

**CHAPTER TEN:  
SPECIALIZED TRANSPORTATION  
– THE COORDINATED PLAN**



# **Specialized Transportation**

## **Introduction**

A major component of the 2007-2011 Metro Transit plan is the specialized transportation plan. The specialized transportation component is made up of three specific sub-elements: 1) Job Access Transportation; 2) Human Service Transportation; and 3) Senior Transportation. The job access and human service elements will come together to form a consolidated set of transportation barriers and project concepts. As will be discussed, the human service and job access elements will dwindle down to coordination and cooperation among a handful of existing transportation providers and service agencies. The senior transportation element will look to blend existing service providers into a more consolidated operation to provide a seamless transportation program for metro area seniors. When complete, the Specialized Transportation Plan will detail a web of potential service agreements and operational strategies that aim to coordinate the myriad of unique transportation needs.

The preparation of the Specialized Transportation Plan is aided by the 2003 Metropolitan Access to Jobs Plan and the organizational and operational framework it put in place for metro area agencies concerned with issues of job and employment related transportation. A primary outgrowth of the 2003 plan is the Metropolitan Transportation Initiative (MTI) and the Regional Transportation Coordinator (RTC).

MTI consists of metro area human and social service providers, public and non-profit transportation providers, and state and federal agencies. At the direction of MTI, Metro COG hired the RTC to act as the regional liaison between transportation providers and human and social service providers in an effort to better coordinate existing and future employment related transportation plans and programs in the metro area. Through MTI Metro COG has awarded almost \$300,000 in Job Access Reverse Commute (JARC) dollars to address the transportation barriers identified in the 2003 Access to Jobs Plan. The implementation of these JARC dollars over the past two years has educated metro area agencies, transportation providers, and Metro COG on how to best deliver a coordinated transportation product that can most efficiently address the greatest number of transportation barriers of the metro population.

To date, the primary strategy embraced by MTI and Metro COG for addressing job related transportation needs is Handi-Wheels Transportation. By integrating JARC dollars into the Handi-Wheels budget, matched with eligible, local, state, and federal sources, Handi-wheels is able to offer \$2.00 rides for employment related activities. The partnership between Metro COG and Handi-Wheels has allowed the metro community to begin to address several of the major job access barriers identified in the 2003 Plan, among them access to the Fargo Industrial Park, third shift transportation, childcare transportation, and a host of employment related training and educational opportunities. Additionally, the partnership with Handi-Wheels has allowed Metro COG to use JARC dollars to build the capacity of existing public transportation infrastructure, in coordination with other providers such as Metro Area Transit, freeing Metro Area Transit

to focus on the delivery of dedicated fixed route transportation and demand response ADA Paratransit. The complimentary relationship between Metro Area Transit and Handi-Wheels Transportation is likely to grow per the implementation strategies developed in the 2007-2011 Metro Transit Plan.

The 2007-2011 Metro Transportation Plan recognizes and prioritizes Handi-Wheels Transportation as the metro areas primary strategy to address *niche level* job access transportation. However, the 2007-2011 Metro Transit Plan also broadens its scope to address issues related to human service transportation, too. Based on the inventory of the existing condition in the metro area, human service transportation has been primarily classified to cover Medicaid funded transportation for day training and habilitation (DTH) activities.

Metro COG did award JARC funds to Heartland Industries and Clay County Rural Transit (CCRT) in 2005 to assist in the provision of DTH transportation for the clients of Heartland Industries through a coordinated contract with CCRT. This experience has been a learning endeavor and sets the stage for broader coordination among multiple agencies using Medicaid dollars to provide DTH transportation. There are other nuances of non-emergency Medicaid transportation that offer opportunities for coordination, these areas will be identified as next step studies and collaborative investigations in the years following the adoption of the 2007-2011 Metro Transit Plan.

The 2007-2011 Metro Transit Plan is the framework for the creation of regional consolidation of Medicaid providers in the metro area, based on the county-wide or metro-wide model. Given the bi-state dynamic of the metro area, plus the findings of the existing condition scan, Metro COG will recommend a coordinated provider for each county, Cass and Clay. A major strategy of the human service element of the specialized transportation plan is the consolidation of Medicaid funded DTH transportation under two existing transportation providers, again one in each county. This is accomplished most efficiently through joint powers agreements/service agreements among existing service providers and transportation providers. On the Clay County side of the metro area the opportunity exists to create a joint maintenance and storage facility to act as the catalyst for greater coordination among human service and transportation providers in the metro area.

The human service component of the specialized transportation plan is essentially blended with the job access component to provide a consolidated set of *transportation barriers* and *project concepts*. The goal with the development of a consolidated set of transportation barriers and project concepts is to achieve the Federal requirement *to address the transportation needs of individuals with disabilities and low income individuals (in addition to the needs of the general public) through a coordinated transportation plan*. Through the human service and job access elements of the specialized transportation plan, the 2007-2011 Metro Transit Plan identifies a finite set of transportation providers who will be called upon to provide a *blended* set of transportation services targeted at meeting the lion's share of the transportation barriers identified by the 2007-2011 Metro Transit Plan. These blended strategies will be funded

in large part by matching existing local, state, and (eligible) federal funds with both JARC and New Freedom funds. *It is recognized that the implementation of the project concepts through the utilization of other existing transportation systems to provide niche and fringe area strategies, will dampen demand upon Metro Area Transit so they can continue to deliver both fixed route and ADA Paratransit in the most efficient manner possible.*

The third and final element of the specialized transportation plan of the 2007-2011 Metro Transit Plan is senior transportation. The senior transportation element examines the existing condition for senior transportation in the metro area and studies alternatives for providing a *coordinated senior transportation service* to the residents of the metro community. As with the job access and human service elements, the senior transportation element builds upon the services currently provided by existing transportation providers in the metro area, primarily Clay County Rural Transit (CCRT) and the Fargo Senior Commission (FSC). Considering the unique nature of senior transportation in the metro area, the senior component of the plan will be handled separately in Chapter 11.

### **Coordinated Plan**

With the passage of the Safe, Accountable, Flexible, Transportation Efficiency Act – A Legacy for Users (SAFTEA-LU) communities are encouraged to develop coordinated transportation plans that address the transportation needs of communities. If communities are desirous of spending Federal Transit Administration (FTA) Section 5310, 5316, or 5317 dollars, the coordinated plan is a requirement. The aim of the coordinated plan is to inventory community resources, identify community strategies to coordinate services, and to prioritize community-based projects that aim to efficiently address a communities transportation needs and resources in a coordinated manner. The Federal Government has created several new funding categories and rule changes to assist with the implementation of the coordinated plan. What follow's is a brief narrative of the various Federal Transit Administration (FTