under COA's title III transportation program, participants eligible for the title VII or the RSVP programs also rode the vans because they were elderly. The RSVP program had paid COA a fixed monthly rate of \$100 a month since January 1976 for transportation. Before January 1976 RSVP paid 50 cents a ride for each of its volunteers riding COA's vehicles. Actual RSVP reimbursements for the 6-month period prior to January 1976 averaged \$103 a month. An official of the transportation office advised us that the change was made primarily to reduce paperwork.

COA used HEW's quarterly project financial reports to account to the Washington State Office on Aging for the use of the title III funds. In addition to financial data, these reports included a brief narrative on the number of rides, people served, and the vehicle-miles traveled. Also, monthly reports on the use of section 16(b)(2) vehicles were submitted to the State of Washington.

OTHER FEDEPALLY FUNDED TRANSPORTATION
IN THE AREA

In addition to COA's transportation service for the elderly, the following programs, supported in part by Federal funds, were providing transportation for their clients in the Wenatchee area: (1) North-Central Washington Supervised Skills, (2) United Cerebral Palsy, (3) Chelan-Douglas County Head Start program, (4) North-Central Washington Migrant Health project, (5) Medicaid, and (6) Economic and Social Services Office.

North-Central Washington Supervised Skills

North-Central Washington Supervised Skills, a private, nonprofit corporation, transported handicapped adults in the Wenatchee area to and from its skills center and occasionally provided recreational trips. The center operated three vehicles to provide service 5 days a week from 7:45 a.m. to 9:30 a.m., and from 2:30 p.m. to 4:45 p.m.

A center official estimated that in calendar year 1975 it cost about \$14,537 to provide 15,654 rides, and in the first 6 months of 1976, about \$7,823 to provide 9,778 rides. The center used Federal funds it received through the State from the Title XX program and from the Vocational Rehabilitation Program for client transportation.

An official said the center had discussed a coordinated transportation system with COA, but so far COA had not been willing to provide the transportation needed by the center because COA was designated to serve the elderly, not the younger individuals that were being served by the center's programs. Another problem with coordinating was the scheduling of service because other programs required transportation at about the same time each day as the center.

United Cerebral Palsy of Wenatchee Valley

The United Cerebral Palsy of Wenatchee Valley operated one vehicle to transport handicapped children living within an 18-mile radius of Wenatchee from their homes to the program center. Rides were provided from 8 a.m. to 9 a.m., 12 noon to 12:30 p.m., and 4 p.m. to 5:30 p.m. The vehicle was donated by the Seattle Variety Club and operated with private donations through December 31, 1975. In January 1976 the center started receiving title XX funds, through the State. The program director told us that part of this grant money was used to pay the operating cost of the vehicle.

From January through June 1976 an average of 20 children rode the bus 5 days a week, and the operating cost was about \$2,465. This included the cost for a driver, gasoline, repairs, and insurance.

The director said that there were two problems with coordinating services with the Council on Aging. First, there was the problem of scheduling the service to meet the peak demand in the morning and in the afternoon because both programs operated during the same hours each day. Secondly, each group wanted to provide the very best service it could to the individuals it served, and each group believed that a coordinated system would reduce the level of service to its clients. However, the two groups had not held a meeting to discuss coordinating their services.

Chelan-Douglas County Head Start program

The Chelan-Douglas County Head Start program operated one vehicle to transport children to the program site in East Wenatchee and contracted with the Wenatchee School District for bus service to the other Head Start site in Wenatchee. The Head Start program transported children to and from the program sites and on field trips that were part of the program. Rides were provided 4 days a week for 9 months of the year between the hours of 8:15 a.m. to 9:40 a.m. and 12:45 p.m. to 2:10 p.m.

The Head Start director said that before the purchase of the bus in August 1975 with Head Start funds, the transportation service for East Wenatchee had been purchased from the school district. The director also stated that the program purchased the bus primarily to reduce costs because he believed that it was cheaper to operate his vehicle rather than to purchase the service. The director was unsure if he would purchase an additional bus to provide service in Wenatchee or continue to purchase the service from the school district.

The Head Start director stated that from November 1975 through May 1976, the program paid the school district \$1,631 for transportation in Wenatchee, while it cost only \$661 to operate its own bus in East Wenatchee. However, the cost figures for the Head Start-operated bus do not include depreciation for the vehicle nor cost for the driver. The director stated that the driver was paid by the CETA program. He also said that all transportation costs were budgeted from the HEW Head Start grant.

The Head Start director was not aware of any restrictions prohibiting the program from coordinating transportation with any other group in the Wenatchee area. He had discussed coordination with the United Cerebral Palsy of Wenatchee Valley; however, he stated that because both groups needed transportation at about the same time and neither had sufficient vehicles to provide all the service, coordination was not feasible. He had made no efforts to coordinate with other programs.

North-Central Washington Migrant Health Project

The North-Central Washington Migrant Health Project provided transportation to migrant agricultural workers in Chelan, Douglas, Grant, and Okanogan Counties when they had no other means of transportation. The staff used their private cars to provide the transportation 5 days a week and were reimbursed for mileage.

A project official stated that in calendar year 1975, about 197 patients were transported and the estimated cost for the period was \$1,058. For the first 6 months of 1976, the transportation cost was \$292. The project received Federal funds, which were used to provide client transportation, from HEW under the Migrant Health Program. The project, however, did not allocate transportation costs between Federal and non-Federal income sources.

A project official stated that he was not aware of any other transportation provider in Chelan or Douglas Counties that could meet their needs. Also, since the project served a four-county area, he was not aware of any volunteer groups in the area that had the resources to transport migrant families up to 100 miles a round trip to obtain medical services.

Medicaid Program

In calendar year 1975 the State of Washington paid about \$10,100 to providers in Chelan and Douglas Counties for transporting Medicaid recipients to medical facilities. Approximately \$4,100 of this amount was Federal Medicaid funds. The transportation was obtained primarily from existing providers, such as taxicab companies and ambulances.

Economic and Social Services Office

The State's Economic and Social Services Office in Wenatchee used case workers and volunteers to provide transportation to individuals eligible for title XX social services benefits. The director of the Wenatchee office said that the transportation provided by the office was limited and could best be provided by the case workers as part of the client's program. For this reason, no attempts had been made to coordinate with other transportation providers in the Wenatchee area.

The volunteer program coordinator stated that for the first 5 months of 1976, the volunteer received \$22 for transporting Economic and Social Services Office clients. The cost of client transportation by the case workers was combined with other staff travel costs and was not separately available.

HOW THE SYSTEM DEVELOPED

In August 1973 the Chelan-Douglas Council on Aging and the Wenatchee Chamber of Commerce Transportation Committee started a 3-month pilot project fixed-route bus system to meet the needs of the elderly and handicapped in Wenatchee. The system provided unlimited rides to senior citizens and handicapped persons for \$2 a month. All other persons were charged 35 cents a ride. Local donations and the fares provided the funds for the system; no Federal funds were used.

At the end of the pilot project in November 1973, the system had incurred a deficit of \$1,100 and service was discontinued. The executive director of the Council on Aging said that the system failed because (1) the bus was too large (33 passenger) and costly to operate and (2) a fixed-route system did not meet the needs of the elderly.

To meet the transportation needs of the elderly, the Council on Aging started a point-to-point transportation service in July 1974. When the system started, they used a vehicle that had been purchased with title VII funds to provide rides to the elderly, 55 years of age and over (later changed to 60 years and over). For the first 5 months of the program, service was provided by the title VII vehicle 5 days a week from 8 a.m. to 5 p.m., except between the hours of 11 a.m. and 3:30 p.m. when the vehicle was used solely for the title VII meal program participants.

The title VII program was reimbursed at the rate of 10 cents a mile for the nonmeal use of the vehicle. Operating funds for the transportation program were obtained from 50-cent a ride donations from nontitle VII riders, donations from civic groups, and the payments by the Council on Aging's RSVP program for their volunteers who rode the vehicle.

The Council on Aging had applied for title III funds in May 1974 to operate this system, but the grant application was not approved by the Washington State Office on Aging. Subsequently, a title III grant application was approved in January 1975.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

Our discussions with local transportation providers or purchasers, Washington State officials, and Federal officials administering Federal programs providing transportation funds in the Wenatchee area indicated that they were not aware of any Federal restrictions to coordinating transportation funded by the various Federal programs. However, in the State of Washington required all applicants for vehicles funded by UMTA's section 16(b)(2) program to obtain a Certificate of Public Convenience and Necessity which limited the use of the vehicles to transporting only the elderly and/or handicapped. In the case of the Wenatchee COA, it applied for a certificate to transport only the elderly.

State problems

The official in the Washington State Office of Community Development responsible for administering the section 16(b)(2) program stated that to avoid any possible lawsuits from public and private transit operators, the Office of Community Development decided that all section 16(b)(2) applicants must obtain a Certificate of Public Convenience and Necessity for the proposed service from the Washington Utilities and Transportation Commission. Operations under such a certificate must be limited to service within a 50-mile radius of cities and towns in the State.

An official of the Washington Utilities and Transportation Commission said that under the commission's laws and regulations, certificates are required only when the transportation is for compensation. However, in 1975 at the request of an official in the Office of Community Development, the commission included a provision in its rules and regulations that allows a certificate to be issued

to private, nonprofit organizations solely for the transportation of the elderly and/or handicapped.

The commission believed that organizations receiving Federal funds were a service for compensation. Commission officials also stated that it was the commission's understanding that UMTA required section 16(b)(2) applicants to have a Certificate of Public Convenience and Necessity.

A State official, in commenting on the draft report, said that it is not clear whether the commission has jurisdiction to regulate private transportation companies with neither fixed routes nor schedules. The commission has yet to rule on this matter, although it agreed before an administrative law judge that it did not have jurisdiction.

Local problems

The executive director of the Council on Aging advised us that COA applied for a certificate to transport only the elderly because North-Central Washington Supervised Skills was planning to obtain a section 16(b)(2) vehicle and a certificate to transport only the handicapped. We were also advised that COA's transportation system did not have the capacity, staff, or drivers to provide service to other groups, such as the handicapped.

A-95 CLEARINGHOUSE REVIEW PROCESS

The State of Washington had a split A-95 review process. The Office of Program Planning and Fiscal Management was the State clearinghouse for State agencies' requests. The Office of Community Development was the State clearinghouse for local governments' requests. On July 1, 1976, the primary responsibility for the local governments' A-95 process was transferred from the Office of Community Development to the district clearinghouses. In the Wenatchee area, the district clearinghouses were the regional planning councils, one in Chelan County and one in Douglas County.

Officials of the Chelan and Douglas Counties' Regional Planning Councils advised us that they sent out the local requests for review to interested local governments and organizations. The comments they received were then forwarded to the State. Both planning councils had elected not to review the applications. We were also advised that no local government or organization had ever commented on the coordination of transportation services.

Officials from the State clearinghouses stated that although they checked for the coordination of transportation services, they were unaware of any comments ever being made on transportation coordination. We were also advised that transportation to clients may not be specifically shown in a State agency's plan.

PROJECT PLANS

The transportation director of the Council on Aging stated that the council's May 1976 section 16(b)(2) grant application for one additional van had been approved. This would increase the Council on Aging's vehicles to six. Also, in the future, they may provide additional service to the elderly living in the two counties by stationing one or two vans in the outlying area, if they have sufficient vehicles. COA planned to start a volunteer program in January 1977, in which volunteer coordinators would recruit volunteer drivers in the two counties' outlying areas to transport senior citizens. The volunteer drivers would be paid mileage with title III funds.

OUR OBSERVATIONS

COA did not coordinate its services with clients of other Federal programs, such as the handicapped. Officials from one of these other programs had indicated a willingness to coordinate with COA's system, but COA was not willing to provide the service.

It is unlikely that COA will coordinate its services with other groups in the Wenatchee area unless it is forced into it or experiences serious funding problems. Given the current situation, COA believes that its clients have nothing to gain and everything to lose from coordination.

DELAWARE AUTHORITY FOR SPECIALIZED TRANSPORTATION

WILMINGTON, DELAWARE

The State of Delaware developed a statewide human services transportation system by establishing a specialized transportation authority, the Delaware Authority for Specialized Transportation (DAST). Originally, the system was organized as a nonprofit corporation to serve the needs of various social service agencies on a reimbursable basis, but the system encountered financial problems due to inconsistent funding. DAST took over the nonprofit corporation, and although service was continued to the social service agencies on a reimbursable basis, the State provided sufficient funds to assure continuity of operations.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

DAST was created in 1974 to meet the basic transportation needs of people with physical, mental, or economic handicaps. It provided basic transportation services for medical care, nutrition, vocational rehabilitation, recreation, and education. Except for JMTA funds, DAST received its Federal funds indirectly through the social service agencies it served.

Area where the system operates

The three counties DAST served have different characteristics:

- New Castle County, located at the northern end of the State, is an urbanized area that includes the city of Wilmington. It had 69 percent of the population but only 22 percent of the land area. The economy was based on financial, manufacturing, and service industries.
- Kent, the State's middle county, had 15 percent of the population and 30 percent of the State's land area. It is a rural area with about 58 percent farmland. The predominant employers in Kent County were Dover Air Force Base, light manufacturing firms, retail trade businesses, and the State government.
- Sussex County, the State's southernmost and largest county, had 48 percent of the land area but only 16 percent of the population. Although a larger than normal number of families in Sussex County were in

a low-income category, Sussex County had the lowest unemployment rate. Farming was the basic industry.

The preliminary rate of unemployment for March 1976 was 7.8 percent. Delaware's per capita income in 1975 was \$6,732.

Operation of the System

A seven-member commission (one member appointed by each county government and four members appointed by the Governor) had the responsibility to provide specialized transportation services. The Delaware Transportation Authority, a division of the Delaware Department of Transportation, provided technical assistance and served as the funnel for State funds going to DAST.

DAST, as a coordinated statewide transportation system, provided service in both urban and rural areas. It supplemented public transit service in urban areas by accommodating nonambulatory handicapped people but was the main provider of specialized transportation in rural areas.

Although DAST served the entire State of Delaware, it divided its operations to correspond with the State's three counties. Each county had a dispatcher and a fleet of vehicles; however, the vehicles were not limited to use in one county.

DAST operated a demand-responsive system, but reservations for service had to be made 24 hours in advance in order to facilitate vehicle scheduling. Contracting agencies made the reservations with DAST precluding the need for DAST to determine client eligibility. The only exception was Kent County's Tele-e-Ride where elderly persons made their own reservations after being authorized to do so by the county.

Tele-e-Ride was a system for transporting elderly Kent County residents anywhere in the county. Its primary purpose was to support title III and title VII programs in Kent County. The county owned the system's four buses but contracted with DAST to dispatch, operate, and maintain the vehicles. Title III and title VII funds were used to purchase the buses. Operating funds were derived from Kent County's revenue sharing funds. DAST also provided transportation services for other Kent County agencies, such as the Vocational Rehabilitation and Public Health Divisions.

DAST normally operated from 6 a.m. to 6 p.m., Monday through Friday, excluding holidays. Its services were available during off-schedule hours at the request of client agencies.

DAST provided transportation for 39 social service agencies through purchase-of-service contracts. These agencies received funds from eight separate Federal programs. DAST did not serve the general public.

During 1975 DAST provided 167,000 trips ^{1/} for the user agencies. DAST expected the number of trips and operating costs to be about the same during 1976.

Many of the DAST contracts were with agencies that used DAST only occasionally; however, the following agencies were major users:

- Sussex County Council.
- State Division of Vocational Rehabilitation.
- State Division of Social Services.
- Kent County Office on Aging.
- New Castle County Nutrition Center.
- State Division of Public Health.

DAST operated 38 vehicles--24 owned by DAST and 14 leased from client agencies for \$1 a year. Six of the vehicles could carry wheelchairs.

DAST vehicles were obtained from the following sources:

^{1/}For contract and recordkeeping purposes, a trip was defined as one passenger transported one way from one point to another within the same county. If the passenger was transported across a county line, it was counted as an additional trip.

<u>Source</u>	<u>Owned or leased</u>	<u>Number</u>
Delaware Interagency Motor Service (DAST's predecessor)	Owned	19
Delaware Department of Transportation	Owned	5
Kent County Office on Aging	Leased	4
Sussex Home Services	Leased	9
Easter Seals - Sussex County	Leased	<u>1</u>
Total		<u>38</u>

Funding of the system

In 1975 DAST received funds totaling about \$526,000--\$298,000 from agencies under contract and \$228,000 from a Delaware Department of Transportation direct grant. The grant included \$166,000 for operations and \$62,000 for new vehicle purchases. Major sources of Federal funds for DAST's client agencies included revenue sharing, CSA funds, title III, title VII, Medicaid, title XX, vocational rehabilitation, and Veterans Administration Outpatient Care Program.

In July 1976 DAST was awarded a \$566,240 UMTA section 3 capital grant. The State's share of the \$707,800 project was \$141,560. The funds were to be used to replace wornout equipment and to expand operations by purchasing 17 vans with wheelchair lifts, 15 small buses with wheelchair lifts, 36 two-way radios, a base station with antennas, and a maintenance shop and office equipment.

Accountability to funding sources

Each social service agency that used DAST's services was billed monthly for transportation provided in the previous month on the basis of the terms of their contract, usually \$6.40 a vehicle-hour. The hourly billing method was designed to encourage agencies to schedule as many passengers as possible for the same trip, thereby reducing the per-passenger cost. When a trip included the clients of various agencies, the cost was prorated among those agencies.

The agencies receiving transportation were responsible to the agencies supplying the funds; however, this had no impact on DAST, other than that DAST's records had to be

available for audit. The social service agencies that received the grants had to satisfy the reporting requirements imposed in the grant agreements.

Because DAST was a State organization, all its records had to be available for State scrutiny. For its UMTA section 3 capital grant, DAST had to document all capital expenditures for reimbursement and submit quarterly progress reports. In addition, DAST was subject to audit by UMTA.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE STATE OF DELAWARE

Not all social service agencies in Delaware used DAST to transport their clients. Some contracted with other providers or operated their own vehicles. For example, many federally funded Head Start Centers and Child Care Centers did not use DAST for transportation.

The director of DAST told us that his system did not have the capacity to handle Head Start and Day Care business because their needs were concentrated in three peak periods of the day--8 a.m. to 9 a.m., 1:30 p.m. to 2:30 p.m., and 4 p.m. to 5:30 p.m.

We contacted 13 federally funded social service agencies in Delaware that provided some transportation and did not purchase services from DAST. Their reasons for not purchasing service from DAST included:

- Need for immediate service that could not be met by DAST's 24-hour-in-advance scheduling.
- DAST was too expensive or could be more expensive than present transportation costs.
- Staff members of the social service agency accompanied clients on trips and also drove the vehicle. An emergency shelter for neglected and abandoned children required that staff members who drove vehicles be present with the children at all times.
- DAST vehicles did not have the capacity to carry a large number of children.

HOW THE SYSTEM DEVELOPED

Before 1971 specialized transportation in Delaware was fragmented and, in some cases, nonexistent. Red Cross

volunteer drivers using Red Cross vehicles and social service agency personnel using private cars transported some people to needed services. Other people who lacked transportation did not make trips and therefore did not obtain needed service, such as medical care.

In the summer months the human services agencies encountered a gap in this transportation service because many volunteers were on vacation. In 1971 several human services agencies created a private, nonprofit corporation, the Delaware Interagency Motor Service (DIMS), to fill this gap in New Castle County. Using agency vehicles, DIMS made about 600 trips a month in New Castle County from June to August 1971. Vehicles were borrowed from the Red Cross, and driver salaries were paid from privately donated funds. The large number of trips demonstrated the need for such service, and in September 1971, New Castle County provided a \$12,000 grant to continue the program.

A volunteer board, consisting of self-appointed members, guided the project; three vehicles were leased and three drivers were hired. The Red Cross provided office space, and DIMS signed purchase-of-service contracts with 12 agencies, both public and private, to supplement the county grant. DIMS' service grew to about 750 trips a month.

In April 1972 DIMS entered into a contract with the State Division of Vocational Rehabilitation for expanded transportation service. Under this contract, DIMS was to expand its fleet and provide statewide service. The division provided DIMS with a \$171,000 grant to purchase 19 vehicles, office furniture, and fixtures. By July 1972, DIMS was operating statewide with offices and services in the three counties and with approximately 30 agencies under contract for service.

Service continued to grow--DIMS provided 24,000 trips in 1972, 33,000 in 1973, and 81,720 in 1974. The DIMS fleet grew to 36 vehicles, including special vehicles for wheelchair-restricted clients. During this period, agencies under contract grew to 35, with 6,000 individual clients served each month.

DIMS' greatest impact was in the lower counties where alternative transportation was virtually nonexistent. Transportation to nutrition centers, medical appointments, recreation, social activities, and shopping was available by calling DIMS. Dependence on relatives, volunteers, and social workers was reduced or eliminated, and many elderly

persons who previously were virtual shut-ins now had a measure of independence and mobility. DIMS provided regular and wheelchair-accessible transportation to sheltered workshops. Vocational rehabilitation counselors no longer had to serve as drivers. These counselors could satisfy the special transportation needs of clients by calling DIMS.

Throughout DIMS's 3-year history, purchase-of-service contracts were the primary source of funds. Federal, State, and local government program funds flowing through the contracting agencies accounted for 81 percent of all DIMS' revenue in 1974. These funds came from titles III and VII, Medicaid, vocational rehabilitation, and public health contracts. The balance of revenues came from private agencies through purchase-of-service contracts. Private foundations, private citizens, the United Fund, and small grants from local governments subsidized the system.

Although DIMS thrived during its 3-year history, it had a persistent problem of financial insecurity. Various agency officials concluded that a public authority would be more desirable than a private agency for the following reasons:

- The demand for DIMS' services was outstripping its resources and, without expansion, either the quality or service would be sacrificed or requests for service would be denied.
- Financially, DIMS had always operated hand-to-mouth, making expansion impossible due to lack of funds for equipment and operations. A public authority would be eligible for tax-free fuel, centrex telephone systems, and other advantages not available to a private, nonprofit organization, such as direct subsidy of operations and a more stable position due to legal creation by the State general assembly.
- An authority would provide a legislative mandate; concurrence and support by the Governor; aid and assistance from State, local, and Federal agencies; plus a sense of permanency and mission.

With these ideas in mind, the DIMS' board and staff, the office of the Governor, the State Department of Transportation, the United Fund, other interested agencies and individuals, and several legislators drafted legislation to create an authority for specialized transportation. The legislation was to (1) keep the one provider, multiuser

concept of DIMS, (2) expand the scope and level of service, (3) mandate interface with public carriers when possible, and (4) stress the ideal of best possible service by the most economical means. The legislation that established DAST was enacted in April 1974 1/. On November 30, 1974, DIMS made its last run; the following day DAST began operation, without service interruption and with no change in the basic service format.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

DAST officials said they were not aware of any Federal, State, or local governmental restrictions to the coordination of transportation resources. The State, through the development of DIMS and subsequently DAST, has been an advocate of coordinated transportation.

State problems

The DAST director had anticipated a coordination problem regarding UMTA section 16(b)(2) funds. The director's concern was that nonprofit organizations would be encouraged to operate their own transportation systems rather than coordinate with DAST. However, the Office of State Planning, the Delaware Transportation Authority, and DAST formed a permanent section 16(b)(2) committee which reviewed grant applications from private, nonprofit organizations. Part of the review considered how the agencies planned to interact with DAST.

UMTA concluded that DAST would provide the services for clients of Delaware's private and nonprivate organizations which requested section 16(b)(2) grants. According to UMTA, it rejected all of the States' section 16(b)(2) applications because the DAST service was available, sufficient, and appropriate and section 16(b)(2) grants to private, nonprofit organizations would foster duplicative service.

A-95 CLEARINGHOUSE REVIEW PROCESS

The State Planning Office was responsible for A-95 reviews in the State of Delaware, and the designated A-95 reviewer said he fully supported a specialized, coordinated transportation system. The A-95 process was set up as a tool to accommodate such coordination. However, in most

1/Chapter 17, title 2, Delaware Code.

cases the A-95 reviewer did not have an opportunity to comment on the human services agency application before it went to the grantor agency nor was he knowledgeable of any pre-application discussions between the applicant and the grantor agency.

The Planning Office said that it was not possible to coordinate specialized transportation based on information given in a human services grant application because it was practically impossible to ferret out the transportation component in such grants, unless it was specifically for vehicles, such as a section 16(b)(2) grant. In most social service grants, the transportation component was only 1 to 2 percent of the total and was too small to be included as a line item. Therefore, it was not identified in the A-95 review.

The main role of Delaware's A-95 reviewer was to facilitate coordination in all areas, including specialized transportation. The reviewer attempted to facilitate communication between DAST and the grant recipient by advising the recipient about DAST and its services.

PROJECT PLANS

Delaware planned to submit an \$82,000 UMTA section 5 capital grant in 1977. The grant would be used to purchase additional vehicles and shop and maintenance equipment.

Delaware received an UMTA section 9 planning grant in 1976; the grant was to be used to revise the DAST long-range budget projections for fiscal years 1978 through 1983.

OUR OBSERVATIONS

Delaware's success in coordinating social service transportation was due primarily to establishing a separate transportation entity to perform the services.

Several social service agency officials commented that (1) a coordinated system is the most effective means of providing specialized transit, (2) transit should be left to transportation specialists who can do a better and more efficient job, (3) local social service agencies spend hours operating their own transit systems which are not cost effective due to fragmented delivery, and (4) there are inherent inefficiencies in developing one system.

The future success of DAST depends on its ability to adequately serve the social service agencies at a reasonable cost. Because transportation is a support service needed to achieve the social service agencies' main program objectives, these agencies will seek alternative means of transportation if DAST fails to provide reliable service.

THE FARE FREE TRANSPORTATION SYSTEM

CAPE MAY COUNTY, NEW JERSEY

Cape May County, New Jersey, developed a countywide social service transportation system by establishing a specialized organization within the county government. The organization--the Cape May County Fare Free Transportation System--was the main social service transportation provider in Cape May County and also cooperated with other social service agencies by supplementing their transportation service.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

Fare Free provided service throughout the county to elderly, poor, and handicapped people. Fare Free provided fixed-route transportation for shopping trips, demand-responsive service for high-priority needs, and daily scheduled service for handicapped people in a sheltered workshop program.

Fare Free directly or indirectly received Federal funds from title III, title XX, and vocational rehabilitation funds.

Area where the system operates

Cape May County is the southernmost, least populated, and most resort-oriented area in New Jersey. Most of the population is concentrated in a narrow area along the Atlantic Coast and the remainder of the county is rural. Local public transit service did not exist except during the resort season when a bus operated in one community. Limited taxi service was available.

An important characteristic of the county's population was the high percentage of elderly people. Of a total population of 64,295, there were 18,462 elderly people (60 and older) or about 29 percent (twice the State average).

In March 1976 the county's seasonally adjusted unemployment rate was 15.4 percent, highest in the State of New Jersey.

Operation of the system

Fare Free provided fixed-route and demand-responsive transportation services to elderly, low-income, and handicapped persons in Cape May County. Social service agencies

also referred senior citizens and Medicaid recipients to Fare Free for transportation service.

Fare Free was part of the county's Department of Traffic, and its director reported directly to the Board of Chosen Freeholders--the county's legislative body. Fare Free employed a director, a dispatcher, 11 drivers, and two office personnel.

Fare Free operated Monday through Friday from 8:00 a.m. to 4:30 p.m., except for special events on weekends. Using five buses and five vans, it transported about 84,000 passengers during 1976. The buses ran on fixed routes throughout the county, and bus schedules were widely advertised. Schedule frequency depended on population density. Routes through the least populated areas were run less frequently. The vans were used for 24-hour call-in-advance, demand-responsive service and for regularly scheduled trips that did not require large seating capacity.

Although other social service agencies in Cape May County provided transportation for their clients, coordination between Fare Free and these agencies was accomplished through a social service advisory council that met once a month to determine how Fare Free could supplement transportation services of other agencies and avoid duplication. Through this mechanism, two other agencies supplemented their service with transportation from Fare Free at no charge to the agencies.

One agency, which sponsored a title VII nutrition project, provided meals for elderly persons in conjunction with recreational activities. The project had its own vans to provide some transportation but did not have enough capability to meet all of its needs. Fare Free cooperated by transporting people to two of the project's three nutrition sites. The agency's vans served the third site. The project administrator believed that it was important to retain some transportation capability because the project's recreational activities were not as adaptable to advance scheduling as were the meals.

Another example of cooperation that fostered coordination was the relationship between Fare Free and a community action agency. The agency received CSA funds to provide transportation to low-income families for high-priority needs, such as medical visits. The agency also received CETA funds to transport trainees to and from jobs. Neither Fare Free nor the agency alone could meet all of the

agency's transportation needs. However, by referring transportation requests which it could not handle to Fare Free, the agency's transportation needs were met.

Funding of the system

At the time of our review, Fare Free had four major sources of funding--a Federal grant, two federally funded purchase-of-service contracts, and county funds.

Fare Free had a title III grant to transport senior citizens to and from shopping areas, medical facilities, social service agencies, recreational activities, nutritional sites, and other activities on a demand-responsive basis.

Fare Free had a title XX purchase-of-service contract with the New Jersey Department of Institutions and Agencies to provide fixed-route transportation service to low-income persons in the county.

Fare Free also had a purchase-of-service contract with the New Jersey Division of Vocational Rehabilitation to provide transportation for vocational rehabilitation clients to and from a sheltered workshop.

Finally, the county had supplied operating and capital funds and matching funds for Fare Free's title III grant and its title XX purchase-of-service contract.

Fare Free's sources of income for 1975 and 1976 were as follows.

	<u>1975</u>	<u>1976</u>
Cape May County	\$ 86,203	\$98,367
Cape May Office on Aging (Title III grant)	20,000	20,155
New Jersey Department of Institutions and Agencies, Youth and Family Services Division (Title XX purchase- of-service agreement)	71,454	81,500
New Jersey Division of Vocational Rehabilitation (Vocational Rehabilitation Act, sec. 110 purchase-of- service contract)		
Federal share	6,012	4,269
State share	<u>1,503</u>	<u>1,067</u>
Total	<u>\$185,172</u>	<u>\$205,358</u>

Accountability to funding sources

All records relating to county funds were made available to the county treasurer. Every two weeks, the Board of Chosen Freeholders approved payment of invoices for equipment purchases and operating costs.

To account for its title III funds, Fare Free provided the Office on Aging with monthly financial reports of costs of services rendered and quarterly narrative, statistical, and financial reports.

Fare Free submitted monthly financial reports to the Youth and Family Services Division, New Jersey Department of Institutions and Agencies, to account for its title XX purchase-of-services contract. Every 6 months, persons desiring title XX transportation were required to fill out an eligibility form. Fare Free drivers recorded the names and social security numbers of riders who said they were eligible under title XX as they boarded the bus for the first time. On subsequent trips, title XX clients wrote down the last four digits of their social security number on the driver's log after boarding the vehicle. Fare Free later verified eligibility by cross-checking the numbers on the driver's log against a list of eligible riders. This procedure was to satisfy State reporting requirements and was the basis for reimbursement to Fare Free for services provided.

For the vocational rehabilitation contract, the State determined rider eligibility and predetermined a billing rate for each rider on the basis of the distance between the rider's home and the workshop. Fare Free billed the State quarterly for transportation services rendered.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

JUNCTION, a drug counseling service in Cape May County, provided transportation for drug abuse patients to treatment centers and emergency care. JUNCTION used a camper converted to a mobile venereal disease and drug counseling center and operated a van donated by a local community for trips to drug treatment centers. This van was also used to transport people in the nutrition program to one of the nutrition sites 3 days a week. JUNCTION became involved in the nutrition program through the monthly meetings of the social service advisory council. JUNCTION was a 24-hour-a-day operation with a need for standby vehicles--a service which Fare Free was not able to provide.

The county Welfare Board received title XX funds and county matching funds. The board's fiscal year 1977 budget was \$306,411, including \$229,808 in Federal funds and \$76,603 in county funds. Under the board's Home Services Program, staff members, using staff cars, transported clients to hospitals, doctors, and shopping centers. The board applied to the State for an additional \$20,000 to finance these nonemergency medical trips. Funds would be used to hire drivers on a purchase-of-service basis (as needed). This service would not overlap or duplicate Fare Free's because it would only be used when Fare Free was over capacity or when the case was so special that only the board staff could handle it. Fare Free transported welfare clients whenever possible.

HOW FARE FREE DEVELOPED

Before Cape May County's transportation system was developed, there was a critical lack of service, which contributed to the isolation of the elderly and disadvantaged in Cape May County. County social service agencies recognized this problem and attempted to provide the needed transportation.

In 1968 the Cape May Agency on Aging (later to become the county Area Office on Aging) started a demonstration bus service project. The agency acquired a minibus and

operating funds under a title III grant to transport elderly people within the city of Cape May. Fares of 25 cents were charged to the elderly (who rode on a priority basis) and 30 cents to others. Poor ridership, high operating costs, and frequent vehicle breakdowns caused the project to be canceled in 1970 after 2 years of operation.

In 1970 Cape Human Resources--a community action agency--acquired a used 35-passenger bus with a CSA grant and started a pilot bus service for lowincome people in southern Cape May County. The county provided operating funds. The bus operated on fixed routes through several Cape May communities and terminated at shopping centers. The service was free to eligible riders and became popular because no other transit service was available. However, after 2 years, due to frequent vehicle breakdowns and lack of operating funds, Cape Human Resources gave the bus to the county to operate.

The county gave the bus to the Office on Aging to operate. The Office on Aging agreed to run the bus on the same route and schedule as before and even to retain the same driver, who was given responsibility to operate, garage, and maintain the vehicle.

In June 1973 the county, with revenue sharing funds, acquired a new 44-passenger bus for the Office on Aging to replace the original worn out bus. Demand for the service grew to the extent that the county ordered a second new bus to expand service.

The second bus was delivered in January 1974, but instead of giving it to the Office on Aging to operate, the Board of Chosen Freeholders established a county Traffic Department to operate the two new buses.

The Traffic Department's director soon saw a greater demand for the bus service than could be met with two buses, so he asked the board for two more buses. The board approved his request and with revenue sharing funds acquired two new 44-passenger buses in September 1974.

In June 1974 the New Jersey Department of Community Affairs awarded a title III grant to the Cape May County Board of Chosen Freeholders to provide demand-responsive transportation for senior citizens in the county. These funds were used to acquire a vehicle and for operations.

In 1975 the board passed a resolution authorizing all social service agencies having transportation resources to consolidate facilities and coordinate activities under the Department of Traffic. The first agency to respond to the resolution was the Cape Diagnostic Center.

The center was a sheltered workshop for the handicapped. Staff members used their own cars to transport clients until the center was awarded three grants that enabled it to acquire four vehicles. With these vehicles and three part-time drivers, the center provided round trip door-to-door service for 25 to 30 clients a day, 5 days a week. Operating funds came from a purchase-of-service contract with the New Jersey Division of Vocational Rehabilitation--the State compensated the center for each rider, on the basis of the distance between the client's home and the workshop. The center's director noted that administering a transit system was very time consuming. He had only two staff counselors to supervise all the workers, yet the counselors had to spend time scheduling, dispatching, and maintaining vehicles. Occasionally, a vehicle broke down and--without backup vehicles--disrupted center operations for a whole day. In addition, families of trainees had to be notified of the problem. When the center's director read the board's resolution authorizing coordination with the county system, he called the Fare Free director, and a series of meetings followed to outline the center's needs. By July 1975 the center's vehicles were transferred to Fare Free, and the State Division of Vocational Rehabilitation signed a purchase-of-service agreement with Fare Free to transport the center's clients.

In June 1975 the Senior Citizens Resource Center, an information and referral service, turned over its van and transportation operating funds to Fare Free. The van had been acquired with title III funds in January 1974 to transport elderly people who lived in the Cape May City vicinity to shopping centers, medical appointments, and social and recreational activities. Drivers' salaries, high operating costs, and budget cuts were big problems. In addition, running the van took time that could otherwise be devoted to the center's primary mission. Furthermore, no one at the center knew how to solve transportation-related problems. Thus, the center's director was relieved when Fare Free accepted transportation responsibility for the center.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

Local agency officials had not encountered any Federal or State imposed restrictions to a coordinated system. One problem did arise regarding the transfer of sheltered workshop vehicles, but that problem was resolved at the State level.

State problems

When the Director of the Cape Diagnostic Center requested permission from the New Jersey Division of Vocational Rehabilitation to transfer the center's vehicles to Fare Free, the State wanted Federal concurrence for the transfer. One issue that had to be decided was whether it was necessary to transfer the vehicles to Fare Free. If the center no longer needed the vehicles, the State could use them elsewhere. However, it was decided that Fare Free did not have existing vehicle capacity to provide transportation to the center's clients without the center's vehicles. HEW's New York Regional Office of Rehabilitation Services concurred in the transfer.

The State insisted, however, that Fare Free agree in writing to continue to provide adequate service to the center. The agreement also guaranteed that the vehicles would continue to be used for vocational rehabilitation purposes. By July 1975 the problem was sufficiently resolved to allow the transfer of the vehicles.

A-95 CLEARINGHOUSE REVIEW PROCESS

All grant applications in Cape May County were reviewed by the designated A-95 reviewer and the county planner. The objective of the review was to identify conflicts or duplication and to assure that the grant supports county planning. For example, if a grant had a transportation component, the A-95 reviewer contacted the county Department of Traffic so they could discuss it with the grantee, thus keeping transit pointed in the way the county wanted--a coordinated system. This informal technique worked in Cape May County because people knew each other and could deal on an informal level.

The county's designated A-95 reviewer said that separating the transportation component in a grant was not easy because generally it was not broken out in the budget, but a phone call usually yielded enough information.

The A-95 reviewer did not believe that his role needed strengthening because he had never made an adverse recommendation to accomplish transportation coordination. Usually, problems were satisfactorily worked out between the parties.

PROJECT PLANS

Fare Free's general plans were to continue expanding the system through further coordination and to add capability as the demand for service grows.

Fare Free planned to develop a more efficient passenger identification and rider accounting system. The rider identification system was to be augmented with plastic, embossed identification cards similar to credit cards to be used on each vehicle as a means of better identifying riders and eliminating much manual writing and tabulation by drivers and clerical staff.

OUR OBSERVATIONS

Although other social service agencies continued to operate their own transportation services, Fare Free coordinated with these agencies and supplemented their services.

In our opinion, Cape May County's success in coordinating social service transportation was due to its establishing a separate entity to provide transportation services, a forceful project director, and the support of the county government.

OLDER ADULTS TRANSPORTATION SERVICE, INC.

COLUMBIA, MISSOURI

The Older Adults Transportation Service, Inc. (OATS) is nearly a statewide coordinated system serving the transportation needs of Missouri's elderly and handicapped persons. OATS was a coordinated system in that it was funded by more than two Federal programs and was providing transportation services to several different recipients of Federal funds. OATS' charter restricted services to elderly and handicapped persons and, consequently, coordination with other programs involving transportation had been limited to those serving such persons. Further, coordination with such programs had been limited because OATS lacked money to expand its operations and because other programs wanted to maintain their own transportation systems.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

OATS, which was founded in 1971, is a not-for-profit corporation organized under the laws of the State of Missouri. Transportation was provided by door-to-door service. OATS operated in 90 of Missouri's 114 counties and had its central office in Columbia, Missouri, with six area offices located throughout the State.

The major source of funding for OATS had been title III of the Older Americans Act, as amended, and contributions from system users in the form of membership fees and fare contributions.

Area where the system operates

Missouri is the 13th largest State in the Nation in population with 4.7 million people and a density of 68 persons a square mile. Almost 30 percent of the State's population, 1.4 million people, live in rural communities under 2,500. In 1970 Missourians who were 55 years of age and older represented 22 percent (1,023,452) of the State's population. About 33 percent of this group lived in rural communities of 2,500 people or less. About 6 percent (285,027) of the total population in Missouri were disabled persons in the age group of 16 to 64; about 33 percent of them also resided in rural communities.

Census statistics for 1970 showed the median family income was \$8,914 with 11 percent of the families earning

an income less than the U.S. census poverty level. Of those 65 and older, 30 percent had incomes under the poverty level.

In March 1976 Missouri had a civilian labor force of about 2.1 million, of which about 6 percent were unemployed. The unemployed rate for the 90-county area served by OATS, excluding the Kansas City and St. Louis standard metropolitan statistical areas, ranged from a low of 1.6 percent to a high of 10.8 percent.

OATS did not serve 24 counties in the southeastern part of the State. Although two major urban areas--Kansas City and St. Louis--are located within the 90-county area served by OATS, OATS did not serve clients living in St. Louis and only served clients living in the sparsely populated outskirts of Kansas City. The population of this 90-county area, excluding the two cities, is around 3 million.

Operations of the system

OATS had divided the counties it served into six service areas. Each area was administered by an area supervisor who was responsible for operations within the service area.

OATS provided transportation only to elderly (age 55 and over) and handicapped persons who were OATS members. Individuals became members for a small annual contribution. As of August 1, 1976, OATS had a total membership of about 15,490.

OATS required that a fare contribution be collected for each person riding its vehicles. This fare contribution was paid for either by the rider or by a sponsoring agency for the rider. OATS used the term "fare contribution" rather than "fare" because title III regulations do not allow mandatory fares to be charged to the elderly. An OATS official informed us that OATS would carry an older person even if he could not pay.

The amounts of fare contribution paid for passengers of the OATS system varied depending on the trip. For example, the one-way fare contribution for an in-town trip, in a town under 10,000 population, was 50 cents; while a point-to-point trip generally was 4-1/2 cents a mile with a minimum charge of \$1.00. OATS also had a 4.37 cents a mile fare contribution for tours. The fare contributions were a major source of revenue for OATS.

Although OATS operated its own transportation system, it purchased some outside services. OATS financial reports showed that expenses for outside services through contract mileage were \$23,188 in the last 3 months of 1975 and \$27,088 for the first 3 months of 1976. This contract mileage, incurred in St. Louis County, represented payments to volunteer drivers who were reimbursed by OATS at 30 cents a mile for the use of their own private vehicles. This arrangement was a result of an agreement OATS entered into on October 1, 1975, with the Mid-East Area Agency on Aging, which provided a volunteer service. OATS took over the operation and continued to use volunteer drivers. OATS officials stated that in 1976 they entered into a contract to purchase transportation services from a taxi company in St. Charles County at \$99 a day.

In addition, if an OATS vehicle was out of service, OATS sometimes paid its drivers 15 cents a mile to use their own private vehicles. An RSVP project had an arrangement with OATS in which OATS paid that program 15 cents a vehicle-mile to use its vehicle and paid the driver's salary when the vehicle and driver were being used to transport OATS clients.

In 1975 OATS provided 133,021 passenger round trips. A passenger round trip was counted as such even if a passenger only made a one-way trip. In March 1976 OATS began accumulating these statistics on a one-way basis. Estimated ridership (expressed in one-way trips) for 1976 was about 507,665.

Statistics on passenger-miles and vehicle-miles are shown in the following table.

	<u>1975</u>	<u>First 3 months of 1976</u>
Number of passenger-miles (millions)	3.1	3.4
Cost per passenger-mile	10 cents	9 cents
Number of vehicle-miles (millions)	2.0	0.7
Cost per vehicle-mile	44 cents	45 cents

As of August 1976, OATS had 73 vehicles--50 that it owned and 23 that were leased.

OATS provided several different types of door-to-door service and published a monthly newsletter containing a schedule that was sent to all members. Members could reserve a ride on scheduled trips on a first-come-first-served basis. The service was a mixture of demand-responsive and fixed-time schedules and routes. Although destinations were fixed, the route and time schedule depended on (1) calls from members which were taken a month or more in advance and (2) past experience of the areas that were heavily traveled. Medical-type trips took priority. Even though schedules were published, they were altered if not enough members reserved a ride. Scheduled runs were not made every day of the month. On unscheduled days, OATS operated a demand-responsive service but asked the members to call a week or more in advance to reserve a ride. Under both types of service it was possible for a member to call the day before a trip and reserve a ride if there was space available and the bus was going near the member's home. OATS also provided a 24-hour, demand-responsive service in St. Louis County and three towns in Missouri. OATS vehicles were available every day of the month if there was a demand. The basic hours of operation were 8:00 a.m. to 5:00 p.m., Monday through Friday, for all types of services. Weekends were basically reserved for trips, such as tours.

In addition, OATS provided transportation on a fairly regular basis to 22 nutrition sites and 15 sheltered workshops. This was basically fixed-schedule, fixed-route service. Because of a lack of money, OATS cut back on this service in August 1976.

Funding of the system

OATS was founded in 1971 and operated from 1971 through 1973 with title III funds and fare contributions collected from its members. These funds continued to be major sources of revenue for OATS. The table on the following page shows OATS' funding sources from 1971 through 1976, according to OATS' January 1977 Status Report.

		<u>Funds received</u>				
	<u>Source of funds</u>	<u>1971 through 1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Total</u>
	Title III	\$428,437	\$335,520	\$255,602	\$238,984	\$ 258,543
	Title XX Social Security Act (Federal social services)	-	-	30,890	472,839	503,729
	Missouri Regional Medical Program	-	-	34,317	18,590	52,907
	Section 16(b)(2)	-	-	-	152,888	152,888
	CETA	-	-	10,509	24,955	35,464
	VISTA	-	-	2,907	-	2,907
	State funds	-	-	9,872	88,036	97,907
	Local matching funds	-	-	425	108,215	108,640
	Fare and membership contributions, donations, and other miscellaneous	106,209	251,449	323,997	417,145	1,138,800
	Loans	-	-	-	43,278	43,278
	Total	<u>\$534,646</u>	<u>\$586,969</u>	<u>\$668,519</u>	<u>\$1,564,930</u>	<u>\$3,355,063</u>

After 1975, title III funds were funneled through the Missouri Office of Aging to the area agencies on aging. OATS received title III funds from seven area agencies on aging in 1975 and from six area agencies on aging in the first 6 months of 1976. Before 1975 OATS had received such funds directly from the Missouri Office of Aging. In 1975 it continued to receive funds from a 1974 title III grant directly from the Missouri Office on Aging. The title III funds were used for both operating and capital expenses and to purchase 44 vehicles for service to the elderly and the handicapped. Although OATS never received a written waiver permitting title III funds to be spent for the handicapped, Federal and State officials knew and approved these funds to serve both groups.

On April 1, 1975, the Missouri Division of Family Services entered into a purchase-of-service agreement with OATS for transportation services for eligible Federal public assistance clients within the State, except for the city of St. Louis and 28 counties. Basically, under this contract, Missouri's Division of Family Services reimbursed OATS with title XX funds for the fare and membership fees of the eligible clients that were provided transportation.

The Missouri Department of Mental Health received title XX funds from the Division of Family Services under a contractual agreement. For the year beginning April 1, 1976, both agencies, under a three-party agreement, contracted with OATS to provide transportation services for Department of Mental Health clients who were eligible for title XX. This contract also provided for reimbursement of fare and membership fees. The maximum amount of the contract was \$135,000. As of August 1976 the use of Division of Family Services title XX funds was limited to paying fare and membership fees for medical trips only. This caused OATS to cut back service to nutrition sites and sheltered workshops.

On September 1, 1974, OATS entered into an agreement with the Curators of the University of Missouri to provide transportation to handicapped and elderly persons in Boone County, Missouri. The project, entitled "Handicapped Americans Transportation Service," was funded through the Missouri Regional Medical Program. These Federal funds were used to pay for various operating costs but not for fare contributions. Although funding from the Missouri Regional Medical Program ended June 30, 1976, the project continued to operate in Boone County. OATS used other

sources of funds to cover its costs for the project and was negotiating with Missouri's Division of Family Services to try to obtain more title XX funds to help cover costs.

Records of the Missouri Department of Transportation indicated that as of June 30, 1976, OATS was scheduled to receive a total of 17 vehicles by October 1976 purchased with section 16(b)(2) funding which would be used both to replace vehicles and to expand service. Four of the vehicles had been received by June 30, 1976.

The above Federal funding sources were the only direct Federal funding received by OATS for transportation services. However, through June 30, 1976, OATS received about \$24,000 through CETA programs for salaries of several OATS employees and about \$6,200 for VISTA volunteers under the Domestic Volunteer Service Act.

In addition to the Federal funding, OATS also received income from fare and membership contributions, donations, and other miscellaneous income which helped cover its operating costs.

In May 1976 the OATS General Manager stated that OATS had financial problems, and its expenditures were exceeding its revenues. He hoped to get out of this financial bind by negotiating higher rates under the contract with the Missouri Division of Family Services. The higher rates would be retroactive to October 1975. In late May 1976 an amendment to the contract was executed to raise OATS' reimbursement rates and to raise the allowable maximum expenditures under the contract from \$300,000 to \$620,000. We were informed in August 1976 that OATS' revenues were equaling its costs.

Accountability to funding sources

In 1975 OATS' cost per passenger mile was about 10 cents and in the first 3 months of 1976 about 9 cents. Although the user fare contributions of about 4-1/2 cents a passenger-mile paid for part of the costs, the fare contributions were not designed to pay all of OATS' costs, and it had to rely on Federal funding.

OATS had established a detailed accounting system. For example, OATS' financial statements showed income and expenses, as well as passenger trips and vehicle-miles traveled, for each of the (1) OATS buses, (2) OATS service

areas, and (3) seven area agency on aging areas and the special Handicapped Americans Transportation Service project.

The funds received by OATS under title XX from the Division of Family Services and Department of Mental Health were the only type of Federal funds OATS received for which it was reimbursed on the basis of the units of service provided. Under title XX, OATS was reimbursed at about 9 cents a mile. OATS had established a system to accumulate the necessary data for billing for its services. Each OATS member was issued a card which specified whether the user or title XX was to pay the fare. On the basis of the information on the cards, which had to be shown by every rider, OATS' bus drivers prepared daily trip sheets showing the type of fares. This information was ultimately recorded in the computer system, and once a month a computer billing was prepared for services rendered under title XX.

Through the area agencies on aging, OATS received title III funds. Although OATS did not receive these funds based on units of service provided, the funds were spent in the area agency on aging area which provided the funding. In accounting for the funds, OATS accumulated costs for each bus and reported monthly total costs incurred in each of the areas. Because reimbursement was not based on a unit of service, OATS was not required to report to each area agency on aging the number of passengers served with title III funds.

OATS received funds for the Handicapped Americans Transportation Services project funded by the Missouri Regional Medical Program, and these funds were accounted for separately. OATS accumulated the costs for this project separately and billed the Missouri Regional Medical Program monthly for the allowable actual costs incurred.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

Because OATS operated in a large geographic area, we did not attempt to identify all federally funded programs which provided transportation in the OATS service area but were not coordinating with OATS. We visited two community action agencies, two area agencies on aging offices that operate nutrition sites, one sheltered workshop, and a vocational rehabilitation center that generally were not coordinating their transportation needs with OATS. In addition, we contacted two private, nonprofit transportation systems that provided transportation in areas not serviced

by OATS but that were considering a merger with it. We also contacted an organization that, to a great degree, coordinated with OATS. Many of the organizations contacted were of the opinion that only one transportation system should serve all clients under one administering agency. The following charts describe the transportation provided by these programs and give their comments on coordination of transportation services.

<u>Agency program</u>	<u>Area served</u>	<u>Transportation</u>	<u>Source and for trip</u>
Lafayette County Enterprises, Inc. Extended Employment Sheltered Workshop	One county	One vehicle used to transport employees (handicapped persons) if they become ill or when their own transportation is not available. Vehicle used to transport workshop material.	Developmental Basic Support funds grant and operation
Community Rehabilitation Center	City of Columbia	Trips to and from the center, job reviews, and job sites.	CETA funds; transportation; interview
Cooperative Area-wide Transportation System	One county	Seven vehicles provide developmentally disabled clients with door-to-door service to sheltered workshop, day care centers, diagnostic clinics, etc. Also, five more vehicles are to be obtained.	Developmental Basic Support to purchase Section 1 future public vehicles.
Central Missouri Counties Human Development Corp.: Head Start	Eight counties in central Missouri	Six vehicles are used 4 days a week for about 9 months of the year. Average usage-- 2 to 3 hours daily.	Head Start funds for vehicles expenses.
Foster Grandparents Program		One vehicle used 5 days a week. Average usage--6 hours a day.	Foster Grandparent Program for vehicle expenses.
Community Action programs		Two vehicles used 5 days a week. Average usage 4 to 7 hours daily.	Community for purchase vehicle; another; operating
Community Food and Nutrition Program		One vehicle used 5 days a week. Average usage 4 to 7 hours daily.	CSEA's Community Nutrition for purchase Section 2 operating

Estimated annual
operating cost for
transportation
in 1975

Agency
comments on
coordination

Agency
reason for not
coordinating with OATS

Agency
comments on duplication
of service

\$ 5,640

It is not
feasible to
coordinate.

OATS serves this commun-
ity only 2 days a week
while employees need
transportation 5 days a
week. The vehicle is
wanted at the workshop
all day. Vehicle would
wear out soon if leased
to OATS. An OATS driver
could not serve as a
workshop supervisor as
the agency driver does.

Service is not dupli-
cated because OATS
operates a vehicle
only about 2 days
a week in the area.

300

There is no
coordination
with OATS.

OATS would be reluctant
to provide a vehicle for
a limited number of
clients. The center's
clients would not all be
eligible for title XX
funds, which would be
used to pay OATS fare
contribution. For those
not eligible, it is
cheaper for client taxi
service than to pay OATS
fare contributions.

No duplication of
service with OATS.

131,000

Trying to merge
with OATS, since
the agency's
vehicles are idle
about 4 hours a
day.

OATS lacks money to
operate vehicles.

OATS generally is not
operating in same
area.

23,841

Transferred owner-
ship of a vehicle
to OATS; pur-
chased OATS' trip
tickets and mem-
berships occa-
sionally; per-
mitted OATS dis-
patchers to use
the telephone in
two county
offices without
charge.

Oats could not provide
transportation to clients
who are not elderly or
handicapped. OATS does
not provide service in
each county on a daily
basis. No evidence that
OATS could provide a less
costly mode of transporta-
tion.

Transportation service
not considered to
duplicate OATS service
except that the people
in Foster Grand-
parents Program are in
the age group that is
eligible to ride an
OATS vehicle.

<u>Agency program</u>	<u>Area served</u>	<u>Transportation</u>	<u>Source for</u>
Serve, Inc., an independent agency contracted with to provide transportation		One vehicle leased and used 5 days a week. Average usage 4 to 7 hours daily.	Community and Title VI operating
Northwest Missouri Economic Opportunity Corporation: Senior Opportunities and Services Program	Five counties in northwest Missouri	Staff outreach workers are reimbursed for mileage.	Community funds for reimbursement
Nutrition Program	Four nutrition sites	Staff's private automobiles and OATS used to transport clients to meal sites	Title VI services and staff
Head Start program		Five vehicles used about 4 hours a day to take children to centers, take children on field trips, to doctors, etc. Staff use their personal vehicles and are reimbursed for mileage.	Head Start funds for five vehicles operating
Community Action Program			Community funds for reimbursement
Central Missouri Area Agency on Aging	Fourteen nutrition sites	Volunteers transport clients to 12 nutrition sites and occasionally are reimbursed at 15 cents a mile. OATS transports clients for another site under OATS contract with Title XX nutrition site. Locally funded vehicle used to transport clients to the other nutrition sites.	Title VI volunteer reimbursement operating vehicle local funds

Estimated annual operating cost for transportation in 1975	Agency comments on coordination	Agency reason for not coordinating with OATS	Agency comments on duplication of service
<p>\$ 624</p> <p>3,692</p> <p>OATS</p> <p>11,270</p>	<p>OATS provides transportation to four nutrition sites. The agency has taken phone calls for OATS, provided office space, and tried to identify potential OATS members.</p>	<p>OATS cannot meet all the transportation needs of nutrition sites since OATS has only three vehicles to serve five counties, and OATS does not like to pick up just one person in outlying areas. The Senior Opportunities and Services Program provides transportation to low-income elderly persons who cannot afford to pay OATS membership fees. It is cheaper to pay staff 10 cents a mile rather than purchase services from OATS. Since OATS only serves the elderly and handicapped, OATS could not provide transportation for the HEAD Start program.</p>	<p>There is not much duplication since most passengers they transport cannot be served by OATS.</p>
<p>am 482</p> <p>e</p> <p>200-- Title VII</p> <p>2,000-- Title VII</p> <p>(Oct. 1975 to Sept. 1976)</p>	<p>OATS provides transportation to one nutrition site.</p>	<p>Some nutrition sites are not in OATS' service area. OATS does not have enough vehicles to provide the needed transportation. The agency does not have funds available in its budget for transportation; therefore it relies primarily on volunteers.</p>	<p>Not duplicative because OATS does not serve these nutrition sites and does not have vehicles for the service.</p>

<u>Agency program</u>	<u>Area served</u>	<u>Transportation</u>	<u>Source and use of funds for transportation</u>
Mid-America Regional Council	Five counties 15 nutrition sites	Twelve vehicles used to provide transportation to 11 sites. Three of the vehicles are leased. Trans- portation is not provided to four sites.	Revenue sharing purchase of five section 16(b)(2) purchase of four Title III funds vehicle operation title VII funds operating expenses
Southeast Missouri Transportation Services, Inc.	27 counties	Twelve vehicles provide service to people 55 and older and the handicapped. System members pay \$5 annually plus a fare of 5 cents a mile.	Title II
Harrison County Council on Aging Retired Senior Volunteer Program	One county	One vehicle provides transportation for program volunteers. This vehicle is also used for OATS clients for which OATS reimburses the program.	RSVP funds for purchase, vehi- cles, and pub- lic transportation

ated annual
trip cost for
transportation
- 1975

Agency
comments on
coordination

Agency
reason for not
coordinating with OATS

Agency
comments on duplication
of service

\$15,800

There have been discussions with OATS concerning OATS' providing transportation to the rural sites, but there has been no coordination.

Only 3 of the 11 sites where transportation is provided are located in OATS' service areas. The council wants to gain management capability by running the whole program. OATS is not considered to have management capability in this area and has not proved its reliability and efficiency. Council drivers are used as site assistants, but OATS drivers could not be.

Not duplicative because OATS does not serve the nutrition site. OATS provides extensive service in only two of the five counties served.

\$13,780

Coordination exists with other organizations, such as a Cancer Society, community action agencies, nutrition and sheltered workshop programs, and a Foster Grandparent Program. This system plans to merge with OATS into a statewide rural transportation system if OATS becomes debt free.

OATS is not debt free.

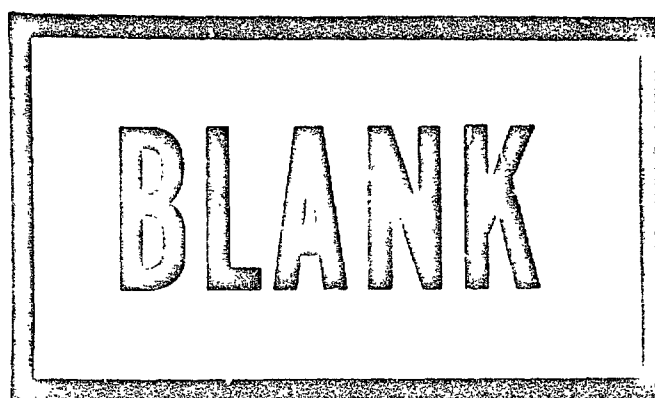
Transportation needs of other programs could be met by this system. (There is little duplication with OATS because OATS operates in only three of the same counties in which this system operates.)

900
or OATS trip
(costs only)

The agency's vehicle takes OATS clients to a sheltered workshop daily and to a nutrition site on days the OATS vehicle is not available. The program also purchases OATS trip tickets.

The agency bought its own vehicle because OATS did not have a vehicle available to meet its needs. The agency maintains control over the vehicle to meet its clients' needs.

No duplication of service.



HOW THE SYSTEM DEVELOPED

In the winter months of 1970 and 1971, meetings were held in Missouri at community, county, regional, and State levels in preparation for the National White House Conference on Aging which was held in November and December 1971. The meetings were sponsored by the Missouri Department of Community Affairs, Office of Aging, Jefferson City, Missouri, and were intended to give an insight into the problems faced by the large and growing population of the aging.

Several meetings were held by a group of concerned citizens from eight counties of the Mid-Missouri Regional Planning Area to discuss possible ways to provide transportation for senior citizens. In July 1971 the group received notice from the Missouri Office of Aging, Department of Community Affairs, that a grant would be available to develop and provide transportation for senior citizens. The program was to be known as Older Adults Transportation Service (OATS) and was to have as its objective door-to-door transportation to doctors and dentists, drug stores, senior centers, pleasure trips, and visits to relatives and friends. The Missouri Office of Aging, using funds from the Older Americans Act of 1975, as amended, made \$30,259 available to subsidize a transportation system for senior citizens. OATS began operations in September 1971 as a project of the Cooperative Transportation Service, Inc. In November 1973, as a result of a stockholder referendum, the organization's form was changed to a not-for-profit corporation.

Since 1971 the purpose of OATS had been to serve the general transportation needs of Missouri's elderly and handicapped citizens. OATS had grown from its meager beginning of three vehicles in four counties in 1971 to 73 vehicles in 90 counties as of August 1976 with a combined membership of over 15,000 elderly and handicapped persons.

The OATS General Manager stated that OATS had attempted to coordinate with any organization that operated vehicles for elderly and handicapped persons.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

Federal, State, and local officials cited numerous obstacles to coordination of transportation services.

One of the primary reasons for not coordinating was that other organizations view the transportation needs of their client groups as unique and believe that the OATS system could not provide the services needed. Furthermore, the OATS system was chartered to serve only elderly and handicapped persons.

Federal problems

Officials of organizations we contacted that provide transportation in the OATS area did not cite any Federal restrictions or obstacles as reasons for not using OATS to meet their transportation needs.

The OATS General Manager cited the lack of funding certainty, continuity, and availability as major stumbling blocks to coordination or consolidation. For example, OATS was not assured of title III funding after October 1, 1977, because HEW regulations issued in 1973 for the title III program state that no project may be funded for longer than 3 years without the approval of the Commissioner on Aging.

Another problem he noted was that most categorical programs are designed to serve a specific client group. However, he said that OATS was restricted to serving only elderly and handicapped persons.

The OATS General Manager stated that he has had problems obtaining title XX funds. One problem involved local matching funds required to meet the Federal financial share of the title XX program. The local matching funds OATS was providing were designated specifically for OATS. Title XX regulations did not allow this designation for specific organizations. The problem was solved by using allowable non-Federal funds provided by area agencies on aging.

According to the General Manager, another problem had been delays, due to Federal requirements, in state certification of title XX eligibles. Until recently, States were required to verify potential eligibles' incomes. Because Federal regulations now allow self-determination of eligibility, the certification process should speed up.

Various officials said that certain provisions of section 16302 of the program inhibited coordination. A Federal regional official stated that by restricting capital expenditures as section 16302(2) did, a program

with operating funds had to be found to sponsor the section 16(b)(2) vehicles, which was difficult to do. Furthermore, the program restricted eligible recipients to private, non-profit organizations which, State and local officials said, inhibited coordination. Both State and Federal regional officials said that because section 16(b)(2) vehicles could be used to serve only the elderly and handicapped, coordination might be inhibited. A Federal regional official said that while incidental use to serve others was permissible, there was no specific criteria to help interpret what this meant. Decisions would have to be made on a case-by-case basis to determine if the use of the vehicles for other clients was incidental. If service for other clients was determined to be more than incidental, Federal regional officials would not permit section 16(b)(2) vehicles to be used for those other clients.

Some Federal regional officials were of the opinion that the different accounting and reporting required by Federal programs were an obstacle to coordination at the local level. One official stated that this might not have been a problem for OATS, but he thought it could be an obstacle for smaller operators.

Some regional HEW officials pointed out that vehicles could not be depreciated in the Head Start program (or other Federal programs) and that there were no other provisions for replacement of vehicles except to hope that at the end of a year there would be excess money with which to purchase a vehicle. The lack of an assured funding source for vehicle replacement resulted in a fear of coordination because vehicles wear out sooner when used by other groups.

One official of an organization that provided transportation services for nutrition sites commented that at the Federal and State levels, all officials said "coordinate," but that in practice, how, and at the local levels, there was no initiative and trained transportation managers.

A Community Action Agency official was of the opinion that if their vehicles were turned over to OATS to operate, it would involve considerable administrative paperwork at the Federal level which he believed that the Federal agency would be reluctant to undertake.

At the Federal regional level we were advised that funds under the Older Americans Act, as amended, could not be used in an Integrated Grant Administration grant, which is a program for pooling funds from different programs.

However, this type of restriction did not appear to be an obstacle to OATS' coordinating with other programs in its area.

State problems

Various officials contacted stated that one restriction to coordination was a Missouri law that prohibited the use of school buses for carrying clients other than school children.

OATS had chosen to serve only the age group of 55 and over and the handicapped. The OATS General Manager believed that including other client groups would bring OATS under the jurisdiction of the Missouri Public Service Commission, which would then regulate OATS's routes, fares, schedules, type of insurance, and in some instances would probably not permit OATS to operate where some public companies already had a franchise. An official of the Missouri Public Service Commission expressed an opinion that if OATS expanded its client population, it would still not lose its exemption as private carrier so long as it did not serve the general public; however, he pointed out that it would take a commission ruling to properly determine this. We were advised that the commission does grant authority to operate irregular type routes, and the commission official did not think that being regulated by the commission would be an obstacle to OATS' coordination efforts.

Local problems

The OATS General Manager stated that another reason for not serving other client groups was the fear of some senior citizens that if younger people were allowed to ride the OATS buses, they would take over the service and it would no longer cater to the special needs of the elderly.

The OATS General Manager said that he viewed protection of turf as one of the major obstacles OATS had encountered. He stated that it was a rare program that would give up a piece of equipment with its name on the side which gave that program identity. Because of this obstacle, he said it had been difficult to convince some programs that it was more efficient for them to purchase transportation from OATS. To overcome this obstacle OATS had to convince them that it was more efficient and cheaper to have OATS provide the transportation service. This involved distributing a detailed monthly financial statement OATS had developed.

We found other examples of turf protection. Officials at one organization we contacted advised us that protection of turf and acceptance by clients was an obstacle to coordinating with OATS in one county where this organization operated a vehicle. The local people in the county are involved in the operation of the vehicle and do not want OATS to provide the transportation because they are not satisfied with the quality of OATS' service. Furthermore, this vehicle serves all age groups, which OATS does not do.

Some Federal, regional, State, and local officials expressed the opinion that protection of turf was a problem, although they did not cite any specifics showing that it had been a problem in coordinating with OATS. One official thought the problem was at the Federal and State levels, as well as the local level, in that each program's staff was concerned only about its clients.

The OATS General Manager stated that factual information was lacking in smaller operations. He stated that most small operations did not know the full cost of their transportation services, and therefore when compared to what OATS cost, they believed that OATS was too expensive. The OATS General Manager suggested that uniform cost reporting for Federal programs might overcome this problem.

The OATS General Manager stated that OATS had a problem obtaining vehicle insurance coverage. This had not hindered any specific coordination, but he viewed the reluctance of insurance companies to cover multipurpose vehicles as a hindrance to the development of transportation in rural areas. He said that the cost of insurance had more than doubled within the last year, and fewer companies are willing to provide insurance for OATS' vehicles. Although OATS has had a good accident record, he believes that this unwillingness by insurance companies to provide coverage is because of the large number of miles driven and the type of client served. Of the various organizations contacted, as well as Federal and State officials contacted, some were of the opinion that insurance rates could increase if a program transports another program's clients. One community action agency operator stated that he has discussed the use of the community action agency's Head Start vehicles to service one of the other programs administered by the community action agency, but its insurance company does not want to cover this.

A-95 CLEARINGHOUSE REVIEW PROCESS

The A-95 clearinghouse system in the State of Missouri was comprised of a State A-95 office, Division of Budget and Planning, Office of Administration, and 20 local substate clearinghouses. A potential applicant for assistance under a program covered by A-95 was generally required to notify the clearinghouses of its intended program. An applicant for a grant prepared a preapplication form and submitted copies of the form to the State A-95 office and to the affected local A-95 clearinghouses. The proposed project, relative to transportation services, was reviewed by the State and local clearinghouses for possible duplication. The State A-95 office also contacted the concerned State agencies who commented on the proposed grant. The applicant was then provided with comments from the State A-95 office, the local clearinghouse, and the State agency comments. The applicant was required to take into consideration these comments in preparing the final grant proposal.

The Division of Budget and Planning determined that a proposed transportation service did not duplicate a service already being provided by an existing program serving the same client group. This determination was made by comparing the applicant's grant to each agency's State plan and also checking the files maintained by the State A-95 clearinghouse, which showed all applicants in a particular area, for possible duplication of services. The State A-95 clearinghouse wanted to avoid any duplication of transportation services by two systems serving the same group of clients in the same general area. State officials could not cite any specific instances in which they recommended that a proposed transportation service be coordinated or consolidated with an existing transportation system.

State A-95 officials advised us that the detailed review of grant proposals for potential coordination and consolidation of transportation service was primarily performed by the clearinghouses.

We contacted an area clearinghouse, Mo-Kan Regional Council, and were advised that its primary concern in reviewing transportation proposals was to review for possible duplication of transportation services. When the local area clearinghouse received a preapplication form for Federal assistance, it reviewed the application with the agency and compared the application with the State plan. The Mo-Kan Regional Council official stated that there were only eight programs in its area involving transportation,

and it was easy to check for duplication. He further stated that it had never made any recommendations that transportation plans be coordinated because any possibility of duplication had been resolved during the review process.

PROJECT PLANS

The OATS General Manager hoped to use section 16(b)(2) funds for replacement of capital equipment. For operating subsidies, OATS hoped to continue to obtain title III funding through grants from the area agencies on aging in the State. However, he said that OATS would have to obtain a waiver or approval from the Commissioner on Aging to receive title III funds beyond the 3-year limit. At the time of our review, OATS was receiving funding from title XX and hoped to continue receiving these funds.

The Mid-Missouri Council of Governments had been approved to receive a rural public transportation demonstration project grant under section 147. OATS was to manage this demonstration project which was to serve a three-county area.

Although OATS did not receive any title VII funding directly, it provided transportation services to some nutrition sites and was reimbursed by one. The OATS General Manager said that a few area agencies on aging had been contacted about the possibility of more nutrition sites reimbursing OATS for services. However, no definite plans had been made.

The OATS General Manager hoped that the state legislature would approve funds for matching appropriate Federal monies granted to OATS. He hoped that fare contributions could continue to support at least 40 percent of the budget.

OATS was also working under agreements with Cooperative Area Wide Transportation System and Southeast Missouri Transportation Services, Inc., which would expand OATS' service area into the Kansas City, Missouri, urban area and into the southeastern part of the State. Officials of both of these organizations stated that mergers were contingent upon OATS' financial condition becoming more secure.

OUR OBSERVATIONS

OATS had some success in coordinating with other transportation systems and in obtaining Federal funding

from various sources, but its limited charter to serve only the elderly and handicapped is viewed by OATS officials as precluding coordination with systems serving other groups.

Coordination with other programs seemed to have developed when these organizations became short of funds, began seeking transportation elsewhere, or became convinced by OATS that OATS could meet their needs with improved efficiency and decreased costs.

Some Federal, State, and local officials were of the opinion that coordination could be fostered if funds were provided through one central agency which would administer all transportation programs.

PROGRESS FOR PEOPLE HUMAN RESOURCE AGENCY

DUNLAP, TENNESSEE

The Progress for People Human Resource Agency (PFP) is a public, nonprofit agency which provides several social services. For example, PFP managed Federal programs, such as Community Action, Head Start, Child Development, and the Retired Senior Volunteer Program. As a separate operation in the agency, PFP also managed a rural transportation system in 10 counties of the Southeast Tennessee Development District.

PFP coordinated its transportation services with other social service agencies that operated vehicles in the district. For example, PFP did not have enough money to pay drivers' salaries so it loaned one agency two vans. The agency paid the drivers, and PFP paid for gas and vehicle repairs. The Tennessee Department of Education and two county boards of education had contracted with PFP for the transportation of handicapped persons to special schools.

Those social service agencies which did not have money to buy transportation services asked clients to arrange their own travel. These people might ride PFP vehicles to welfare offices or medical clinics. On occasion the agencies asked PFP to pick up a client who was having difficulty getting transportation.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

PFP was formed in June 1974 by the merger of two community action agencies--the Sequatchie Valley Economic Opportunity Authority and Progress For People, Incorporated. To provide client transportation before their merger, the agencies used General Services Administration surplus cars and the staff's personal automobiles. According to a PFP official, 25 to 33 percent of the two agencies' combined budgets was used to provide transportation. Because of this expense and the large demand for transportation, PFP started a nine-county system in November 1974.

PFP's transportation system included both fixed-route and demand-responsive services. Vehicles running on fixed-routes transported people from rural counties to hospitals and special schools for the handicapped in Chattanooga, Tennessee. PFP offered a demand-responsive service to various destinations in the counties. Vehicles operated on demand, picked up people at their homes, and took them to places, such

as the doctor's office, county welfare office, or bank. These demand-responsive vehicles also stopped at bus stops on the fixed-routes so that people could travel to Chattanooga.

In Chattanooga, public transportation was provided by the Chattanooga Area Regional Transit Authority; PFP did not compete with it. Special transportation for the poor and handicapped was provided by the Chattanooga Human Services Department.

In fiscal years 1975 and 1976, PFP's transportation program was funded by the Community Services Administration, Tennessee Commission on Aging, Tennessee Mid-South Regional Medical Program, and the Federal Highway Administration. PFP also received money from county governments, contracts, and passenger donations.

Area where system operates

The Southeast Tennessee Development District is one of nine such districts in the State. It covers 10 counties: Bledsoe, Bradley, Grundy, Hamilton, McMinn, Marion, Meigs, Polk, Rhea, and Sequatchie. Excluding Hamilton County, the area is both rural and mountainous and encompasses the Cumberland Plateau, the Appalachian Ridge and Valley, and the Blue Ridge Mountains. The district contains 3,811 square miles of which over 80 percent is agricultural land and forests. Less than 2 percent of the land area in the three counties is urban.

According to 1970 census data, the population density of the district was 110 persons a square mile. The 1970 census showed that the district had a total population of 420,517, and over 250,000 of these people lived in Hamilton County. Fourteen percent of the total population (59,000) was age 60 or older.

The largest city in the district is Chattanooga which had a population of over 119,000 (1970 census). Outside of Hamilton County, the largest city is Cleveland and the next largest is Athens. These two cities had populations in 1970 of about 21,000 and 12,000 people, respectively. Most communities in the district had populations below 2,500.

Nineteen and one-half percent of all persons in the district earned annual incomes below the 1970 poverty levels.

Of those persons 65 and older, 16,447 were poor. In 1970, the median annual family income varied between \$4,183 in Grundy County and \$8,609 in Hamilton County. Similar data for 1976 was not available for the district, but the median annual income in the State was estimated at \$11,591.

The district's economy depends on manufacturing industries, such as durable consumer goods and paper. Manufacturing industries employ 36 percent of all workers, and wholesale and retail trades account for another 30 percent of the region's employment. The rest of the workforce is employed in construction, transportation, utilities, banking, insurance, and mining.

In April 1976 the district's labor force totaled 201,000 people. Unemployment for the month was 6 percent, or about 1 percent below that of the State.

Operations of the system

Through fiscal year 1976, PFP provided transportation for anyone who lived in the nine rural counties of the district. PFP expanded its transportation program in November 1976 to include the residents of northern Hamilton County. People who were not served under contractual arrangements could phone the PFP dispatcher in their county at least 1 day in advance to obtain transportation. Persons transported under contracts were furnished seats as needed on a prearranged schedule. Because it was unable to fulfill all requests for its services, PFP established priorities for groups of people and for places to which they may travel.

Persons age 50 and older, the poor, and the handicapped were scheduled for transportation before PFP provided seating to the public. Its vehicles were not equipped with wheelchair lifts, so PFP transported only those handicapped persons who could board the vehicle on their own or with the help of the driver.

When the dispatcher scheduled the seating, he gave priority to persons requesting transportation to medical treatment facilities. On occasion, when a person needed immediate transportation for a medical emergency, one of the staff would use his personal automobile if PFP did not have a vehicle available.

Through May 1976, PFP operated 14 vehicles and owned 2 others which were operated for it by a housing authority in Athens, Tennessee. In June PFP began operating these 2 vehicles and also bought 11 more. By mid-September, 9 of the 11 vehicles were operating. The remaining two began operating in northern Hamilton County during November 1976. As of November 1976, PFP's transportation program operated 27 vehicles, all purchased in 1975 and 1976.

Through fiscal year 1976, other PFP offices operated vehicles which were not included in the transportation system. PFP's Head Start program office operated 16 vehicles, and its RSVP office operated one other vehicle. Head Start vans were not used regularly by PFP's transportation program because its officials thought the vans could only be used for Head Start program objectives and because the vehicles were operated on set schedules 4 days a week.

Five of PFP's vehicles operated on fixed routes. The vehicles transported persons to hospitals, special schools for the handicapped, and other services in Chattanooga. The 20-passenger bus ran on a daily route from Bledsoe County, while two 12-passenger vans traveled from Rhea County and Grundy County. A fourth van traveled three times a week from Polk County, and a fifth van made a weekly trip from McMinn County. During days when they did not operate on fixed routes, the latter two vans provided demand-responsive service in their respective counties.

The remaining vehicles provided demand-responsive transportation. With one day's notice, the vehicles made round trips from peoples' homes to the services they requested. Generally, demand-responsive service was only provided for intracounty transportation. On occasion, PFP transported persons to services in the northern counties of Georgia and Alabama and in the western counties of North Carolina. PFP also transported veterans to the veterans hospitals in Nashville for outpatient care--a distance of about 140 miles one way.

The five fixed routes covered round trip distances which varied between 50 and 110 miles. The average round trip for intracounty demand-responsive service was about 24 miles. As of August 1976, PFP did not compute either the cost per passenger-mile or the cost per vehicle-mile. For the period from June 1975 to September 1975, PFP estimated the operating cost per vehicle-mile was \$1.31. This estimate excluded driver salaries and overhead costs, such as rent and utilities.

PFP operated its transportation 8 hours a day, 5 days a week. Vehicles were also used on weekends for special trips. For example, during one weekend PFP took a group of senior citizens to an amusement park about 120 miles south of Chattanooga. For this trip, PFP charged each person \$1.

PFP did not charge a fare for its daily transportation services but requested everyone to donate 25 cents when they rode. No one was denied transportation if he refused to make a donation. For trips to the veterans hospital, a veteran was reimbursed by the Veterans Administration for the round trip mileage. PFP expected the veteran to use at least a portion of the money to pay for his trip, but sometimes a veteran kept the money and rode free.

PFP did not account for the number of passengers who got on and off a vehicle, nor did it account for the number of trips a passenger made. Instead, PFP recorded its services by the number of people who requested transportation each month and by the places they visited. For example, a person might have ridden a PFP vehicle three times in one month. This person was counted as only one passenger. If, during the three trips, he traveled to six different places (two each trip), PFP recorded each place as one service. Thus, PFP records for that month would show one passenger received six services.

Between November 18, 1974, when the system began and December 31, 1975, PFP carried 10,415 passengers and took them to 38,861 destinations. These destinations included medical treatment facilities, special schools for the handicapped, county welfare offices, groceries, banks, and laundries. In July and August 1976, PFP carried 3,151 passengers and provided 16,457 services, including 199 services for the handicapped. Unmet services for these 2 months totaled only 521. PFP provided an estimated 87,658 services in 1976.

Through fiscal year 1976, the Tennessee Department of Education's Division of Vocational Rehabilitation and two county boards of education contracted with PFP for transportation services. One local social service project and a county health department also shared their transportation resources.

Beginning with the 1974-75 school term, county boards of education were required by the State to educate all handicapped children between 4 and 21 years old.

Some of the boards contracted with special schools in Hamilton County for the education of handicapped children. Two of the county boards of education--Bledsoe and Sequatchie--did not have the money to operate their own transportation services to and from the schools. Because PFP operated vehicles from Bledsoe County, through Sequatchie County, to Hamilton County, the officials of the two boards asked PFP to transport the children.

The Sequatchie County Board of Education started using PFP transportation about March 1975. The board paid PFP \$3.00 a day for each child transported to the Orange Grove School in Chattanooga. In the 1975 to 1976 school term, both boards contracted with PFP for transportation. Each board awarded PFP \$4,490 contracts for the daily transportation of about 12 children.

The Division of Vocational Rehabilitation in Chattanooga offered job training and other services to the handicapped so they could become employable. Vocational rehabilitation clients were encouraged to arrange their own travel to the training centers, but on occasion some clients were unable to get transportation. In these cases, the division awarded separate contracts to PFP for each of the client's travel needs.

A division official told us that he contracted with PFP because it was the only transportation system which operated throughout the district's nine rural counties. Using vocational rehabilitation funds, the official said he awarded about five contracts through June 1976. The rates for these contracts varied by destination. For example, one client received eight round trips to Knoxville--a distance of 160 miles--and the division paid PFP 5 cents a mile. Another client received 56 round trips--110 miles each--from Pineville to Chattanooga. PFP charged the division \$5.00 for each of these round trips.

From December 1974 through May 1976, the Athens Housing Authority, a public housing program in Athens, operated two vans which it received from PFP. PFP had purchased the vans with title III and RSVP funds but did not have the money to pay the drivers' salaries. The authority operated the vehicles for PFP in McMinn, Meigs, and Polk Counties and paid the drivers' salaries from CETA and title XX funds. PFP paid all other operating costs.

According to an authority official, the two vans were used to transport anyone who lived in the three counties. About 90 percent of the passengers transported by the RSVP van were RSVP volunteers. Other requests for transportation were scheduled under priorities established by PFP. As of November 1976 PFP operated both vehicles and used CSA funds to pay drivers' salaries.

During this 18-month period, the authority also operated another van purchased with funds authorized under title IV-A (now title XX) of the Social Security Act, as amended, for the children needing day care. The day care center itself was funded with title XX money. The vehicle was used to transport senior citizens when it was not serving the day care center. Title XX funds were used to pay the driver, and PFP paid the operating costs. Because PFP provided operating funds, the Tennessee Department of Human Services permitted the authority to transport people who were not eligible for title XX benefits.

As of June 1976 the authority continued to operate the day care van for day care clients only but decided for two reasons to discontinue its transportation service using PFP vans. One--the authority's board of directors believed that only one agency should be responsible for transportation. Two--keeping track of those riding the vans who were eligible for title XX and prorating transportation costs for each client was too burdensome. The authority did not have the same problem with the day care van because it carried only title XX day care clients.

Another social service agency, the Regional Child Development Program, used PFP transportation resources. This program managed day care centers for children with working mothers in Bledsoe, Rhea, and Sequatchie Counties. The day care programs were funded under title XX and the Appalachian Regional Commission's Appalachian Child Development Program.

Beginning about July 1973 the program operated two station wagons in Rhea and Sequatchie Counties and a 12-passenger van in Bledsoe County. It operated the two station wagons until about February 1975. The operation ceased because the counties could not provide their matching share required by title XX. After the program discontinued transportation in the two counties, it asked PFP to transport the children. In June 1976, at no cost to the Regional Child Development Program, PFP began transporting about 14 children.

Beginning July 1, 1976, the program paid PFP \$4.50 a day for this service. The Regional Child Development Program also operated a 12-passenger van in Bledsoe County. The cost of the van and the driver's salary were shared by the program and a title VII nutrition program. The program asked PFP to operate the van in Bledsoe, but a PFP official said he could not operate it as cheaply as the program could because the company from which the van was leased was not willing to lease it to PFP for the same low rate.

Another agency that coordinated with PFP was the Bradley County Health Department. Through fiscal year 1976, it operated one 12-passenger van which was funded by the Tennessee Southeast Regional Medical Program and HEW's Comprehensive Public Health Services Program. The Health Department used the van to transport anyone who lived in the county to medical treatment facilities. According to a Health Department official, the transportation costs were about \$25,000 in fiscal year 1975.

Based on its clients' travel demands, the department scheduled periodic trips to medical facilities in Chattanooga. Because PFP made similar trips to Chattanooga, the department tried to schedule its services on days that PFP vehicles were not operating. A Health Department official said that the two agencies also tried to coordinate the individual travel needs of their respective clients. For example, if a person needed transportation to Chattanooga on a day when the van operated only in the county, the department phoned PFP to get transportation for him. PFP also asked the department for similar transportation services. Neither agency reimbursed the other for these services.

Other agencies, such as Sequatchie County Departments of Health, Mental Health, and Welfare, did not have money to provide transportation for their clients. These agencies asked their clients to arrange their own travel. When one of their clients could not get transportation, the agencies phoned PFP for help. Generally, PFP would transport these individuals.

Funding of the system

To begin its transportation program, PFP received a title II grant from the Tennessee Commission on Aging. PFP used this grant to hire a transportation director and to buy and operate four vehicles. Later in fiscal year 1975, PFP bought another vehicle with title III funds and received another grant from the Tennessee Midsouth Regional Medical Program. The Regional Medical Program, managed by Vanderbilt

University, granted PFP money to provide transportation so the poor and elderly could get health care. With the money PFP bought and operated three vehicles.

Also, in fiscal year 1975, funds received from CSA were used to cover administration and to lease and operate two station wagons.

In fiscal year 1976 PFP received three more grants from the Tennessee Commission on Aging, the Regional Medical Program and CSA. Besides using these grants to operate its system, PFP also purchased six more vehicles.

On March 16, 1976, PFP received a section 147 grant to buy and operate 17 vehicles and to buy communication equipment. PFP used these funds to purchase 11 vehicles and the communications equipment.

Besides these Federal grants, PFP also received (1) funds from county governments for drivers, (2) revenues from contracts, including those with the Department of Vocational Rehabilitation and two county boards of education, and (3) donations from passengers. Funds from contracts and donations were used to purchase one van in 1976. The following chart shows PFP's transportation revenues through June 30, 1976.

<u>Source</u>	<u>Fiscal year 1975 revenues</u>	<u>Fiscal year 1976 revenues</u>
Title III (HEW)	\$ 74,917	\$ 74,917
Regional Medical Program (HEW)	36,975	36,975
Community Services Community Action programs (CSA)	a/34,036	a/90,875
Section 147 (DOT)	-	243,789
CETA programs (DOL)	24,898	23,712
Contracts and donations	<u>1,560</u>	<u>14,342</u>
Total	<u>\$172,386</u>	<u>\$484,610</u>

a/CSA grants to PFP totaled \$603,936 for fiscal year 1975 and \$500,497 for fiscal year 1976. CSA provided funds for administration of the PFP agency, outreach, referral, and senior opportunity services, as well as transportation.

Accountability to funding sources

Through June 1976 PFP had separate accounts for each Federal grant. Costs based on vehicle use were charged against these accounts. Each vehicle was assigned a number and identified to the account whose funds were used for its purchase. For example, vehicles numbered one through four were purchased and operated with title III funds. All costs for operating these four vehicles were charged against the title III grant regardless of who rode. According to PFP officials, the Federal grantors were satisfied with the accounting method because their clients were served by vehicles funded by others.

When a person requested transportation for the first time, the dispatcher prepared a file card which included the person's name, address, age, and income. The dispatcher also prepared a daily list of people who asked for transportation and gave it to the driver. The driver or PFP volunteer aide who normally accompanied each vehicle would check off the names of people transported and list the places they visited.

To document the people and places served, PFP had a computer service in Chattanooga which consolidated each month's daily lists. The monthly summary showed by vehicle (1) the location and number of times a place was visited and (2) the age groups, annual incomes, and number of persons served. The summary also included a list of people and the number of places each one visited, as well as the total number of services provided by county and destination.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

Through contacts with local and regional officials in the district, we identified only two federally funded social service transportation programs which did not coordinate with PFP. Both of these transportation services were managed by agencies in Chattanooga.

The Human Services Department is a city office that provides social services to residents of Chattanooga and Hamilton County. The Human Service Department manages social programs like Community Action, Comprehensive Employment and Training, Child Development, and Community Development. These programs were funded through fiscal year 1976 by the Community Services Administration, Department of Labor, Appalachian Regional Commission, and the Department of Housing and Urban Development, respectively.

The Human Services Department operated 32 vehicles of which 21 were funded by CSA. The remaining 11 vehicles were purchased with funds from other Federal programs. The Human Services Department provided free transportation for about 11,000 clients monthly to and from social service centers. The department estimated that annual transportation costs amounted to about \$412,000.

According to a Human Services Department official, the agency did not coordinate its transportation services with PFP because the two agencies provided transportation to different populations. PFP served the people in rural areas, and the Human Services Department served only those people who lived in Chattanooga and Hamilton County. If the transportation services which PFP began in northern Hamilton County in November 1976 duplicated the department's services, the department would try to coordinate the two.

A second social service transportation program was managed by the Orange Grove School in Chattanooga. The school provided special education to about 900 handicapped persons. Through fiscal year 1976, the school owned eleven 18-passenger vans and one car which it operated in Chattanooga and in Hamilton and Bradley Counties. These vehicles transported students daily to and from the school. The school estimated that its transportation costs in fiscal year 1976 amounted to approximately \$137,000. Orange Grove's education and transportation programs were funded under title XX by the State Division of Vocational Rehabilitation and by the Appalachian Regional Commission. Local funding sources included 12 county boards of education and the United Fund of Greater Chattanooga.

An Orange Grove official was unaware of any regulation which would prevent the coordination of transportation between the school and PFP. According to this official, it would be difficult to coordinate the two programs because the school's vans were (1) full during runs to and from classes, (2) needed

for unscheduled uses such as field trips, and (3) serviced between the morning and afternoon runs. Since many of the school's drivers were parents of the children who attend its classes, the official felt they would be unwilling to work while the classes were in session.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

At the Federal regional level, agency directives have limited the groups of people who may use federally funded vehicles. Other problems have developed because program managers misinterpret Federal regulations or perceive the various programs' administrative requirements as too burdensome.

Federal problems

In August 1974 the HEW region IV ruled that Head Start vans could be used only for program objectives. On occasion Head Start vans had been used for political purposes and the Department wanted to prevent such abuses. The Department did not intend to prevent the coordination of transportation services with other social programs. In September 1975 the Department ruled that with the approval of the regional office, Head Start projects could use their vehicles for other purposes as long as groups wanting to use the vehicles paid their fair share of the costs.

Before May 1975 RSVP vans were used only for program objectives. According to an ACTION official, vehicles purchased with RSVP funds could now be used to transport clients of other Federal programs. This use, however, was limited to those people served by other community older Americans projects. Other region IV officials were unaware of any Federal regulations which prevented coordination.

According to DOT and CSA regional officials in Atlanta, their agencies advocated the coordination of transportation resources. A CSA official said his agency had problems trying to coordinate with other Federal programs. For example, many Head Start projects were not willing to share transportation resources. This official said that although HEW did not have regulatory restrictions, in his opinion, it did not actively try to coordinate. The decision to coordinate transportation services was left to the local projects, and CSA's regional office had been unsuccessful in its attempts to get HEW to pool transportation resources.

To improve the coordination of rural transportation services, a regional DOT official believed that only one Federal agency should administer transportation funds. In his opinion, more programs like the section 147 program were needed to provide better management flexibility and to meet the changing rural transportation demands. According to a regional CSA official, the Federal Government should establish regional transit authorities from which all social programs could purchase transportation services.

State problems

State officials in Tennessee were unaware of any Federal regulation which prevented coordination of transportation resources. However, two State agencies identified some problems which may prevent coordination.

The Tennessee Department of Transportation administers capital funds for the section 16(b)(2) program. According to officials of this agency, fiscal year 1975 section 16(b)(2) funds were granted to local organizations which provided transportation only to the elderly and the handicapped. Starting in fiscal year 1976, section 16(b)(2) awards were based on the proposed transportation services for the elderly and handicapped, but once the grant was approved, local organizations could use the vehicles they purchased to transport others on an incidental basis.

The Tennessee Department of Human Services administers funds granted under title XX. The title XX State Plan included money for transportation, and vehicles funded under title XX might be used to transport clients of other social programs so long as they paid their fair share. In the title XX director's opinion, the difficulties in prorating user costs among different programs prevented coordinating transportation resources.

Local problems

PFP had experienced some problems in its attempts to coordinate transportation services. Federal policy statements and administrative burdens discussed below have hindered PFP coordination with other social programs.

PFP had overcome many burdens by ignoring what it perceived as Federal restrictions. For example, although PFP viewed the eligibility criteria for those people who might benefit from its federally funded programs as

restrictive, it transported anyone on its vehicles. According to a PFP official, Federal agencies allowed PFP to use the vehicles as it liked since their clients received transportation services on vehicles funded by others.

According to PFP officials, their transportation program had used Head Start vans for limited activities even though they thought such use was prohibited. Without the approval of Federal regional officials, PFP had used Head Start vans to carry meals to the elderly, replace other vehicles which needed repairs, and transport various groups to parks and other recreational activities. PFP's use of Head Start vans for other purposes had been limited because they ran 4 days a week on set schedules to and from classes.

PFP had been told by ACTION officials in Nashville that its RSVP vans should be used only for RSVP volunteers. However, according to an official of the Athens Housing Authority, the RSVP van it operated for PFP was used to transport people other than RSVP volunteers. This official believed that ACTION would not complain so long as its clients were being served. According to a region IV ACTION official, RSVP vans could be used for other older Americans projects. He said that the staff in Nashville either misunderstood ACTION regulations or were unaware of policy changes.

Finally, PFP transported people who received benefits under title XX but did not charge title XX for the services. PFP limited its participation with title XX because client eligibility was too difficult to verify. A PFP official felt that he would have to verify a title XX client's eligibility each month. Also, title XX would only reimburse an agency for the cost of services its clients received. According to the PFP official, it would be too difficult to prorate transportation costs associated with the travel of each title XX client.

One agency, the Athens Housing Authority, faced similar problems trying to verify eligibility and document the costs of title XX services. Because of these problems, the authority discontinued all transportation services for PFP in May 1976.

A-95 CLEARINGHOUSE REVIEW

To achieve the objectives of the Office of Management and Budget Circular A-95, Tennessee established both a State Grant Review Office and nine regional clearinghouses.

The State Grant Review Office operated under the direction of the Governor's office. The regional clearinghouses were regional developmental districts which performed A-95 reviews of respective regional applications for Federal loans and grants.

Since the Grant Review Office had only three professionals, its primary role was to send applications for Federal funds to other State agencies which might be interested in the proposal's objectives. Each State agency had an A-95 liaison officer who critically evaluated the proposal.

According to a Grant Review Office official, it did not have a standard routine procedure but relied on one staff member to make the appropriate distribution. However, some proposals received uniform treatment. For example, any construction or excavation proposals were sent, at a minimum, to State archaeologists, historians, and conservationists and to the State Departments of Transportation and Wildlife.

Since the Grant Review Office sent applications to State agencies responsible for the grant objective, it was not necessarily concerned with application subitems, such as transportation. The Grant Review Office would not send a proposal to the State Department of Transportation unless it saw a transportation line item in it. Thus, a Head Start project application coming to the Grant Review Office would not necessarily be reviewed for transportation coordination opportunities.

The Southeast Tennessee Development District, one of nine regional clearinghouses, reviewed those applications for Federal assistance which affected that region. According to district officials, not all applicants for Federal funds were required to submit their proposals. These officials said, however, that the district had taken an active role in coordinating transportation resources.

For example, the Young Men's Christian Association (YMCA) in McMinn County applied for Federal funds to purchase one vehicle through the district. The district asked the YMCA to meet with PFP and discuss the potential for coordination. The two agencies reached an agreement whereby they would share the same dispatcher and use the same reporting procedures. PFP agreed to furnish the driver, and the YMCA agreed to operate the vehicle in both Meigs and McMinn Counties.

According to Tennessee Department of Transportation officials, the regional A-95 review could be better. They said that some A-95 reviewing organizations managed Federal programs for which they also had review responsibilities. To improve coordination and to permit independent regional reviews, these officials felt that reviewers should stop administering Federal programs.

PROJECT PLANS

To operate its expanded system for the year beginning July 1, 1976, PFP received funds from the Tennessee Commission on Aging, the Community Services Administration, Bradley County, and the Federal Highway Administration. PFP also requested more money under section 147 to continue its rural demonstration program, buy three vehicles and operate them in two Georgia counties, and start a taxi subsidy program for the elderly and handicapped in Cleveland, Tennessee.

According to PFP officials, only \$120,000 of the second section 147 application had been approved. The funds would be combined with \$107,000 not spent in fiscal year 1976 to (1) operate the 11 vehicles purchased in June, (2) operate two vans with special equipment for the handicapped, (3) start a rural commuter transit service, and (4) start a taxi subsidy program.

Using section 147 funds, PFP bought two vans which were being equipped with ramps for wheelchairs. It would also participate in the operation of three other vehicles with similar ramps. One of the three vehicles had been purchased by the McMinn County YMCA, and the other two would be purchased by the Sequatchie County Emergency Medical Service. Each vehicle would be assigned to two counties and would serve them on alternating days.

PFP intended to use section 147 funds to begin a commuter transit service. It planned to buy four 15-passenger vans to make daily runs from Marion County to places of employment in Chattanooga.

PFP also planned to start a taxi subsidy program that would provide a more flexible transit system for the elderly, poor, and handicapped. It would transport these people to bus stops in the suburbs of Cleveland, Tennessee, where they would transfer to taxis and pay a reduced fare for inner-city travel. The taxi service would free PFP vans from inner-city transportation so they could return more quickly to rural areas.

Finally, PFP planned to install two-way radios in all vehicles. According to PFP, the communication system would make services more demand-responsive. Since the dispatchers would be able to use the radios for scheduling transportation requests, people would not have to phone PFP 1 day in advance of their travel needs.

OUR OBSERVATIONS

Administering agency and projects officials were unaware of legislative barriers which would prevent the coordination of transportation resources. One Federal agency in region IV, ACTION, had a policy restricting the use of RSVP vehicles. Although the policy did not preclude transportation coordination, it limited the amount of coordination that could be done. HEW's Region IV Head Start policy, while not restricting coordination, implied that some accurate accounting of vehicle costs had to be established in order to determine a reimbursement rate.

PFP had consolidated vehicles funded under different Federal programs into a single transportation system. It coordinated the needs of the elderly and handicapped, as well as the public, by emphasizing the transportation mission. It would transport anyone on its vehicles, regardless of their eligibility for Federal program benefits. For example, to transport handicapped children to special schools, PFP used vehicles bought with title III funds.

ROANOKE AGENCIES DIAL-A-RIDE SYSTEM
ROANOKE, VIRGINIA

With the cooperation of State and local governments, human services agencies in the Roanoke, Virginia, area developed a consolidated transportation system for human services by establishing a private, nonprofit organization. This organization, Unified Human Services Transportation System, Inc., was formed as a pilot transportation coordination project under State legislation enacted in 1974 and is informally known as Roanoke Agencies Dial-A-Ride System (RADAR). RADAR became a major transportation provider to social service agency clients--primarily the elderly, handicapped, and poor--who needed transportation to participate in programs such as nutrition, training, and education.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

RADAR was the result of consolidation of two of the three major social service transportation providers in the area. It provided service on a prescheduled basis throughout the Roanoke area for clients of several social service agencies.

RADAR's resources included Federal demonstration funds, title XX, personnel assigned from Federal employment training programs, vehicles and income from participating social service agencies, and sales of transportation services.

Area where the system operates

RADAR operated in the southwest Virginia counties of Roanoke, Craig, Botetourt, and Allegheny, including the city of Roanoke. A public bus system also operated in Roanoke City but did not serve the rural countryside.

Most of the area's 241,433 people resided in the Roanoke Valley, the commercial hub of southwestern Virginia. Population density varied from 10.5 persons a square mile in Craig County to 3,446 persons a square mile within the Roanoke City limits. The area was considered urban because more than one-half of its population lived in urban areas of over 2,500 people. In 1970, about 15 percent of the area's population was over 60 years old.

Most of the area was mountainous and undeveloped with a limited number of arterial highways. Only 12 percent of the total land area was devoted to urban use.

The area's economy was based on manufacturing, retail and wholesale trade, and services. The unemployment rate was 6.4 percent in March 1976, and according to the 1970 census, 9.4 percent of the families had incomes below \$3,000.

Operation of the system

RADAR was a private, nonprofit organization whose primary objective was to provide a more efficient and less costly transportation service to social service agency clients.

It was administered by a 25-member board of directors composed of representatives of its sponsoring social agencies. The system employed a director who reported to the board, 13 drivers, a dispatcher, a secretary, a bookkeeper, and a clerk-typist.

RADAR operated from 7:00 a.m. to 4:30 p.m., Monday through Friday, and served clients of the following organizations which had entered into formal year-to-year contracts with it.

- Total Action Against Poverty, a community action program that operated Head Start and other social service programs.
- League of Older Americans, an areawide Office on Aging, which operated title VII, Retired Senior Volunteer, and Foster Grandparents programs.
- Roanoke Department of Social Services, which used title XX funds to transport clients for services of various programs.
- Roanoke Valley CETA Consortium (a CETA prime sponsor) to transport CETA participants.
- Roanoke Office of the Commission for the Visually Handicapped.

During 1976, RADAR provided an estimated 106,000 one-way passenger trips.

The agencies furnished the names, addresses, and destinations of the clients, and RADAR established vehicle routes to pick up the clients. Routes, once established,

stayed relatively firm because the same clients generally used them daily. The Head Start and nutrition routes were fixed to the extent that the clients did not change. Routes for Foster Grandparents and title XX recipients depended on the schedule of the individuals participating in the service. RADAR did not provide any demand-responsive service.

RADAR had 13 vehicles which were leased to it by member agencies for \$1.00 a year. Seven buses and one van transported children to six Head Start centers throughout the Roanoke Valley. A daily maximum of 250 Head Start children were transported 5 days a week. Four vans transported (1) meals from the Total Action Against Poverty to the nutrition centers, (2) people from their homes, and (3) Foster Grandparents Program and RSVP participants. The station wagon was used as a staff car for emergency purposes.

Funding of the system

Most RADAR funding came from the following agencies: Total Action Against Poverty, League of Older Americans, Roanoke Department of Social Services, and the Roanoke Valley CETA Consortium. Federal funds for these agencies included: title VII, Head Start, title XX, CETA, the Work Incentive Program, Foster Grandparents programs, and RSVP. RADAR also received Federal demonstration funds through the State.

RADAR's projected funding sources in fiscal year 1976 and 1977 are shown in the table on the following page.

RADAR'S PROJECTED FUNDING SOURCES

<u>Source</u>	<u>Fiscal year 1976</u>	<u>Fiscal year 1977</u>
League of Older Americans: Purchase-of-service contracts to provide direct, scheduled transportation to agency clients under title VII and the Foster Grandparents and Retired Senior Volunteer Programs	\$14,139	a/ \$14,000
Total Action Against Poverty: Purchase-of-service contract to provide regularly scheduled transportation for Head Start children	30,106	54,143
Virginia Department of Welfare: Demonstration Funds	24,100	26,500
Roanoke Valley CETA Consortium: Assistance in the form of one staff person who functions as RADAR's dispatcher	7,138	8,592
Purchase-of-service contracts to provide scheduled transporta- tion service for CETA partici- pants	-	71,416
Roanoke Department of Social Services: Purchase-of-service contract to provide transportation to title XX clients	2,385	2,528
Assistance in the form of staff persons under the Work Incentive Program	13,023	7,726
Roanoke Office of the Commission for the Visually Handicapped Purchase-of-service contracts to provide specialized transpor- tation to Commission clients	-	110
Total	<u>\$90,891</u>	<u>\$185,015</u>

a/Contract was for 6 months only and to be renegotiated at
the end of the 6-month period.

In July 1975 HEW's Social and Rehabilitation Service awarded a grant to the Virginia Department of Welfare for an integrated human services project. The 3-year project required the State to request a separate grant for each year. The grant, authorized by title XI, section 1115 of the Social Security Act, permitted the State to match section 1115 funds with part of the State's title XX allocation (25 percent section 1115 and non-Federal funds and 75 percent title XX funds). For fiscal years 1976 and 1977, the State used the following sources to fund demonstration grants to localities participating in the project.

	<u>1976</u>	<u>1977</u>
Section 1115	\$120,163	\$ 97,500
State appropriation and local funds	33,333	47,081
State title XX allocation	460,000	433,761
Carryover from unused fiscal year 1976 funds	<u>-</u>	<u>59,391</u>
Total	<u>\$613,496</u>	<u>\$637,739</u>

RADAR's share of these funds for fiscal years 1976 and 1977 was \$24,100 and \$26,500, respectively.

Accountability to funding sources

Agencies which provided funds to RADAR also submitted lists of eligible clients to be served. RADAR prepared monthly summaries for member agencies showing vehicle use and ridership by agency and vehicle. It kept track of riders through the lists provided by the agencies.

RADAR submitted quarterly financial reports to the State showing cumulative and quarterly financial results. In addition, it submitted quarterly progress reports to the State showing the results of activities for the quarter and plans for the following quarter.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

The Roanoke Opportunities Industrialization Center operated employment training programs under HEW, DOL, and CETA to improve and develop job skills. In addition, it had a CETA contract to transport students to jobs and training programs.

The center provided about 37,500 passenger-trips a year, at a cost of about \$100,000, using a fleet of eight vans, one bus, and two cars. The center employed a transportation supervisor, a dispatcher, five full-time drivers, four part-time drivers, and a mechanic.

At the time of our review, the center had not consolidated its transportation system with RADAR, although the center was a member of the planning committee that established it. The center's director stated that his organization had not consolidated immediately because he wanted to observe RADAR's operations to assure himself that it could handle the added burden of the center's clients. RADAR and the center agreed to consolidate operations in November 1976, with the center's vehicles and drivers being transferred to RADAR.

A sheltered workshop for the handicapped, operated by the Roanoke Division of Vocational Rehabilitation and funded under section 110 of the Vocational Rehabilitation Act, was a small transportation provider in the Roanoke area. However, the Vocational Rehabilitation Administrator stated that consolidation with RADAR would not be more efficient because the workshop had only one vehicle used for staff purposes and client transportation. Staff use of the vehicle was not adaptable to the prescheduling required by RADAR. RADAR transported some vocational rehabilitation clients but was reimbursed by the Roanoke Welfare Board through title XX of the Social Security Act.

HOW RADAR DEVELOPED

Before RADAR started operations in December 1975, social service transportation was provided by three major agencies--Opportunities Industrialization Center, League of Older Americans, and Total Action Against Poverty--and, to a certain extent, by other social service agencies.

At its 1974 session, the Virginia General Assembly enacted legislation aimed at improving the efficiency and effectiveness of human services delivery and program administration. Recognizing the complexity of the programs involved, the General Assembly proposed the development of alternative ways to provide services, including health, welfare, aging, mental health, and vocational rehabilitation. The legislation:

- Empowered the Governor to authorize up to five counties or cities to develop and implement pilot programs for the delivery of human services and the administration of such systems to provide for the most efficient and economical manner of delivering human services.
- Empowered the Governor and State agencies to revise the rules and regulations of any State agency to assure the proper functioning of the pilot programs.
- Empowered the Governor, on behalf of any State agency or locality, to request any Federal agency for exceptions to or variances from rules and regulations governing the administration of the use of Federal funds for human services programs.
- Required the support by resolution of the local government where the project was to be located.
- Required all State agencies to cooperate with the Governor and the local government in carrying out the act's purposes.

The State's role in the pilot projects was to (1) assist local projects, (2) define and clarify rules and regulations, and (3) act as a liaison between local agencies dealing with various State and Federal agencies.

The Roanoke Valley Council of Community Services discussed the issue for the next few months. The lead agency concept, in which one of the three major providers--Total Action Against Poverty, the League of Older Americans, or the Opportunities Industrialization Center--would act as a lead transportation agency and absorb the transportation systems of the other two agencies, was considered but rejected for the following reasons:

- To avoid the appearance of a project associated with only the lead agency.
- To better identify the project with local governments.
- To promote the support of sponsors that might resist participating in a project identified with "welfare agencies."

Instead, the Valley Council, in close cooperation with the State's Fifth Planning District Commission, Total Action Against Poverty, the League of Older Americans, and other human services agencies in the Roanoke Valley jointly developed a plan for an integrated project--the Unified Human Services Transportation System. The project proposed to integrate or combine participating agencies' existing transportation resources and services into one cooperative system named the Roanoke Agencies Dial-A-Ride system.

In December 1974 the Valley Council applied to the State. The application was approved in February 1975, and agency agreements were developed authorizing the transfer of transportation equipment and funds from participating agencies to RADAR. RADAR began transporting agency clients in December 1975.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

RADAR officials said they had not encountered any Federal, State, or local governmental restrictions to coordination of transportation resources.

State problems

A State official said that the actual problems encountered in developing RADAR were not as significant as had been anticipated. It had been expected that many Federal or State regulations would impede or prohibit coordination of the programs of various agencies; however, the State official said that this did not happen.

Local problems

Roanoke officials interpreted ACTION regulations to prohibit vehicles acquired to transport the elderly from

being used to transport anyone else, such as Head Start children, in a coordinated transportation system. Roanoke officials requested the State to obtain a waiver of this regulation. A State official told us that a waiver was not necessary because ACTION's General Counsel advised the State that the regulations did not prohibit the intended coordination.

A-95 CLEARINGHOUSE REVIEW PROCESS

The Virginia State A-95 Clearinghouse processed grants and solicited review by independent agencies, such as planning commissions and State departments. A State clearinghouse representative believed that A-95 was most effective in improving communications among various Government agencies relative to grants in process and in resolving problems.

Except for specific transportation grants, such as a section 16(b)(2) grant, the State clearinghouse did not review transportation components in human services grants. Such transportation components, in the opinion of the State official, were not large compared to the total amount in State grants and were usually left to local governments to coordinate.

The Roanoke areawide A-95 clearinghouse reviewed grant applications to identify conflicts of purpose and duplication of service and to be sure that the grant was consistent with county plans. The regional A-95 reviewer considered one of his functions to be that of a coordinator of transportation. He reviewed all grant applications having a major transportation component to determine if the grant met the goal of the county transportation plan. However, if transportation was a small component of the grant, such as a nutrition program which needed a van to deliver meals, the application was not reviewed for the purpose of coordinating transportation.

PROJECT PLANS

In October 1976 RADAR expected to receive a CETA contract that in previous years was awarded to the Opportunities Industrialization Center. This contract would add about \$72,000 to RADAR's operating budget. To perform this contract, vehicles would be obtained from the center.

RADAR planned to increase service to handicapped people by obtaining two vehicles with lifts to aid the boarding of

people in wheelchairs. Grants for the two vehicles had been approved under the section 16(b)(2) program, and RADAR expected delivery during November 1976.

OUR OBSERVATIONS

State pilot project legislation was the catalyst that led to development of the consolidated transit system in Roanoke. Before the legislation was enacted, human services agencies believed that Federal regulations would bar coordination. However, after the State passed legislation providing that attempts would be made to waive regulatory barriers, agencies felt that restrictions would be lifted so they could proceed to coordinate.

Roanoke's large social agencies are either present or future participants in RADAR, and so long as it can perform satisfactorily, contracts with these agencies will probably be renewed, assuring continuity of funding.

SENIOR CITIZENS TRANSPORTATION, INC.,

WARWICK, RHODE ISLAND

Senior Citizens Transportation, Inc. (SCT) provides free transportation for Rhode Island's senior and handicapped citizens. This statewide coordinated system was created by combining the transportation components of several local service agencies. Administering agency and SCT officials did not identify any Federal restrictions preventing coordination of transportation resources. However, we identified other inhibitions to coordination, such as the difficulty of getting agencies to work together and a lack of operating funds.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

SCT is a private, nonprofit social service transportation provider, incorporated in January 1973 to provide reliable, economical, and personalized transportation service to older people of the State. In late 1975 its bylaws were amended to include handicapped people. SCT's major sources of funding were State appropriations, Administration on Aging grants through the State Division on Aging, and contract service.

Area where the system operates

SCT operations covered the entire State. Rhode Island, the Nation's smallest State, with a land area of 1,049 square miles, had a 1970 population of 946,725 and a population density of about 900 people a square mile. About 147,000 people, or 15.5 percent of the population, were 60 years of age or older. About 87 percent of the total population live in urban areas. During March 1976 the median income for a family of four in Rhode Island was \$13,208, and the State unemployment rate was 11.8 percent.

Operations of the system

SCT provided free transportation to any elderly or handicapped citizen of Rhode Island. An elderly person was defined as one 60 years of age or older. A handicapped person had to be certified as handicapped by a local social service agency and issued a card by the Rhode

Island Public Transit Authority ^{1/} to qualify for SCT's service. According to its director, SCT provided two-thirds of the specialized transportation in Rhode Island.

SCT operated a "reserve-a-ride" door-to-door transportation system with 42 vans, 7 of which were equipped to handle wheelchairs. The system operated 5 days a week from 8:30 a.m. to 4:30 p.m., except for certain medical trips requiring early morning runs to serve such people as kidney dialysis patients.

SCT had seven regularly scheduled routes transporting clients to sheltered workshops throughout the State. In addition, it operated nine regularly scheduled routes taking elderly people in groups to different nutrition centers throughout the State.

SCT also provided advance-reservation, demand-responsive service throughout the State. Generally, persons had to call 4 or 5 days in advance for medical transportation. All other trips were usually on a prescheduled group basis. For example, shoppers were picked up at their homes and brought as a group to a market at a certain time each week. SCT arranged the groups by attempting to match system resources with the needs of people who wanted the service. It required a minimum of five participants to make a shopping trip.

SCT averaged 27,458 one-way passenger trips a month between October 1975 and March 1976 at an operating cost of \$1.63 for each trip. During this same period its vehicles traveled 433,836 miles at a cost of 64 cents a mile. The above computations do not include capital costs or depreciation. An SCT official estimated that it provided 340,774 passenger trips during 1976.

Because of the large demand for its services and the need to assure that priority transit needs of its elderly and handicapped were being met, SCT established priorities. The priorities and the average monthly trips for each were:

^{1/}The Rhode Island Public Transit Authority, a quasi-public organization, provides regularly scheduled, fixed-route mass transportation service throughout the State.

<u>Priorities</u>	<u>Average monthly trips</u>
1. Health and medical	9,727
2. Meals, shopping, and food stamp pickup	14,282
3. Recreation and social	<u>3,449</u>
Total	<u><u>27,458</u></u>

As of November 1, 1976, SCT owned 56 vehicles, including 6 backup and 8 reserve. The reserve vehicles were generally SCT's older, high-mileage vehicles which it did not have enough funds to operate although there was sufficient demand for their use. SCT acquired its vehicles from the following sources.

Rhode Island Department of Transportation	20
Donated by social service agencies	17
Transferred from Urban League	10
Donated by local community	1
Purchased for title XX transportation	5
Leased from city of Providence	2
Acquired through a lease/purchase agreement	<u>1</u>
Total	<u><u>56</u></u>

Funding of the system

SCT received State appropriated funds through the State Department of Transportation and the State Division on Aging. It received title III and Model Projects on Aging funds through the State Division on Aging, contracts, and local institutions. The following table shows SCT's budgeted funding services for fiscal years 1975-77.

	<u>Operating budgets</u>		
	<u>1975</u>	<u>1976</u>	<u>1977</u>
State appropriations:			
Division on Aging	\$ -	\$ -	\$350,000
Department of			
Transportation	-	150,000	72,300
State Division on Aging:			
(Older Americans Act			
funds)			
Title III	60,000	75,000	75,000
Model Projects on			
Aging	268,000	125,000	-
Contract services	53,000	93,400	195,000
Local contributions	<u>20,000</u>	<u>25,000</u>	<u>25,000</u>
Total	<u>\$401,000</u>	<u>\$468,400</u>	<u>\$717,300</u>

Agencies that purchased transportation services from SCT received Federal funds from Community Development Block Grants, ACTION, Senior Companion Program, revenue sharing, and vocational rehabilitation.

Accountability to funding sources

The State Division on Aging reviewed and approved SCT's budget. SCT prepared a monthly statistical report on ridership and distance traveled and a quarterly financial report. Both reports were sent to the State Division on Aging. SCT was also financially accountable to its board of directors. The State Division on Aging, the State Department of Transportation, community action agencies, the Rhode Island Public Transit Authority, and senior citizens were all represented on SCT's board of directors. It was also subject to an annual CPA audit for the State Division on Aging.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

We identified five other federally funded transportation providers in Rhode Island. Among these, three operated their own transportation services and did not use SCT. One non-user of SCT, a private health center, had three vehicles. Its

spokesman believed that the best way to provide transportation to clients was to do it himself. The center had transportation service contracts in effect between April 1974 and June 1975, with three other nonprofit corporations. Although the center paid for the services, two of the nonprofit corporations did not provide the services in accordance with contractual arrangements.

Another agency, which provided its own transportation for its elderly and handicapped clients, would not coordinate its service with SCT until SCT hired professional union drivers and provided the same level of service that the agency provided. The third agency which did not use SCT served clients other than elderly or handicapped persons. Therefore, it had to provide its own transportation because SCT transported only elderly and handicapped persons.

Two agencies used both their own transportation systems and SCT. One center transported any client under age 60. It would also transport clients age 60 and older if SCT could not handle their transportation requests. This agency wanted to keep its vehicle and control its use because its director believed that SCT could not provide the same quality service that the center provided and did not know the geography of the area served. The other agency, a community health center, required all of its clients, who were mostly senior citizens, to contact SCT first for transportation. The center transported clients only when SCT could not. Its director believed that the advance notice required by SCT was too long (sometimes 2 weeks), so the center planned to keep its transportation service.

HOW THE SYSTEM DEVELOPED

Before June 1972 the State Division on Aging was funding a number of disjointed transportation programs for senior citizens through individual community action agencies. In early 1972 the Division on Aging and the community action agencies determined that the individual minibuses, operated through the separate community action agency programs, were not effectively meeting the needs of the elderly, and in many instances, were not being used to their full capacity.

The Division on Aging and other organizations for the aged held numerous meetings and concluded that available vehicle resources should be pooled and dispatched from a central location. As a result, ten vehicles were provided

by community action agencies throughout the State and the State Division on Aging provided seven new minibuses.

In June 1972, the Urban League of Rhode Island, a private, nonprofit agency, assumed responsibility for coordinating these vehicles with assistance and cooperation of the community action agencies and with financing from the Division on Aging. In February 1973 the Urban League indicated that it no longer wanted to be in the transportation business. The Division on Aging, after extensive study, helped create Senior Citizens Transportation, Inc., a private, nonprofit corporation, to provide specialized transportation for senior citizens. However, as when the Urban League operated the program, SCT continued to subcontract services to the various community action agencies for transporting the elderly.

After SCT was created, the Cumberland Housing Authority in northern Rhode Island provided a dispatch station and office space at no charge. The dispatch station and the vehicles were radio equipped with an assigned frequency.

The radio dispatch system became operational in June 1973. At that time a second dispatch station was also set up in Coventry in southern Rhode Island with facilities provided by the Coventry Housing Authority.

In the fall of 1973, a consultant to the Division on Aging conducted a major study of transportation problems of older persons and the methods by which transportation services were being delivered by SCT. This study of over 100 people working with the elderly indicated that 57 percent of the elderly in Rhode Island had transportation problems. It recommended that all transportation services be centralized and handled directly by SCT rather than subcontracted to the various community action agencies. It also recommended that such services be handled by a full-time executive director.

In February 1974 SCT's Board of Directors implemented the study's recommendations on advice of the Division on Aging which provided a major share of SCT operating funds. Community action agencies did not like the idea of giving up their vehicles; however, the Division on Aging told the agencies that it would no longer provide title III funds to them but instead would provide the money to SCT. Therefore, the agencies would no longer have the funds to operate their vehicles if they kept them and, as a result, would be unable to provide their clients with transportation service. When

these recommendations were implemented, SCT's operations greatly increased. For example, passenger trips increased from 14,556 in January 1974 to a monthly average of 29,838 for the period July 1975 to December 1975. In addition, the cost for a passenger trip was reduced from \$2.81 in February 1973 to \$1.36 in December 1975.

In February 1975 SCT underwent a major review of its operations. Although the system had greatly improved since January 1974 when program operations were no longer subcontracted, the review pointed out certain additional steps needed to continue improving program efficiency and effectiveness. The major recommendations were as follows:

- Secure operational funds which would be permanent and ongoing from year to year.
- Develop an ongoing capital program for vehicle replacement.
- Consolidate and centralize SCT's headquarters, dispatching facilities and maintenance facilities under one roof.
- Improve medical dispatching by planning medical transportation in conjunction with the Rhode Island Medical Society.

The State of Rhode Island had provided some operating funds to SCT. In fiscal year 1976 the State appropriated \$150,000 to SCT, and SCT anticipated that the State would appropriate \$422,300 for fiscal year 1977.

In June 1975 UMTA approved a section 16(b)(2) grant to the Rhode Island Department of Transportation. As a result, the State provided 20 vehicles to SCT.

In August 1975 SCT began to operate out of the city of Warwick, the geographic and communications center of Rhode Island. The city donated central office and dispatching facilities to SCT. The facilities at Coventry and Cumberland were closed.

During 1975 and 1976 the State Division on Aging and SCT met with the Rhode Island Medical Society to improve dispatching for medical trips. These meetings developed doctor and hospital cooperation in scheduling older persons for medical transportation in groups rather than individually,

thus increasing the number of older persons served and decreasing the cost for each passenger. An SCT official observed that medical dispatching was the most difficult for scheduling people in groups and required very close cooperation between the transportation service and doctors and hospitals.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

Administering agency and project officials were unable to identify any restrictions to coordinating transportation resources. Other problems and limitations are discussed below.

State problems

The State Department of Transportation was concerned about possible duplication between SCT and the Rhode Island Public Transit Authority. The department had undertaken a study to identify senior citizens that use SCT between points served by the authority during the authority's offpeak hours.

Local problems

Due to the lack of operating funds, SCT used only 42 of its 56 vehicles. A local social service agency official, whose clients needed transportation, stated that because the agency and SCT lacked sufficient operating funds, the agency's clients were not being served.

SCT's executive director, officials of the State Division on Aging, and the State Department of Transportation stated that agencies tended to protect their own interests and were reluctant to share resources with each other. This was illustrated by local community action agencies' resistance to giving up control of their vehicles to SCT. Coordination occurred only when the State Division on Aging informed local community action agencies that operating funds would be given only to SCT.

A private, nonprofit agency ran a transportation system similar to SCT's in one Rhode Island city. The city funded all the agency's operating costs, but the agency submitted an application for a HUD grant to purchase three new vans. The first reaction to the application by the A-95 clearinghouse coordinator, State Department of Transportation, and SCT was an adverse recommendation stating that this system should be coordinated with SCT. However, the agency convinced

the A-95 coordinator that its system was more comprehensive than SCT's and that coordination could mean a reduction in service to the city.

A-95 CLEARINGHOUSE REVIEW PROCESS

A Rhode Island A-95 official stated that he favored and encouraged coordination of social service transportation. He stated that two problems hindered the A-95 process in Rhode Island. First, many applicants were not aware of the A-95 process until after they submitted their final application to the Federal agency. For the process to be effective, it should be involved as soon as the grantee completes its first draft. Second, many applicants did not spell out the support services, such as transportation, that were needed to implement their projects. To resolve these problems the A-95 coordinator planned a program of preapplication conferences to inform potential grantees of A-95 requirements.

PROJECT PLANS

Statewide meetings were held in March and April 1976 to discuss the future of mass transit in Rhode Island. The Rhode Island Public Transit Authority, the State Department of Transportation, the State Division on Aging, SCT, and the State's planning agency were represented at these meetings. The group sought to determine the cost, revenue, and funding sources for the transit authority and SCT for fiscal years 1977 through 1980. Four system options were developed. From these options, the Statewide Planning Program recommended that SCT act as a feeder system for the transit authority. This would require SCT to expand its operating fleet (excluding backup and reserve) to 49 vehicles. State officials stated that the ultimate goal was for SCT to become an all-inclusive, statewide social service transportation system.

OUR OBSERVATIONS

A coordinated transportation system was achieved in Rhode Island due to the State Division on Aging's determination to coordinate the transportation needs of its clients. The division was successful because it controlled the funding for the involved agencies. Without this control, the problem of getting the appropriate agencies to work together might not have been solved.

THE TRANSPORTATION REMUNERATION INCENTIVE PROGRAM,

STATE OF WEST VIRGINIA

The Transportation Remuneration Incentive Program (TRIP) is a statewide demonstration project to establish ways for improving transportation services for elderly and handicapped persons. It is administered by the West Virginia Department of Welfare in Charleston. Although TRIP combined six Federal funding sources into a single project, the program did not consolidate or reduce the number of organizations providing federally funded transportation. Instead, TRIP planned to provide regularly scheduled public transportation with fixed routes separate from those already provided by social service organizations. According to some officials administering social programs, they might not use TRIP facilities because (1) fixed routes and schedules are too limiting to adequately meet their clients' needs or (2) operating revenues for TRIP vehicles will be inadequate.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

Numerous studies showed that elderly and handicapped persons needed better transportation services in rural and suburban areas. With no way to get from one place to another, these people could not participate in community life. A home is important to the dignity, self-assurance, and contentment of elderly and handicapped persons. Without transportation, these people would have to give up their homes and move into institutions. The Governor of West Virginia proposed TRIP to permit elderly and handicapped persons a free choice of where to live.

TRIP began in June 1973 with an Office of Economic Opportunity grant (now the Community Services Administration) and later received other Federal funds from UMTA, the Federal Highway Administration, and the Administration on Aging. As separate projects in the demonstration program, TRIP planned to:

- Use discounted transportation tickets to subsidize transportation costs for up to 160,000 low-income elderly and handicapped persons.
- Establish a statewide public transportation network by forming systems where there were none and by improving inadequate systems.

--Experiment with other special services in selected rural areas.

The subsidy program began in June 1974. TRIP planned to start its transportation network during fiscal year 1975, but Federal funding delays and other problems, such as staffing, caused them to postpone the program until September 1976. As of August 1976, the experimental services program was being developed and would not be demonstrated until around mid-1977.

Area where the system operates

West Virginia is a rural mountainous State. According to the 1970 census, it had a population of between 1.7 and 1.8 million persons. Although the population density was above 73 persons a square mile, 33 of the State's 55 counties had average population densities of only 40 persons a square mile.

Census data for 1970 showed 16 percent (280,000) of the State's population was over age 60 and most of them lived in rural communities. Thirty-nine percent of these persons 65 and older earned annual incomes below U.S. census poverty levels. About 150,000 handicapped persons lived in West Virginia, and approximately one-third of them were poor. According to this same census data, the median annual income for families in West Virginia was \$7,415, and the earnings of 18 percent of the State's families were below poverty levels. Median annual family income projected for 1976 was \$11,443--forty-fourth among the 50 States.

The rate of unemployment has risen 2 percent since 1970. As of March 1976, 7.3 percent of the State's work force was unemployed. According to 1972 census data, manufacturing and mining activities generated over one-half of the State's payroll and over 40 percent of its employment.

Medical and social service centers are concentrated in urban areas. West Virginia's mountainous terrain and sparse population makes getting these services both difficult and costly. For example, there are 75 hospitals throughout the State, but 11 counties have no hospitals and 24 counties have only one.

Operation of the subsidy program

On June 30, 1973, CSA awarded a Federal grant of about \$4 million to the West Virginia Department of Welfare under

its section 221 program. To meet the grant's requirements, TRIP hired a consulting firm to develop an implementation plan which was completed in May 1974.

The ticket program

TRIP selected a ticket subsidy program similar to food stamps to underwrite transportation costs and began to sell discounted transportation tickets in June 1974. To be eligible for TRIP tickets, a person had to be 60 years of age or older, or be mentally or physically handicapped, and had to have an income not greater than that allowable under CSA poverty guidelines. The number of tickets a person could purchase depended on his monthly income.

Tickets were packaged in \$8.00 books and sold to eligible recipients for \$1.00 to \$5.00, depending on their income and family size. The tickets could be used on any form of authorized transportation, to go anywhere, so long as the fare was paid in West Virginia. The transportation company accepting the tickets redeemed them at the State Department of Welfare for their full value.

Persons wanting to participate in TRIP applied at county welfare offices. After eligibility was established, TRIP issued a card showing the number of tickets each eligible family member was entitled to purchase. Although the authorization card was valid for only 1 month, the tickets could be used anytime.

Individuals could purchase TRIP tickets in person or by mail. When the program started, mail orders had to be accompanied by a certified check or money order. In July 1976 TRIP officials learned that some local welfare offices had started accepting personal checks or cash. These offices also began selling TRIP tickets at other social service centers like neighborhood centers, nutrition sites, and homes for the elderly. No one outside the West Virginia Department of Welfare had authority to issue tickets.

Because TRIP expected as many as 54,000 participants by the end of fiscal year 1976, it allowed persons to buy only one ticket book a month. The ticket program did not achieve this level of participation. In April 1976 TRIP permitted eligible persons to buy three books a month. To qualify for multiple books, participants had to incur higher-than-average transportation costs, require frequent trips for medical purposes, or live in isolated areas.

TRIP officials estimated between 130,000 and 160,000 low-income elderly and handicapped West Virginians were eligible to purchase TRIP tickets. For the 18 months ending June 30, 1976, TRIP sold a total of 88,850 ticket books for \$113,000. The value of these books was \$711,000. In June 1976 TRIP had 13,615 case files. Each file identified one person or family of persons eligible to participate in the program. During that month, these persons purchased 9,905 ticket books for \$10,785, at an average cost of \$1.09. The total value of the books was \$79,242.

Transportation companies that accepted TRIP tickets had to have a Certificate of Convenience and Necessity from the West Virginia Public Service Commission, and they had to meet the commission's regulations for insurance, vehicles safety inspection, and fares. Each company also had to apply to the West Virginia Department of Welfare and receive a Certificate of Authorization. As of June 1976, TRIP had granted authorization to 136 transportation companies--over 90 percent of the total certified by the Public Service Commission.

According to TRIP officials, participation by eligible persons remained low because the statewide transportation system was not operating and those accepting TRIP tickets were mostly small urban taxi companies. Local officials in West Virginia believed that the methods of purchase--in person or by mail using a certified check or money order--might have limited the number of participants. According to these officials, many eligible persons would have to travel too far to purchase the tickets or to get a certified check or money order and the cost of such travel reduced the number of eligible persons who used the program.

A West Virginia University survey solicited reasons why persons eligible to purchase TRIP tickets did not buy them. The university found that either transportation was unavailable, people thought the tickets were too expensive, or tickets were not received when ordered. In another survey the university assessed TRIP's impact on people who used social service centers and found that over one-half of the individuals contacted (1) preferred personally arranged transportation, (2) were ineligible to purchase tickets, or (3) were unaware of the program.

Operation of the statewide public transportation network

In West Virginia, private and public transportation sources were limited. For example, automobile ownership in 33 rural

counties was 21 percent below the national average. In addition, public transportation had steadily declined. Between 1965 and 1974 one-third of the licensed bus operators went out of business. As of May 1974 two-thirds of the licensed buses were concentrated in just 4 counties, and 37 counties contained none.

TRIP proposed to establish a statewide public transportation network of primary and feeder routes. Primary vehicles would run regular schedules over major highways which connected urban areas. On-call feeder buses would transport people from remote areas to bus stops where they could transfer to primary vehicles and continue their trip.

TRIP's role in this transit development was to establish regional transit authorities and to furnish them with vehicles and operating funds. The regional concept was based on two assumptions: most travel takes place within limited geographic areas, and regional planning and development councils can establish transit authorities.

Under West Virginia law regional transit authorities were independent of the State's Public Service Commission and could regulate the routes and schedules of public systems within their respective regions. The transportation regional boundaries proposed by the consulting firm which planned the network did not conform to the 11 planning councils' boundaries, but TRIP decided to work through the planning councils to get the program started. For consistency, the transportation regions kept the same boundaries as the planning councils, except TRIP combined two regions because they were too small to support a network within themselves.

TRIP planned to establish its network in all but two of these regions by the end of fiscal year 1976. The schedule proposed by the consulting firm for starting the regional systems and their proposed regional vehicle requirements follows.

<u>Region</u>	<u>Order of implementation</u>	<u>Initial operation (fiscal year)</u>	<u>Primary vehicles</u>	<u>Feeder vehicles</u>	<u>Sp vel</u>
1	6th	1976	16	8	
2	5th	1975	15	8	
3	8th	1976	6	5	
4	4th	1975	20	8	
5	9th	1977	16	9	
6	10th	1977	11	9	
7	7th	1976	19	9	
8	1st	1975	13	7	
9	2nd	1975	6	3	
10/11	3rd	1975	<u>8</u>	<u>4</u>	
Total			<u>130</u>	<u>70</u>	

TRIP's first capital grant provided funds to buy vehicles for regions 2, 10, and 11. Regions 2 and 11, however, had decided not to participate since they believed that there would not be enough money to operate the vehicles. As of August 1976 the schedule had changed, and regions 6, 9, and 10 were to begin operations first. TRIP selected regions 6 and 10 to start the program because both regions were nearest to completing their operating plans.

In March 1976 TRIP purchased 38 vehicles with its capital grant. Region 6 received 21 of these vehicles, and region 10 received 13. The remaining four vehicles were to be used in other regions. These two regions began operations in September 1976. Region 9 began operating in November 1976 with seven vehicles, including the four purchased earlier.

According to TRIP officials, getting the system started in regions 6 and 10 was delayed because (1) TRIP did not provide the two regions with funds for a full-time planner, (2) the consulting firm's proposed routes had to be revised to meet regional transit needs, and (3) the Department of Labor ruled that the transportation company selected in region 10 could not receive funds under the Urban Mass Transportation Act of 1964, as amended, because the company refused to comply with section 13(c) of the act which required assurance of priority reemployment of employees who were terminated or laid-off. The past issue was resolved by the region 10 transit authority and the union. The authority was receiving urban mass transportation funds.

TRIP officials stated that another element contributing to program delay was staff size and inexperience. At its inception the TRIP staff consisted of two professionals who transferred from other programs within the State's Department of Welfare. As of November 1976, the TRIP staff had increased to seven professionals. None of the staff had a background in transportation planning, and most of their experience came from on-the-job training. TRIP officials acknowledged that the proposed schedule may have been unrealistic because of their inexperience.

Finally, TRIP officials also were concerned about the delays in receiving grant approvals and blamed the delays for some program slippage. For example, it took about 1 year to get approval on grant requests from UMTA and the Federal Highway Administration. In preparing its program budget, TRIP officials expected these grants to be approved more quickly.

Funding of the TRIP program

According to TRIP officials, the total program would cost about \$25 million through September 1978. This estimate excluded vehicle costs (purchase and operation) for regions 2, 5, and 11. As in regions 2 and 11, region 5 officials believed that fares and TRIP subsidies would not cover operating costs and they did not plan to participate. TRIP officials contended, however, that region 5 was taking a "wait and see" attitude and might participate after the system was established in other regions. If all regions participated in the demonstration program, total costs might approach \$30 million.

As of June 30, 1976, TRIP had been awarded six Federal grants totaling about \$6.8 million. In addition, the State had approved \$205,597 from the General Fund and specifically authorized another \$1.1 million for TRIP. A breakdown of the grants and total expenditures through June 30, 1976, follows.

<u>Agency and authority</u>	<u>Date approved</u>	<u>Amount approved</u>	<u>Total expenditures</u>
Community Services Administration:			
Community action funds	June 1973	\$4,039,500	\$1,247,660
UMTA:			
Section 3--Capital	June 1975	628,680	407,797
Section 6--Demonstration projects	May 1975	273,730	126,712
Section 9--Technical studies	Oct. 1975	262,344	172,648
Federal Highway Administration:			
Section 147--Rural demonstration	Feb. 1976	1,200,000	-
HEW, Administration on Aging:			
Model Projects on Aging	May 1975	400,000	183,266
West Virginia General Fund (fiscal year 1975)	-	205,597	205,597
West Virginia funds--authorized specifically for TRIP by the State Legislature (fiscal year 1976)	-	<u>1,100,000</u>	<u>444,394</u>
Total		<u>\$8,109,851</u>	<u>\$2,788,074</u>

TRIP used CSA funds to cover ticket subsidy costs, as well as for personnel, administration, planning, and consultants. It used section 3 capital funds to buy its 38 vehicles and used section 6 demonstration funds and section 9 technical studies funds to cover administration, planning, and consultant costs. Model Projects on Aging funds were used for administration, a West Virginia University evaluation project, and experimental services planning.

The Federal Highway Administration section 147 demonstration funds had not been used as of June 30, 1976. TRIP anticipated the \$1.2 million would be used in fiscal year 1977 to purchase capital equipment for regions 4, 8, and 9.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

In West Virginia, the Federal Government supports transportation services under various social programs. We contacted Federal, State, and local officials working with some of these programs to get information about the kinds of services provided.

The types of transportation assistance provided by these agencies varied. Under some Federal programs, grantees owned and operated their own vehicles. Other grantees reimbursed clients for travel performed, reimbursed paid and volunteer staff for client transportation supplied with personal vehicles, or purchased services from transportation companies. Besides providing free social service transportation, some community action agencies also operated fixed-route systems and charged the public to ride. The following charts summarize some of the federally funded social service transportation which operated in West Virginia during 1976.

LIST OF FEDERALLY FUNDED
TRANSPORTATION SERVICES PROVIDED IN WEST
VIRGINIA IDENTIFIED DURING THE REVIEW OF TRIP

<u>Agency</u>	<u>Vehicles</u>	<u>Estimated annual cost of operation</u>	<u>Source of Federal funds</u>	<u>Transportation provided for</u>	<u>Service area</u>
West Virginia Dept. of Health	7	Dept. of Health did not break out costs between the two programs.	Appalachian Child Development program	Child development	Eight counties
	<u>4</u>		Maternal and Child Health Services Program	Maternal and child health services	Not specified
Total	<u>11</u>	<u>\$103,000</u>			
West Virginia Office of Vocational Rehabilitation	<u>1</u>	41,6 0	Vocational Rehabilitation Program	Vocational rehabilitation services	One county
West Virginia Commission on Aging	a/10	The commission did not break out the cost between the two programs.	Titles III and VII	Elderly transportation	Fourteen counties
	<u>5</u>		RSVP	Retired Senior Volunteer Program	Five counties
Total	<u>21</u>	<u>\$200,000</u>			
Pride in Logan County Community Action Agency (Logan County Transportation, Inc.)	b/6	c/\$15,000	Head Start; titles III and VII	Head Start; elderly services and nutrition programs	One county

<u>Agency</u>	<u>Vehicles</u>	<u>Estimated annual cost of operation</u>	<u>Source of Federal funds</u>	<u>Transportation provided for</u>	<u>Service area</u>
Southwestern Community Action Agency, Inc.	<u>13</u>	Not available	Head Start and the Community Action Program	Head Start	Four counties
Multi-County Community Action Against Poverty, Inc.	<u>d/19</u>	\$63,000	Community Action Program	Public, fixed-route transportation	Four counties
	13	Not available	Head Start	Head Start	Four counties
	<u>1</u>	Not available	RSVP	Retired Senior Volunteer Program	Four counties
Total	<u><u>33</u></u>	Not available			
Wyoming County Opportunity Council, Inc.	<u>e/1</u>	Not available	Title VII	Elderly nutrition	One county
West Central West Virginia Community Action Association (West Central Rural Transportation System, Inc.)	<u>f/14</u>	\$100,000	Head Start	Head Start	Ten counties in north-central West Virginia
Mercer County Economic Opportunity Corporation	<u>d/8</u>	<u>g/\$7,000</u>	Head Start and title III	Head start; elderly nutrition	One county
West Virginia Dept. of Welfare Medical Services	None	\$200,000	Medicaid	Reimbursement for client medical travel	Statewide

<u>Agency</u>	<u>Vehicles</u>	<u>Estimated annual cost of operation</u>	<u>Source of Federal funds</u>	<u>Transportation provided for</u>	<u>Service area</u>
Governor's Manpower Office	None	\$500,000	CETA programs	Reimbursement for travel to and from job training sites	Various locations throughout the state
Department of Employment Security	None	Not available	Work Incentive Program	Reimbursement for travel to and from work under the Work Incentive Program	

- a/ Some of these 16 vehicles may also appear in the totals shown for community action agencies.
b/ Two additional vehicles received from TRIP but never used. (See p. 132.)
c/ The \$15,000 excluding drivers' salaries.
d/ Three vans received from TRIP included in this figure.
e/ Received one additional van from TRIP via Pride in Logan County. (See p. 132.)
f/ Received three additional vans from TRIP.
g/ Costs shown for the period August 1 to December 31, 1975.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

None of the Federal, State and local program officials we contacted were aware of Federal regulations preventing coordination of transportation between TRIP and other social service providers.

TRIP had established an advisory board, held public hearings, and met with various State and local officials to coordinate transportation services. Although a number of State and local officials believed that locally operated transportation was needed because of the unique character of certain social services, some benefits had been realized from these meetings. For example, West Virginia officials administering the Medicaid program planned to purchase TRIP tickets for their clients.

Federal problems

Although officials did not identify any Federal restrictions to coordination, State officials had to overcome an obstacle presented by Medicaid regulations. Originally State Medicaid officials would not buy the tickets because Medicaid regulations define transportation as medical assistance only when furnished by a company that could be paid directly. Since TRIP was not a transportation company, it could not be paid directly and thus could not qualify as a provider. State Medicaid officials rewrote the State policy to overcome this obstacle.

Medicaid bought TRIP tickets with money from the State's General Relief Fund. Medicaid clients used these tickets to pay for travel to medical facilities. After transportation companies redeemed the tickets, Medicaid reimbursed the General Relief Fund account with Federal Medicaid funds.

State and local problems

Other State agencies besides Medicaid were considering some form of coordination with TRIP. For example, the State Office of Vocational Rehabilitation considered purchasing TRIP tickets. The State Commission on Aging encouraged local grantees to supplement TRIP's feeder system and advertised the TRIP program.

TRIP officials believed that coordination would improve when its transportation network was established. According to

them, a successful operation would eliminate much of the skepticism of social service program administrators. They hoped to persuade other State agencies to purchase TRIP tickets in blocks. TRIP's administering agency, the State Department of Welfare, asked its program administrators to have its clients use TRIP tickets for nonemergency medical transportation when a TRIP provider was available.

Regional transit authorities would be responsible for contacting local social service agencies. According to TRIP officials, region 10 planned to contact these agencies once its system began operating and other regional transit authorities took similar action.

Some State and local officials administering social programs believed that scheduled, fixed-route, public transportation generally did not meet social service program needs. For example, the nutrition program for older Americans was cited to illustrate some of the problems. Nutrition sites could be located several blocks from the fixed-route bus stops. The elderly are generally unable to walk very far without help.

Administrators of Head Start projects related the following problems: (1) the 3- to 4-year old children which the program served are too young to ride public vehicles, (2) vehicles had to be readily available for Head Start uses, such as field trips or medical emergencies, (3) project sites might not be near fixed routes, and (4) school class times might conflict with fixed routes. Managers of other programs, such as Maternal and Child Health and Child Development projects said they may also have had the kind of difficulties cited for Head Start and nutrition programs.

Drivers operating vehicles under social programs often help elderly and handicapped people get on or leave vehicles. According to the local officials, union practices might not permit TRIP drivers to provide similar aid.

TRIP had also experienced problems in attempting to coordinate part of its transportation network and ticket subsidy systems. As a condition for receiving the \$4 million Federal grant, the Community Services Administration required TRIP to provide about \$70,000 of that amount to six community action agencies for vehicle purchases. Instead of granting the funds, TRIP purchased the vehicles, leased them to the agencies, and required them to accept TRIP tickets.

In June 1974 one of the community action agencies, Pride in Logan County, received 2 of 17 vehicles purchased with the \$70,000. Before Pride could operate the vehicles and accept TRIP tickets, its transportation company had to get a Certificate of Convenience and Necessity from the West Virginia Public Service Commission. According to a State official, the commission denied the company's request because it planned to use vehicles licensed under a Contract Carrier Permit for public transportation. This official said vehicles operated for public transportation under a Certificate of Convenience and Necessity must be kept separate from those licensed under a Contract Carrier Permit.

According to a Pride official, his agency did not want to void its contract permit and lose that business on the assumption that it would receive the Certificate of Convenience and Necessity. Because Pride could not operate the vehicles, TRIP transferred one to the Wyoming County Opportunity Council. Pride stored the other vehicle, with only 186 miles on the odometer, until July 1976 when TRIP repossessed it.

The Wyoming County Opportunity Council operated the transferred vehicle for about 8 months. The Council's transportation director said that he needed only three to four passengers a day to break even, but he did not get that number. After 8 months of operation, the Council had lost about \$500 and asked TRIP to subsidize the operation. TRIP officials said that they refused because providing operating subsidies for community action agencies was not in their plans and because they thought the community action agencies had their own resources to operate the vehicles. In early 1976 the Wyoming County Opportunity Council stopped using the vehicle, and TRIP repossessed it in July 1976.

Multi County Community Action Against Poverty, Incorporated (Multi CAP) and West Central West Virginia Community Action Association also received TRIP vehicles. Because revenues from fares would not cover operating expenses, Multi CAP reduced its transportation services, and West Central terminated its operation. In retrospect, TRIP officials acknowledged that if State funds had been used to subsidize the operations these agencies could have continued the coordinated services.

Within its subsidy program, TRIP authorized only county welfare offices to sell TRIP tickets. On several occasions after June 1974, Multi CAP asked for authority to sell these

tickets so TRIP ridership could be increased. At first TRIP delayed the request because its accounting staff did not know how to process the sales. In July 1975 TRIP told Multi CAP that the low volume of ticket sales did not warrant outside distributors. Then, in February 1976 TRIP told Multi CAP that it could issue tickets after a routine inspection of its facilities; but by then Multi CAP had already decided to reduce its public transportation system.

Officials of Mingo County Economic Opportunity Commission, Incorporated said they wanted to operate TRIP vehicles but had not been given the opportunity in their county. However, the agency did not plan to provide the scheduled services TRIP proposed because it believed that operating revenues would be insufficient. Instead, they wanted to provide a demand-responsive type service. Furthermore, they said they could not obtain a Certificate of Convenience and Necessity to operate as a transportation provider. The agency officials said that they would fight any other group who tried to implement TRIP in their area.

TRIP officials considered urban and intercity public transportation when they established primary-route and feeder requirements. Vehicles operated under social programs were not always included. According to TRIP officials these vehicles seldom operated on scheduled fixed routes and many were not certified by the State for public transportation. TRIP officials neither accepted the vehicles as legitimate sources of transportation nor weighed their potential contributions to the feeder system.

TRIP officials acknowledged that they would have to be more flexible in coordinating transportation planning and so should the social service agencies. Instead of recommending that public transportation schedules be changed to meet social needs, they felt that some agencies should locate their service centers near bus stops or change their schedule of services so clients could ride public vehicles.

A-95 CLEARINGHOUSE REVIEW PROCESS

To achieve the objectives in the OMB Circular A-95, West Virginia had established two types of clearinghouses, the State clearinghouse and 11 regional clearinghouses. The State clearinghouse operated under the direction of the Governor's Office of Federal and State Relations. The regional clearinghouses were comprehensive regional planning organizations

recognized by the State and designated by the Governor to do the A-95 review of respective regional applications for Federal loans or grants.

The principal role of the State clearinghouse was to send applications to State agencies for reviews. It was not necessarily concerned with application subitems, such as transportation. Thus, a Medicaid or Head Start project application coming to the State clearinghouse would not necessarily be reviewed by the State for transportation coordination. The State clearinghouse had an individual who was responsible for coordinating the review of applications for UMTA funds. However, it had no transportation specialists.

According to a regional clearinghouse official, all applications were reviewed for duplicate services at the regional clearinghouse level. However, the regional clearinghouse could only comment on the applications and had no voice in whether proposed plans were actually implemented. According to this official, the regional clearinghouse reviews of the TRIP proposal identified some problems with the plan, but these had no apparent affect on the project. This official also said that some agencies managed to circumvent the A-95 review process.

State clearinghouse officials said that the review system was effective because State and local agencies applying for Federal assistance under Circular A-95 faced State legal sanctions if they tried to circumvent the system. But they said improvements could be made in at least two areas. First, to evaluate innovative projects, the clearinghouse needed access to specialists who could identify the strengths and weaknesses in each application. Second, some Federal grants were tied to specific geographic areas, such as a city or county. For example, community action agencies often covered several counties and could not provide services in another community action agency's geographic area. CSA grants were made to specific community action agencies and therefore were geographically restrictive. These geographic restrictions prevented the State from pooling different Federal grants to serve a larger area, like a regional development district. In a time of scarce Federal funds, this kind of restriction becomes critical.

PROJECT PLANS

TRIP began its regional transit demonstration program in regions 6 and 10 in September 1976 and in region 9 in

November 1976. By June 1977 all regions should have started providing transit services. Under TRIP's plan, the regions would offer services 8 hours a day, 5 days a week. No subsidized weekend service was planned. They would operate vehicles on Saturdays and Sundays if revenues covered operating costs. TRIP officials estimated that ticket program participants would increase to 23,000 by January 1977.

According to TRIP officials, the original plan (see p. 121) had to be altered because initial requirements data on the State's population, transportation patterns, community needs, and highway conditions changed as the program slipped.

These officials said that over \$8.7 million would be spent between July 1, 1976, and June 30, 1977. Included were funds for ticket subsidies; program evaluation; 111 more vehicles for regions 1, 3, 4, 7, 8, and 9; operating subsidies; and experimental services. (See p. 126.) TRIP planned to use Federal and State funds awarded but not spent before June 30, 1976. Also for these purposes, TRIP asked for additional funds from the State, UMTA, and the Federal Highway Administration. The amounts of these requests follow.

<u>Source</u>	<u>Amounts</u>	<u>Date requested</u>
State matching funds	\$ 500,000	-
UMTA:		
Section 3--Capital	1,279,286	Dec. 1975
Section 6--Demonstration	1,949,336	Mar. 1976
Section 9--Technical studies	305,383	Dec. 1975
Federal Highway Administration:		
Section 147--rural demonstration	3,215,692	Mar. 1976

In July 1976 the Federal Highway Administration approved \$1.3 million of the \$3.2 million TRIP requested. Because the Federal Highway Administration did not approve the full amount, TRIP planned to ask for supplemental funding from UMTA to help meet operating and capital costs. In September 1976 UMTA awarded TRIP \$720,000 under section 6 and \$303,920 under section 9.

TRIP officials said that they needed additional funds to buy vehicles and operate the system in regions 2, 5, and 11 and

to continue the program after June 30, 1977. They said that DOT officials had verbally assured them of funding through September 1978; the level of funding was not yet decided. As of August 1976, the budget for the year beginning July 1977 and other future funding plans had not been developed.

Experimental services

TRIP officials investigated two unique concepts for rural transportation--combined postal and transportation service and transportation between remote areas and urban medical centers. These officials said that because they lacked experience in these concepts, they did not include them in the statewide system but believed that these concepts, which are discussed below, should be demonstrated in separate projects.

Rural postal vans were used in Scandinavia and Scotland to deliver the mail and to haul passengers. TRIP had considered a similar system in West Virginia and discussed it with the Postal Service.

In rural West Virginia mail is often delivered by private individuals under contract to the Postal Service. TRIP believed that some of these rural contract routes were suitable for postal bus service. It planned to begin this type of service about mid-1977 in region 4.

Because specialized medical centers were concentrated in urban areas, many rural West Virginians had to travel to get treatment. The West Virginia Office of Vocational Rehabilitation used an automobile to carry its clients from Webster County to medical centers in Charleston--a round trip of 200 miles. In fiscal year 1973 about 200 such trips were made to Charleston and other cities like Huntington and Morgantown. Beginning in mid-1977 TRIP planned to demonstrate a specialized service that would transport people from remote areas to medical clinics in Charleston.

As of August 1976 TRIP'S postal bus and transporter projects were still being planned. It planned to buy seven vans for the postal bus project and five station wagons to be used as health transporters. UMTA, Federal Highway Administration, and State funds would be used to purchase these 12 vehicles. TRIP would use Administration on Aging grants to operate the two projects.

OUR OBSERVATIONS

Administering agency and project officials were unaware of any Federal regulations which would prevent coordination between TRIP and other social service transportation providers. If TRIP wants a coordinated system, it will have to recognize social service agencies as legitimate providers and provide them financial and technical assistance. Further, TRII must be more flexible in scheduling its service. On their part, social service program managers need to be more flexible in scheduling their respective services in order to take advantage of TRIP's available transportation service.

VALLEY TRANSIT DISTRICT, DERBY, CONNECTICUT

The Valley Transit District (VTD), a public, nonprofit corporation in Connecticut's lower Naugatuck Valley, was created by a special act of the State of Connecticut in May 1971. The district was authorized to establish, operate, and maintain a system of transportation within its service area or between that area and any municipality contiguous with its service area. VTD was coordinated in that many valley health and social service agencies used its services. Federal demonstration grants funds played a major role in its development.

DESCRIPTION OF THE TRANSPORTATION SYSTEM

VTD operated in the valley towns of Ansonia, Derby, Seymour, and Shelton, and it provided a variety of transportation services to valley residents. VTD received grants from UMTA and benefited from grants by HEW.

Area where the system operates

The lower Naugatuck Valley is in south-central Connecticut, extending about 10 miles along the Housatonic and Naugatuck Rivers. The Valley, with a total land area of about 58 square miles, consists of four municipalities--Ansonia, Derby, Seymour, and Shelton. In 1970 the Valley had a total population of 73,809 people of which 9.2 percent were either elderly or handicapped. The State estimated the Valley's 1975 population to be 75,100. The median family income, based on 1970 census figures, was \$11,452. In March 1976 the Valley's unemployment rate was 13.3 percent.

The Valley is a highly industrialized area having over 150 manufacturing firms. Most of the industrial activity is centered in Ansonia, Derby, and Shelton, with most of new industrial construction in Shelton. Ansonia and Derby are the most densely populated and have the smallest land areas. Their populations have remained stagnant over the past decade, and they have the largest number of elderly persons.

Seymour has some industry but it is developing into a "bedroom community" for the rest of the area. Its population has been increasing moderately.

Shelton, the fastest growing city in the region, with much industrial, commercial, and residential development, contains the largest population of the valley communities.

Operations of the system

VTD provided fixed-route, contract, demand-responsive, and charter transportation services. Contract services were the most important and productive from a ridership and financial standpoint. VTD charged \$14 an hour for contract service.

VTD provided two types of demand-responsive service--subscription and call-in. The subscription service provided the rider with door-to-door service on a regular basis (ranging from daily to weekly service) without the necessity of telephoning VTD for each trip. The service provided pick up at prescheduled times and might or might not be tied in with prescheduled destinations. Most of the subscription trips were work trips.

The call-in service provided rides with demand-responsive, door-to-door service with a 2- to 3-hour delay. The call-in service was staffed by two dispatchers who handled calls from the riders, scheduled the pick ups, and communicated with drivers via two-way radio. Buses carrying subscription riders were diverted to pick up riders receiving call-in service.

Demand-responsive ridership had reached a saturation point considering the number of vehicles available. VTD had been selective in its demand-responsive clientele, giving priority to employment and health trips. Although there had been a minimal increase in this type of service, many of the prospective demand-responsive patrons had been encouraged to use the offpeak fixed routes. VTD's long-term goal was to limit the selection of demand-responsive patrons to physically handicapped persons and to limit subscription rides to places of employment and to areas not served by fixed routes.

During evenings and weekends, VTD also offered charter service which could be arranged as late as 1 day in advance, depending on the competition among groups for use of this service. Charter service was billed at \$14 an hour.

In November 1975 offpeak fixed routes were initiated throughout the district in the form of shopper shuttles. Each municipality was served by a shuttle loop from the outlying areas to its downtown or core area where connections

could be made to a VTD connector, or to the other two transportation companies serving the core areas. Before November 1975 all fares were handled by means of a credit card, but inclusion of cash fares was instituted with the fixed routes. Each vehicle was equipped with a cash vault. Fixed-route fares were set at 50 cents a ride. Each of the four municipalities represented a zone, and an additional 10 cents was charged when a rider crossed at least three zones. Because the fixed-route service had recently been initiated, ridership figures were minimal. For the months of November and December 1975, 1,500 riders were logged on these routes with projected ridership increasing to 2,000 rides a month by June 30, 1976.

In attempting to meet all the needs of valley residents, VTD offered door-to-door service to a State and federally sponsored title VII project--Meals on Wheels. This entailed daily delivery of hot lunches to approximately 35 to 50 bed-ridden persons who were unable to provide for themselves. The service was provided under contract and had been carried on successfully for 3 years with a very gradual increase in users.

The following table shows VTD's ridership statistics for the 6-month periods ending December 31, 1974, and December 31, 1975.

<u>One-way trips by type</u>	<u>July to Dec. 1974</u>	<u>July to Dec. 1975</u>
Contract:		
Senior citizens	12,263	13,404
Handicapped persons	18,142	27,248
Youth programs for underprivileged	1,579	1,706
Demand-responsive:		
Rides to work	12,000	12,493
Health trips	4,286	4,301
General	857	859
Fixed routes	<u>-</u>	<u>1,514</u>
Total passenger trips	49,127	61,520
Hot meals delivered to homebound seniors	<u>4,191</u>	<u>4,430</u>
Total trips including meals	<u>53,318</u>	<u>65,950</u>

For the 12-month period ending May 30, 1976, VTD provided about 130,000 trips. About 94 percent of these trips were made by elderly, handicapped, or other people on medical and social service trips. The average operating cost for each vehicle-mile during this period was \$1.07, while the average cost for each passenger trip was \$1.97. These cost figures do not include capital costs or depreciation.

VTD operated its scheduled services from 6 a.m. to 6 p.m., Monday through Friday, with miscellaneous contract service during evenings and weekends. Its vehicles were used to provide services as follows:

<u>Operating hours</u>	<u>Number of vehicles</u>	<u>Purpose</u>
6 a.m. to 8 a.m.	Five	Subscription rides to work
8 a.m. to 9 a.m.	Five	Contract routes for handicapped persons
	Four	Subscription and demand-responsive rides to work, medical facilities, and other destinations
9 a.m. to 10 a.m.	Four	Contract routes for senior citizens
	Four	Demand-responsive for medical, shopping trips, and other destinations
10 a.m. to 3 p.m.	Five	Fixed routes for the general public
3 p.m. to 5 p.m.	Eight	Contract routes for handicapped persons and senior citizens
6 a.m. to 6 p.m.	Eight	Subscription rides and contract routes for senior citizens
9 a.m. to 1 p.m. (Sunday)	One	Shelton route for church

VTD had 17 vehicles in operation including 3 with wheel-chair lifts. One vehicle was obtained from the Valley Association for Retarded Children and Adults, and the other 16 vehicles were obtained with UMTA demonstration grant and capital grant funds.

VTD leased vehicles when demand created the need or when its own vehicles were inoperable. It also infrequently subcontracted jobs to other transportation providers when it could not meet the needs of valley residents. For example, it had subcontracted with a school bus operator to transport a group of senior citizens.

A unique aspect of VTD's operation was the development of a computer-processed, credit card fare system. The fare system, funded by an UMTA demonstration grant and designated the FAIRTRAN system, consisted of two elements. One element, a service recorder, was carried on the bus instead of a farebox and recorded data from the rider's credit card and other pertinent information (such as time, day, and origin point) on a magnetic tape cassette. The other component, the computer software, transformed the records into monthly billings. A special feature of FAIRTRAN was the FARESHARE option. This feature allowed third parties (health, social service, and governmental agencies) to share the cost of an individual's transportation to varying degrees, thus enabling a person to make trips he or she might otherwise be unable to afford. The FAIRTRAN system had not been operational since July 1975 although the third-party billings had been continued on a manual basis. FAIRTRAN was scheduled to be re-introduced in 1977 when additional service recorders for an expanded fleet would be available and new computer hardware and revised software would be incorporated into the recording and billing system.

Funding of the system

VTD obtained funds from sales of transportation services, Federal capital and demonstration grants, Federal and State operating subsidies, and local communities. The table on the following page shows funding sources from 1971 through 1976.

VTD sold transportation services to 20 social service agencies and to about 400 individuals each month. The Lower Naugatuck Valley Community Council assisted in paying for some of these services. The community council was awarded two grants for this purpose. HEW's Social and Rehabilitation Service awarded the first grant under section 4(a)(1) of the

VALLEY TRANSIT DISTRICT--FUNDING SOURCES

	<u>FISCAL YEARS 1971 TO 1976</u>					
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower Naugatuck Valley Community Council:						
Title IV Older Americans Act (Health transportation project)	\$ -	\$ -	a/\$ 29,476	\$ 34,330	\$ 48,604	\$ 76,454
Title III (project mobility)	-	-	-	-	-	10,500
UMTA:						
Section 3, capital grant	-	-	-	301,312	-	-
Section 6, demonstration grant	384,000	117,100	123,950	494,500	-	-
Local communities	40,000	-	-	37,750	-	-
Billings to social service agencies and individuals and fare box revenues	-	-	b/12,500	b/40,000	104,756	140,048
State of Connecticut:						
Operating subsidies (note c)	-	-	-	-	66,083	115,854
Matching funds for Federal grants	24,667	-	-	75,738	-	-
Department of Social Services (Medicaid)	-	-	-	-	-	600
Other	<u>3,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$451,700</u>	<u>\$117,100</u>	<u>\$165,926</u>	<u>\$983,220</u>	<u>\$219,443</u>	<u>\$343,456</u>

a/ First year of health transportation project was funded under section 4(a)(1) of the Vocational Rehabilitation Act.

b/ Estimated by VTD; exact amounts not readily available.

c/ Includes reimbursement to the State by UMTA's section 5 formula grant program; \$32,140 for fiscal year 1975 and \$57,966 (anticipated) for fiscal year 1976.

Vocational Rehabilitation Amendments of 1954 to coordinate and fund transportation for elderly, handicapped, and some other disadvantaged individuals in the Lower Naugatuck Valley. HEW's Administration on Aging provided funds to continue the project beyond the first year under title IV of the Older Americans Act. With this grant the community council provided subsidy assistance for VTD transportation to social service agencies serving various target groups. The subsidy rate was set at 50 percent of VTD's charge for service. The community council also provided subsidy assistance to individual elderly consumers for general trip-making purposes. This individual subsidy, set at 20 percent of VTD's charge, was also funded by this grant.

The other grant, a title III grant funded through an area agency on aging, had objectives similar to the demonstration project but was specifically targeted to elderly persons. The community council used the grant to subsidize the other 50 percent of VTD's charge for transportation provided to persons 60 years of age or older that was not paid for by the demonstration grant. In effect, the community council paid 100 percent of VTD's service charge for transportation for these clients.

Both agency and individual trips were subsidized through a VTD billing of the community council. The nonsubsidized portion of VTD's service charge was billed to either the sponsoring social service agencies or to the individuals. Federal funding to the agencies included titles III, VII, and XX; Medicaid; vocational rehabilitation; and CETA.

UMTA awarded two grants to VTD. The first, a section 6 demonstration grant awarded in 1971 and amended in 1972, 1973, and 1975, totaled about \$1.1 million. The four valley municipalities provided an additional \$40,000 for the project. The section 6 provided grant funds for vehicle acquisition, project administration, research, evaluation and engineering, service development, and development of an automated fare collection system. The second grant was a \$301,312 section 3 capital grant awarded in 1974. It, with several technical amendments to modify the scope, provided funds to purchase 17 vehicles, radios, and other related equipment. The Connecticut Department of Transportation provided the non-Federal share.

Finally, VTD received operating subsidies from the State of Connecticut. The State was reimbursed in part by UMTA under its section 5 formula grant program.

Accountability to funding sources

Each month VTD billed the community council for each social service agency and individual whose transportation was subsidized by the community council. These statements showed the dates of service, client agency, total cost, and cost to the community council. In addition, VTD was subject to audit by the community council, and it maintained detailed records to support the statements.

VTD also billed each social service agency on a monthly basis for the cost of transportation services provided to their clients but not subsidized by the community council. The statements showed dates of service, total cost, and cost to the agency.

VTD had to account to UMTA for the two grants it received directly from UMTA. For the section 6 demonstration grant, VTD submitted quarterly status reports to UMTA and was subject to audit by it. In addition, VTD had to be able to identify and document all expenditures claimed for reimbursement. The section 3 capital grant had similar accountability requirements. VTD had to submit documentation to UMTA to support requests for reimbursement for eligible project expenditures. Finally, VTD was subject to audit by both UMTA and the State (because the State provided the non-Federal share of the project budget).

Each month VTD submitted a voucher to the State accounting for the operating subsidy provided by the State. The vouchers showed operating revenues and expenses by budget line item on a prescribed State form. The voucher, required by the State to be audited by a certified public accountant, also showed certain other operating statistics.

HOW THE SYSTEM WAS DEVELOPED

Limited intra-valley public transportation was available to the residents of the valley before the Valley Transit District service was initiated. Private bus transportation was provided by the Valley Transportation Company and the Connecticut Company (now State-owned). The valley also had a taxi service operating primarily between the business districts of Ansonia, Derby, and Shelton. Neither the taxi service nor the bus companies provided specific service to health and social service agencies.

As early as 1967, a local hospital headed a committee on local health and social service agencies which began to formulate solutions to a primary problem in the delivery of social services--transportation. The committee found that some of the hospital's patients were not returning to the hospital for required treatment after their discharge. The hospital began to work with local and regional health, social service, and planning agencies to devise a means of dealing with this problem.

A committee study indicated that people needing health and social services were people who, because of age, handicap, illness, or economic condition, were unable to provide their own transportation. The study concluded that available public transportation in the Valley was either too expensive or inadequate to meet the needs of these people. A proposal for a modest minibus operation was submitted to the State but was not approved because of a lack of detail and justification.

In 1969 the Lower Naugatuck Valley Community Council was created to plan, coordinate, and establish programs in health, and social service, and recreational activities in the Valley. The council also identified transportation as a major problem and submitted another proposal to the State. This proposal was not seriously considered due to a lack of detail and justification, and it did not fit into State plans at the time. In 1970 the council asked the Valley Regional Planning Agency for technical assistance on a transportation proposal. The planning agency undertook a survey to determine what, in fact, were the transportation needs. The results of this survey, conducted at the hospital and other agencies, indicated the potential for a minimum of about 1,000 riders a day to, between, and from social service agencies as well as rides for other purposes. On the basis of the survey, the planning agency drafted a proposal to establish a bus transportation system.

In January 1971 the Valley Council of Governments submitted an application to UMTA for a grant for a demonstration project dealing with door-to-door demand service for the "transit disadvantaged users." The Council of Governments, with assistance of the Regional Planning Agency staff and State legislators from the Valley, sponsored legislation which led to the establishment of VTD in May 1971 as the first transit district in the State.

The 3-year UMTA demonstration grant was approved by UMTA in June 1971. The general purpose of the grant was to (1) develop and evaluate a flexible transit system for residents of a "deep suburban" type community with the primary concern of transportation to health and social services and (2) design, fabricate, and experimentally test several bus modifications to aid elderly and handicapped persons. In June 1972 the grant was amended to provide for the initiation of the FAIRTRAN fare collection and billing system.

In June 1974 UMTA extended the grant for an additional 3 years to demonstrate (1) integration of a coin credit card fare collection system, (2) new combinations of service modes to serve a wide clientele, (3) centralization of the fare/billing system, and (4) revised fare structure, evaluation of expanded system, and training and marketing programs.

In the spring of 1972, the Lower Naugatuck Valley Community Council applied to HEW's Social and Rehabilitation Service for a grant for funds to provide transportation assistance to clients, coordinate human services, and study the impact of transportation on health services. Additional funding was provided for the project by the Administration on Aging under title IV of the Older Americans Act for fiscal years 1974 through 1976. The title IV funds terminated on October 31, 1976.

In June 1974 VTD was awarded a section 3 capital grant to purchase vehicles and other equipment to continue and expand its transit service.

In 1975 the State of Connecticut began to provide operating subsidies to VTD.

OTHER FEDERALLY FUNDED TRANSPORTATION IN THE AREA

We identified 13 valley health and social agencies which received Federal funds and provided transportation. Ten of these agencies used VTD, but three do not use VTD exclusively. A drug rehabilitation center which did not use VTD at all indicated that it had to travel outside the Valley, and VTD could not provide that service. A second nonuser, a nursing home in Derby, said that when it needed to transport a client it contacted the State Welfare Department which leased a taxicab. The third nonuser, a day care center, formerly used VTD but found other means of transporting clients because it believed that VTD was too costly.

One of the three agencies, a center for retarded children and adults, used VTD, but not exclusively, for about 95 percent of its transportation. The center had two vans which picked up clients outside the Valley. A second nonexclusive user, an alcoholism service center, needed transportation during the hours VTD did not operate, but it used VTD when it could. The third agency, a boys' club which received a transportation subsidy from the community council required transportation outside the valley.

PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

We contacted Federal, State, and local social service officials. They could not identify any Federal restrictions to coordination. However, we identified other problems relating to the efficient coordination of the Valley's social service transportation.

State problems

In March 1974 the Connecticut Public Utilities Commission forbade VTD to operate outside the Valley. This ruling came during the energy crisis when VTD was providing shuttle service for valley workers to industrial facilities outside the Valley. The ruling also kept VTD from providing certain charter operations.

The commission's ruling terminated service to valley residents needing special medical services not available in the Valley. For example, valley residents were unable to use VTD to visit agencies, such as Bridgeport Cerebral Palsy. Because they could not use VTD, Shelton residents contributed to Cerebral Palsy's planning for its own specialized transportation service. A drug rehabilitation agency located in the Valley needed to transport clients daily to a New Haven hospital for methadone treatment. As New Haven is not in the Valley, the drug rehabilitation agency could not use VTD and was therefore leasing vehicles. In addition, residents in towns outside the Valley could not use VTD to go to human services facilities in the Valley.

At the time of our review, VTD stated that it planned to sue the commission if it was unable to resolve this problem through negotiation with the commission or by State legislative action. In commenting on the report, however, VTD's director advised that the commission, effective March 1, 1977, awarded temporary authority to the district to transport elderly and handicapped passengers to health and social

services outside the Valley. This authority was made permanent effective June 30, 1977.

Local problems

A State official noted that agencies tend to protect their own interests and tend to be reluctant to share with each other. Some agencies preferred the flexibility of having their own vehicles. He believed that joint Federal, State, and local agreements on what agencies would receive Federal transportation funds would motivate people and agencies to work together in meeting transportation needs.

Another local problem occurred when the community council sought title III funds to replace and expand services made possible by the HEW demonstration funds that were to be terminated in 1976. The community council was informed by the Area Agency on Aging that title III funds could not be used to replace existing funding for services--they could be used only to expand existing services or create new ones. The community council sought assistance from the Connecticut Department on Aging which finally obtained a decision from the Administration on Aging in Washington, D.C., that demonstration funds did not constitute existing funding in the context of the title III regulation. With that problem resolved, the title III grant was ultimately approved.

A-95 CLEARINGHOUSE REVIEW PROCESS

An official of State Office of Intergovernmental Programs said that their A-95 review process was working well and that they had had excellent cooperation with A-95 coordinators of the various State departments and regional planning entities. He said that there had been no duplication of transportation services within the State.

PROJECT PLANS

VTD was planning to build a new garage and administrative facility at an existing train station in Derby. It had applied to UMTA for a section 3 grant for about \$375,000 to build the facility. This was part of a larger project to turn the old train station into a central transit site where several transit modes would converge and transfers would be feasible. The Valley Regional Planning Agency had applied for a \$60,000 UMTA planning grant to study the transfer system.

VTD was expanding its fleet of vehicles. As of July 1976 it was awaiting delivery of three new vehicles in late 1976 and was expecting to receive two vehicles in 1977.

As of July 1976 VTD's revenues were about 50 percent of its expenses. Under a State subsidy payment formula, VTD would break even if it could generate revenues equal to 60 percent of its expenses. If VTD could achieve this revenue/expense ratio, the State subsidy would be adequate to cover all of VTD's operating deficit.

Many valley human services agencies received transportation subsidies from the Health Transportation project. The project funding ended on October 31, 1976. The agencies were being encouraged to include estimated VTD charges in their budgets for periods after October 31. Additionally, the valley municipalities had budgeted funds for social service transportation. The community council had continued to seek grants and negotiate reimbursement contracts for Medicaid and title XX clients.

VTD planned to start transporting title XX clients in 1977 although specific details had not been worked out with the State at the time of our review.

OUR OBSERVATIONS

Through various programs, the Federal Government has provided substantial funds for social service transportation in the Valley.

VTD had successfully coordinated its program and had served many client groups because of the support it had received from about 20 social service agencies, the community council, and the Valley Regional Planning Agency. If VTD is able to obtain authority to operate out of the Valley and to convince the remaining human services agencies to use its services, it may be able to develop a fully integrated system.

FEDERALLY FUNDED TRANSPORTATION IN

WASHINGTON COUNTY, OREGON

As of June 1976 there were 13 organizations and agencies that arranged transportation in Washington County. Although officials from these organizations and agencies that provide or purchase transportation services were unaware of any Federal, State, or local restrictions that prevented coordination of their services, in most cases, they operated independently of each other and with little coordination. These officials offered a variety of reasons why more coordination had not taken place. Several officials believed that coordination of their transportation services with other organizations was not feasible or it would result in less service to their clients.

Although there was no single coordinated transportation system in Washington County, attempts were being made to coordinate some services. The major provider of transportation in the county was exploring various methods for coordinating the funding and operation of special transportation services. Also, a special transportation provider in western Washington County was testing the feasibility of using demand-responsive vans to provide public transit for senior citizens and the handicapped in rural areas. In addition, another provider planned to start a single, centralized, radio-dispatched special transportation system for the elderly and handicapped in the eastern part of the county.

DESCRIPTION OF THE TRANSPORTATION SYSTEMS

Within Washington County, Oregon, there were four transportation systems that received Federal transportation funds. Titles III and VII funds from HEW and section 3 and 5 funds from UMTA were the primary sources of Federal funds for these systems. From January through June 1976, these four transportation providers carried over 2 million passengers. Most of the passengers were carried by the public transit system.

In addition to these transportation providers, we identified nine organizations that either provided or purchased rides in Washington County with Federal funds. The majority of the Federal funds were provided by titles XIX and XX, the Vocational Rehabilitation Program, and the Community Action Program.

Area where the systems operate

The 720 square mile land area of Washington County, Oregon, is divided into three population areas: eastern, central, and western. The eastern part of the county encompasses the rapidly urbanizing cities of Beaverton and Tigard and borders on the city of Portland; the central part is still a rural area but is increasing in population. This area includes the cities of Forest Grove and Hillsboro. The western part constitutes more than half of the county land area and is largely uninhabited forests. A map of Washington County is shown on the following page.

In June 1976, 7.2 percent of Washington County's work force was unemployed. Much of the eastern part of the county's work force was employed primarily in Portland. In the areas immediately surrounding the cities of Forest Grove, Cornelius, and Hillsboro, much of the rural area is farmland; however, the number of Washington County farms has steadily decreased.

Although the central and western parts of the county have grown rapidly since 1970, they continue to be far less populated than the urbanized eastern parts. As of July 1974 Washington County had a population of 189,400, with 128,792 living in the eastern part of the county--an area comprising only one-fifth of the land area. In 1974, 30 percent of the population in western Washington County was low income, while only 6.3 percent of the total county population was low income.

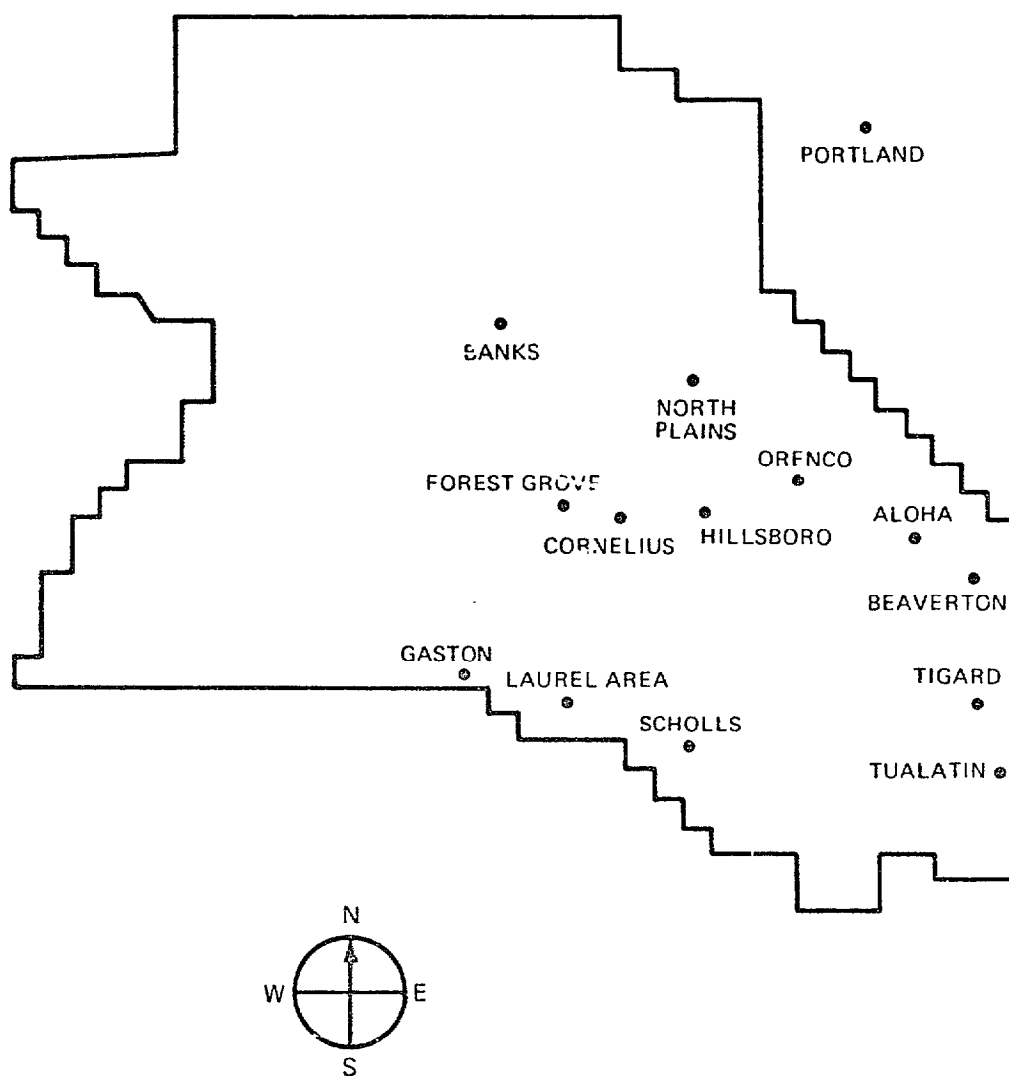
Washington County's 1975 elderly (over 60 years old) represented about 11 percent of the population. The highest concentration of elderly was in the Hillsboro, Cornelius, and Forest Grove areas.

Operations and funding of the four transportation systems

The Tri-County Metropolitan Transportation District of Oregon (Tri-Met), a public transit system which operated in the city of Portland and in two other Oregon counties besides Washington County, was the primary provider of transportation to the general public in Washington County. Tri-Met received Federal funding through various programs administered by UMTA.

The three remaining transportation systems in Washington County received Federal funds through titles III and VII, revenue sharing, and Tri-Met assistance; they provided transportation to the elderly and handicapped. These providers were the Forest Grove Senior Center, the Community

LOCATIONS IN WASHINGTON COUNTY, OREGON,
SERVED BY THE VARIOUS TRANSPORTATION SYSTEMS



Senior Center of Hillsboro, and the Special Mobility Services, Inc. Detailed information on each provider's transportation services and funding is discussed in the following sections.

Tri-Met

Tri-Met was created in 1969 by the Oregon State Legislature to provide a mass transit system in Clackamas, Multnomah, and Washington Counties.

The majority of services in Washington County were concentrated in the eastern part, which includes the cities of Tigard, Beaverton, and Tualatin. A single bus line provided service to the cities of Hillsboro and Forest Grove in central Washington County. No Tri-Met bus line operated west of Forest Grove.

During 1975 and 1976, Tri-Met operated a fleet of 431 buses on 52 routes in its service area. Most of the buses were climate controlled and averaged about 5-1/2 years old. Nine of the 52 routes served residents of Washington County.

Eight of these nine routes also provided service in areas outside of Washington County, and seven provided service to Portland, Oregon. One route in Beaverton provided weekday service only, and two other routes serving cities in eastern Washington County provided no Sunday service. The remaining six routes provided service 7 days a week. Until July, 1976, a flat fare of 35 cents was charged to riders in the tri-county area, except for a free fare zone in downtown Portland and lower fares that were available for students and elderly and handicapped persons. As of July 1976, the fare increased to 40 cents.

During calendar year 1975 the average cost for each vehicle-mile for the nine routes serving Washington County was \$1.26 and the average cost for each passenger trip (one way) ranged from \$0.84 to \$2.38. In May 1976 costs averaged \$1.46 for each vehicle-mile and ranged from \$0.90 to \$2.39 for each one way passenger trip. During 1975 the nine routes carried 3,146,320 passengers; during the first 5 months of 1976, they carried 2,111,524 passengers. From January 1975 through June 1976, Tri-Met received about \$4.2 million in Federal funds from UMTA for planning and research, capital acquisitions, and operating assistance.

In 1974 the Oregon State Legislature instructed Tri-Met to improve the accessibility of its system for the disabled,

physically handicapped, and aged persons as equipment became available from two or more manufacturers. Until special regular-sized buses for elderly and handicapped persons were available from at least two sources, Tri-Met explored other ways of providing accessibility for the elderly and handicapped. It developed a 3-year special transportation program in March 1975. This plan was composed of six parts--an urban demonstration project, an operating assistance program, a planning assistance program, a rural demonstration project, an honored citizen program, and a coordinated regional service program. The urban demonstration project and the coordinated regional service plan had not been implemented at the time of our review. Both are discussed on page 169 under future plans. The rural demonstration project, which was being carried out by the Forest Grove Senior Center, is discussed on page 160. The remaining three parts of the plan are discussed below.

In those areas of the Tri-Met district outside the city of Portland, Tri-Met provided limited financial operating assistance on a service contract basis to special transportation service groups which it considered to be effective. The purpose of the program was to maintain and improve services in these areas. The special transportation coordinator for Tri-Met advised us that each of three counties in the Tri-Met service area would receive about \$20,000 a year. In Washington County there were two contracts in effect, one with the Forest Grove Senior Center for \$1,000 a month and the other with the Hillsboro Senior Center for \$650 a month.

Tri-Met also offered technical planning assistance to private, nonprofit organizations that were applying for section 16(b)(2) funds administered by the State of Oregon. The special transportation coordinator for Tri-Met stated that the planning department was assisting a section 16(b)(2) applicant in Clackamas County to prepare a route service plan for its vehicles.

In addition, Tri-Met had continued and expanded programs to make service more accessible to the elderly and handicapped. For example, in 1975 Tri-Met started a Senior Escort Program using senior citizens to travel with elderly riders to teach them how to use the bus. Also, Tri-Met planned to provide sensitivity training for drivers to explain difficulties encountered by elderly and handicapped persons.

Special Mobility Services, Inc.

Special Mobility Services, Inc., provided transportation for title III and VII programs in the city of Portland and two title VII senior meals programs in eastern Washington County at Tigard and Beaverton. These transportation services were provided under an agreement with Loaves and Fishes, Inc., a private, nonprofit corporation established to provide nutritious hot meals for senior citizens in their own neighborhoods. Transportation assistance was also provided for shopping.

Loaves and Fishes was the title VII grantee for a four-county area, including Washington County, under a grant from the Oregon State Program on Aging. In addition, the Washington County Aging office provided Loaves and Fishes with title III funds for transportation services at the title VII meal sites in Hillsboro, Beaverton, and Tigard, Oregon.

The Director of Special Mobility Services stated that in June 1976 they were providing point-to-point, demand-responsive transportation for senior citizens at the two meal sites in Tigard and Beaverton 5 days a week, Monday through Friday, from 9:30 a.m. to 3 p.m. at Tigard, and from 8:30 a.m. to 3 p.m., at Beaverton. Each morning Special Mobility Services drivers contacted the centers to obtain the names, times, and addresses of individuals needing transportation that day. Each site established its geographic area of service, and in June 1976 they were offering rides to senior citizens living within their respective cities and the immediate vicinity.

Special Mobility Services used two 12-passenger vans and two drivers, one for each center, to provide transportation. The van used at the Tigard site was a Special Mobility Services van purchased with private funds. The one used at the Beaverton site was purchased in January 1974 by the Retired Seniors Volunteer Program with Federal funds and had been on loan to Special Mobility Services since October 1975. Initially, the Retired Seniors Volunteer Program charged Special Mobility Services 12 cents a mile for use of the van. However, starting in June 1976 the van had been furnished free of charge since Special Mobility Services agreed to pay all costs associated with operating it.

The Director of the Washington County Retired Seniors Volunteer Program said that because the van was not needed for its program, it was loaned to Special Mobility Services to provide transportation to seniors at the Beaverton site.

From January through June 1976, Special Mobility Services provided 2,273 one-way rides at Tigard and 2,181 one-way rides at Beaverton. No fares were charged for the rides; however, the Beaverton site did request donations on a pay-as-you-can basis, with moneys going into the Loaves and Fishes operation at the center.

Special Mobility Services charged Loaves and Fishes \$6,445 for transportation at the Tigard meal sites between March 1975 and June 1976 and \$2,275 for transportation at the Beaverton meal site between October 1975 and June 1976.

The Loaves and Fishes accountant said that they did not account by county for Federal funds spent for transportation. However, for fiscal year 1976 they did budget \$3,196 in title III funds for operations at Tigard and Beaverton and \$54,149 in title VII funds for operations in Washington County and the city of Portland under their contract with Special Mobility Services.

The Director of Special Mobility Services advised us that since early 1975, they had planned to operate a single, centralized radio-dispatched transportation system for the service centers at Hillsboro, Tigard, and Beaverton. Also, the Forest Grove Senior Center planned to participate in the radio-dispatched portion of the system, but it would continue to operate its own vehicles. In addition, after the system was operational, other transportation purchasers, such as the Welfare Department, were to be contacted to see if they would pay for their clients to use the system.

An approved UMTA section 16(b)(2) grant application was to be used to purchase the base radio station, nine mobile radios, and three additional vehicles with wheelchair lifts. The start of the system was dependent on the receipt of the equipment.

An official of the Oregon State agency responsible for administering the section 16(b)(2) program told us that delivery of the vehicles had been delayed until about October 1976 because of delays encountered in determining whether the State of Oregon could legally purchase the vehicles and retain title as suggested by the Federal regulations. By the time this matter had been resolved, the manufacturer had stopped delivery of the 1976 models, and the State had to wait for the new price lists to be issued. The vehicles were delivered in October 1976 and put into service. The radio equipment had not been delivered because Special Mobility Services

delayed submitting equipment specifications and because of technical problems with the choice of radio equipment and Federal radio licensing regulations. No final delivery date had been set, although all paperwork had been submitted by the State to UMTA.

Forest Grove Senior Center

Forest Grove Senior Center officials stated that in June 1976 the center was operating a point-to-point, demand-responsive transportation system funded in part with Federal funds for senior citizens 50 years of age or older and handicapped persons of any age living in the western and central parts of Washington County, including the cities of Forest Grove, Gaston, Cornelius, and Banks. Transportation was also provided for medical appointments in Portland.

In addition, transportation was provided to the handicapped clients of the Tualatin Valley Workshop in Aloha, Oregon, which is in the eastern part of Washington County between Beaverton and Hillsboro. The director of the workshop told us that he wanted to get out of the transportation business, and the Forest Grove Senior Center was willing to transport the workshop clients.

The center and the workshop had the following understanding:

- The workshop would (1) supply the van, (2) sell gasoline at its cost to the center, and (3) collect various fees from its clients for transportation and forward the fees to the center.
- The center would (1) provide all transportation required by the workshop clients, (2) maintain the van, and (3) provide insurance for the van.

Five vehicles were used for transportation, 7 days a week, 9 a.m. to 4 p.m. The center operated a demand-responsive service that did not require advance notice except on weekends. During calendar year 1975, the center provided 22,124 one-way rides to 863 participants. No fares were charged for the rides, but a donation was suggested. Also, an annual membership, which entitled the member to ride on the bus at any time, could be purchased for \$8 a year.

As of June 1976, the center was using three vans and two privately owned cars to provide rides. One of the vans was purchased with title III and local funds; the second was purchased with only local funds, and the third was loaned. The owners of the cars served as drivers and were reimbursed for mileage.

Tri-Met, title III, and donations provided the majority of the center's operating funds for transportation. During 1975 and the first 6 months of 1976, the center reported the following resources for transportation:

<u>Categories</u>	<u>Calendar year 1975</u>	<u>January to June 1976</u>
Resources:		
Beginning cash balance	\$ 616	\$ 273
Washington County (title III)	508	3,560
State of Oregon (first aid training)	148	-
Washington County (revenue sharing funds)	1,500	-
City of Cornelius (revenue sharing funds)	500	-
City of Gaston (revenue sharing funds)	200	-
City of Banks (non-Federal funds)	-	250
Tri-Met (financial assistance, see p. 155)	10,000	6,000
Donations:		
Organizations and individuals	2,584	772
Transportation users	4,249	1,326
Fund raising	949	511
Miscellaneous	450	-
Tualatin Valley Workshop	-	717
Total cash available	\$21,704	\$13,409
Noncash revenue:		
Employment salaries paid by CETA	3,915	6,264
Total resources	\$25,619	\$19,673

The Forest Grove Senior Center transportation coordinator stated that for accountability of funds, they provided monthly financial statements, including data on total rides and vehicle-mileage, to Washington County, Tri-Met, and the cities of Cornelius, Banks, and Gaston. In addition, they submitted quarterly narrative reports on the system's operations.

The transportation coordinator said that in July 1976, the center started operating a section 147, Rural Demonstration Grant, to test the feasibility of using vans to provide a demand-responsive feeder system in rural areas not currently served by Tri-Met bus lines. The system connected to the regular Tri-Met system and served all residents in western Washington County. Service to the elderly and handicapped was to be provided through transfer connections to the coordinated transportation system being planned by Special Mobility Services.

This demonstration project was one of the elements in Tri-Met's six-part plan for providing increased service to elderly and handicapped persons. We were also told that the Senior Center and Tri-Met worked together on the grant application and that Tri-Met would act in an advisory capacity and offer route planning assistance as required. Under the grant agreement, the Federal Highway Administration, Department of Transportation, was to provide \$92,360; Tri-Met and the senior center were to provide the local match of \$40,000 and \$10,700, respectively, over a 2-year period.

Community Senior Center of Hillsboro

The Community Senior Center of Hillsboro in Hillsboro provided hot meals as a neighborhood center of Loaves and Fishes, Inc., and an information referral system for senior citizens. The Senior Center also operated a point-to-point, demand-responsive transportation system for senior citizens 60 years of age and older and the handicapped of any age, in the central part of Washington County. Rides were provided for such purposes as meals, medical, and shopping. The bulk of the system's funding came from Tri-Met, the city of Hillsboro, and title III through Loaves and Fishes, Inc.

Rides were provided 5 days a week, Monday through Friday, from 8 a.m. to 5 p.m., in the Hillsboro, Orenco, and Aloha areas. In addition, on Tuesday, rides were provided in the North Plains area, and Monday and Thursday, rides were given to people living in the Scholls and Laurel areas.

The director of Senior Center advised us that to the west their service generally went up to the city limits of Cornelius, which was served by the Forest Grove Senior Center. However, if service were needed beyond this point, they would provide it. To the east, they picked up people up to the dividing line between the Hillsboro and Beaverton transportation services.

The Senior Center director also told us that they went into Forest Grove to pick up wheelchair clients, since the Forest Grove Senior Center vans did not have wheelchair lifts. In addition, they would transport people to Portland, Beaverton, and Forest Grove for medical appointments.

Phone service to request rides was available 9 a.m. to 4 p.m., Monday through Friday. One-day notice for rides was suggested, but if someone needed a ride immediately, the center would try to provide it. No fares were charged; however, rides were given on a "pay as you can" basis. From July 1975 through June 1976, the center provided 17,250 one-way rides.

The director of the center stated that in June 1976 it was using two vehicles--a van donated by a local service organization and a bus purchased with title III and local funds--to provide the transportation services. The bus was equipped with a hydraulic lift for wheelchairs and had space to carry two passengers in wheelchairs.

During the 12-month period ending June 30, 1976, the Hillsboro transportation system reported the following resources.

<u>Resources</u>	<u>July 1975- June 1976</u>
Beginning cash balance	\$ 5,657
Loaves and Fishes (title III)	509
City of Hillsboro (Federal revenue sharing funds)	5,000
Tri-Met (financial assistance, see p. 155)	7,800
Fares	2,863
Donations	<u>362</u>
Total funds available	<u>\$22,191</u>

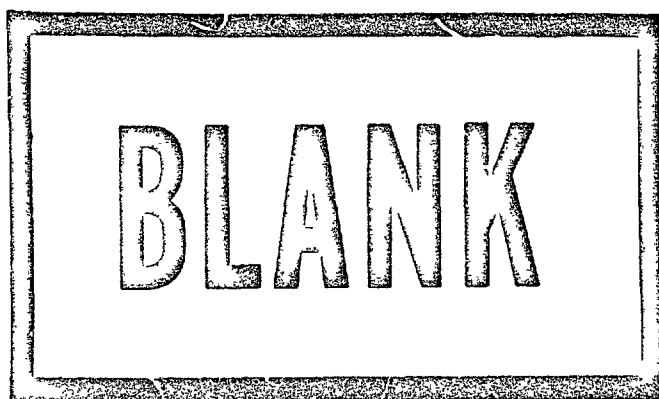
The accountant for Loaves and Fishes told us that the above costs reported by Hillsboro for 1976 did not include \$3,302 in title III funds and about \$4,575 in title VII funds used by Loaves and Fishes to pay some of Hillsboro's transportation costs. Also, about \$2,855 in title VII funds was budgeted in 1976 to pay the Hillsboro transportation system's share of Loaves and Fishes administration costs.

Operations and funding of organizations
providing or purchasing transportation

In addition to the four transportation systems in Washington County, there were nine organizations that received Federal funds during the 18-month period ending June 30, 1976, to provide rides for their clients. Of these nine organizations, six were private, nonprofit corporations and the remaining three were Oregon State agencies. None of the organizations was charging a fare for transportation and only the clients of each individual organization were being served. The transportation providers were

- Washington County Community Action Organization, Inc.;
- Edwards Activity Center;
- St. Mary's Home for Boys;
- Centro Cultural;
- West Tuality Day Care, Inc.;
- Washington County Child Development Commission;
- State Vocational Rehabilitation Division, Department of Human Resources;
- State Public Welfare Division, Department of Human Resources; and
- State Children's Services Division, Department of Human Resources.

Detailed information on the operation of the transportation service provided or purchased by these organizations is shown in the following charts. This information was given to us by appropriate agency officials and no verification of the cost data was made.



<u>Organization: program name</u>	<u>Geographical area served</u>	<u>Transportation service to</u>	<u>Owned v as o</u>
Washington County Community Action Organization Inc.: Head Start program	Hillsboro, Forest Grove Beaverton, and other rural communities in the county	School, to take children and their parents to and from a Head Start center, 4 days a week, 9 months each year. The service was provided from 7:45 a.m. to 9 a.m. and 12:15 p.m. to 1:14 p.m.	2
Edwards Activity Center	Washington County	Activities which enable individuals to learn how to function on their own in the community. Transportation was not provided from home to the center or vice versa.	2
St. Mary's Home For Boys	A 10-mile radius from the center in Beaverton with occasional trips to Sale and Portland.	Allow the boys to go home on the week- ends, and go to and from medical and dental facili- ties, and other locations as required.	2 d/2
Centro Cultural	The communi- ties of Cornelius, North Plains, Hillsboro, and Gaston	And from meal sites 5 days a week, 6 hours each day for senior citizens.	1
West Tuality Day Care, Inc.	Washington County	And from public school, 5 days a week during the school year and on field trips for kindergarten aged children.	1 e/1 d/1
Washington County Child Development Commission: Summer Migrant Day Care Pro- gram (note f)	About a 30- mile radius from the cen- ter of Hillsboro	Transport chil- dren of mobile migrant and seasonal workers between migrant camps and the day care center, 5 days a week, 6 a.m. to 7 a.m. and 3 p.m. to 5 p.m. for the summer months. School buses were used part of the sum- mer and two Head Start vans and one van from West Tuality Day Care, Inc., were used for 1 month during Aug. and Sept. 1976.	Bo nt za vel

<u>Cost of transportation</u>	<u>Federal sources of funds for transportation</u>	<u>One-way passenger trips</u>	<u>Vehicle miles</u>
\$12,242 (for the 17-month period ending May 31, 1976)	Head Start	13,524 (for the 17-month period ending May 31, 1976)	31,700 (for the 17- month period ending May 31, 1976)
b/\$3,758 (for the 18-month period ending June 30, 1976)	Washington County Revenue Sharing The Vocational Rehabilitation Program The Developmental Disabilities Program Title XX	Not available	29,850 (for the 18- month period ending June 30, 1976)
b,c/\$11,303 (for the 18-month period ending June 30, 1976)	Titles IV and XX of the Social Security Act, as amended	Not available	Not available
b/\$1,587 (for the 6-month period ending June 30, 1976)	Title VII	Not available	Not available
b/\$4,700 (for the 18-month period ending June 30, 1976)	Titles IV and XX of the Social Security Act Washington County revenue sharing CETA	Not available	Not available
b/\$3,356 (for the 1-month period ending Sept. 1, 1976)	Head Start, title XX	4,048 (for the 1-month period ending Sept. 1, 1976)	6,398 (for the 1- month period ending Sept. 1, 1976)

Organization: <u>program name</u>	Geographical <u>area served</u>	Transportation <u>service to</u>	Own- <u>as</u>
State Vocational Rehabilitation Division	Washington County	Vocational rehabilitation clients to and from training facilities. Tri- Met tickets were purchased or the clients used pri- vately owned vehicles.	C) pu pe pi ve
State Public Welfare Division: Medical Assistance Program (title XIX)	Washington County	And from medical facilities for Medicaid recipients.	C) pi
Volunteer Program	Washington County	Provide medical and social ser- vices for clients of the State Pub- lic Welfare Divi- sion and the Children's Services Division. Service was provided 5 days a week, 8 a.m. to 5 p.m.	St ai oi
State Children's Services Division: Social Services	Washington County	Service providers as required in the case work plan. The service was 5 days a week, 9 a.m. to 4 p.m.	St pi ve

a/The organization did not allocate transportation cost among spe-
Federal funding sources or between Federal and non-Federal sources.

b/Does not include the cost for drivers.

c/Does not include insurance for vehicles owned by the home.

d/The funds received by West Valley Day Care, Inc., from the Chi-
Coordination Council to purchase this vehicle was a combination
Federal and non-Federal funds.

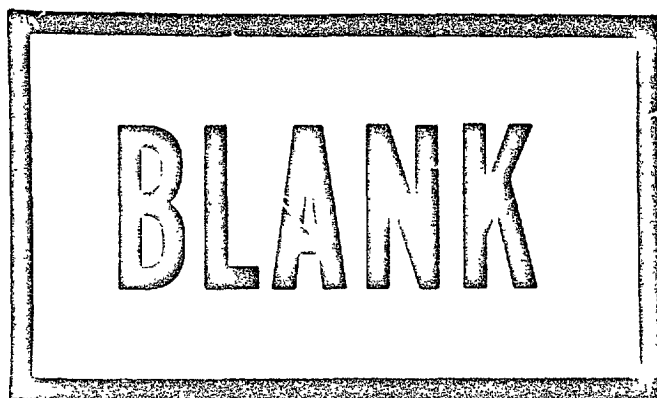
e/The cost allocation between Federal and non-Federal sources of
was not maintained.

f/This summer program operated for the first time in 1976.

g/Cost is only the amount paid to the volunteers when privately
owned vehicles were used.

h/Does not include any cost for the operation of the State-owned
vehicles.

<u>Cost of transportation</u>	<u>Federal sources of funds for transportation</u>	<u>One-way passenger trips</u>	<u>Vehicle miles</u>
a/\$56,822 (for the 18-month period ending June 30, 1976)	Vocational Rehabi- litation Program Title II, section 222 and title XVI of the Social Se- curity Act, as amended	Not available	Not available
\$18,612 (for the period ending May 31, 1976)	Medicaid	Not available	Not available
/ \$297 (for the 18-month period ending June 30, 1976)	Medicaid, title XX	Not available	Not available
1/\$901 (for the 18-month period ending June 30, 1976)	Title XX	Not available	Not available



PROBLEMS IN COORDINATING TRANSPORTATION RESOURCES

Federal and State officials responsible for administering Federal programs providing transportation in Washington County were unaware of any Federal, State, or local restrictions to coordinating transportation services. Also, officials from the 13 organizations and agencies that provided or purchased transportation were unaware of any Federal, State, or local restrictions preventing coordination of their transportation services. Several programs were coordinating their services; however, in most cases the programs operated independently of each other and with little coordination.

Officials from the four transportation systems stated that they had coordinated or were planning to coordinate their services with each other and with other programs. The Director of Special Mobility Services said that the real problems to coordinating transportation services were (1) Federal agencies did not require coordination of their transportation programs, (2) some agencies, such as public welfare, did not know how much money they were spending on transportation, and (3, in many cases, agencies were not sure how much money would be available for transportation until after the fiscal year started, making it difficult to budget a coordinated operation.

Officials from the remaining nine organizations that were providing or purchasing transportation offered a variety of reasons why more coordination had not taken place. For example, the Director of the Head Start program stated he was reluctant to let other programs use the vehicles because of additional wear and tear and the uncertainty of funds in later years to replace the vehicles. He said also that if different programs needed vehicles during the same time of day, coordination would be limited. The Head Start program's routes changed frequently, which made coordination difficult. During the summer vehicle insurance was canceled. Other programs which wanted to use the vehicles during this time may not have had the funds to pay the insurance cost.

Staff at the Edwards Activities Center said that the center needed to continue using its own vehicles because the vehicles were needed to provide emergency transportation for the center's clients.

At St. Mary's Home for Boys we were told that coordination was not feasible because direct supervision of the boys was required while they were being transported and at their destination. Other transportation providers could not provide this service.

Staff at Centro Cultural believed that because their clients were the Spanish-speaking population, other programs would not want to provide transportation for them.

West Tuality Day Care, Inc., staff was told by the Washington County Senior Program that the age restriction in the title III program prevented them from providing transportation to the day care center. Also, the Forest Grove Public School District refused to provide transportation to the day care center because the children would have to be picked up at the center. Legally, the district's transportation contractor did not have to pick up children unless they were at the corner of the block where they lived.

A-95 CLEARINGHOUSE REVIEW PROCESS

The A-95 process in Oregon was carried out by the Intergovernmental Relations Division at the State level and by district clearinghouses at the local level.

The district clearinghouse for Washington County was the Columbia Region Association of Governments. Clackamas and Multnomah Counties were also included in this district.

State officials said that when an application was received they determined which State agencies should review the application and make comments. They also said that although the A-95 process could identify duplication of services, including transportation, it could not always eliminate such duplication.

For example, on a proposed special transportation project in the Portland area, the Oregon State Mass Transit Division commented that there could be duplication of existing services. A meeting was then held with the proposed project grantee and State officials to resolve the problem. As a result, the State clearinghouse recommended Federal approval of the project if certain conditions designed to eliminate duplication in transportation services were included in the project agreement. However, an official of the Mass Transit Division stated that the grantee went ahead with its original plans and no coordination of transportation services took place. An official from the grantee organization advised us that it was unsuccessful in its effort to coordinate transportation services.

A district clearinghouse official advised us that as part of the A-95 process, one of the things they checked for in proposed projects was the coordination of transportation

services. However, this was very difficult to do since a complete listing of special transportation providers did not exist. To overcome this problem, the clearinghouse began developing a regional special transportation plan which would identify special transportation providers in its district and show what special transportation services were needed.

PROJECT PLANS FOR THE SYSTEMS

Special Mobility Services and the senior centers in Hillsboro, Tigard, and Beaverton were planning to operate a single, centralized radio-dispatched transportation system in central and eastern Washington County, as discussed on page 157. Start of the system was dependent on receipt of the radio equipment being funded by an approved grant from UMTA.

Tri-Met, with the cooperation of the city of Portland's Bureau of Human Resources, planned to demonstrate the viability of transit company-operated, demand-responsive special transportation in a medium-sized urban area of approximately 400,000 people. Although this project was not in Washington County, it illustrates an effort by Tri-Met to coordinate transportation services for the elderly and handicapped.

The Tri-Met project planned to use Dial-A-Bus (taxi-type service) and subscription service to provide transportation to those handicapped and elderly persons who were physically or mentally unable to use the regular transit system. An additional aspect of the demonstration project was to be a computerized billing system for social service agencies whose clients use the special transportation service. The billing system would provide detailed data on the major patterns and travel desires of elderly and handicapped persons.

In July 1975 UMTA approved Tri-Met applications for a section 6 demonstration grant to carry out this project, and Tri-Met started project planning in October 1975. The project was scheduled to start in July 1976; however, delays in equipment delivery postponed the start of the project until early 1977. The project was one of the elements in Tri-Met's six-part plan for increased service to the elderly and handicapped, as discussed on pages 154 and 155.

The final part of the plan was to be an evaluation of the first five parts to determine the best method for coordinating the funds and operations of special transportation programs throughout Tri-Met's entire service district. This evaluation was scheduled for 1978.

OUR OBSERVATIONS

We believe that future coordination of transportation services in Washington County is dependent on the success or failure of Tri-Met's six-part plan. If the plan is successful in providing services to the elderly and handicapped, including social program clients in the city of Portland, it seems likely that this service will be continued and expanded within all of the Tri-Met district, including Washington County.

While Special Mobility Services was planning a single, coordinated system in central and eastern Washington County, we believe that only Tri-Met has sufficient funding and expertise to operate a countywide coordinated transportation system.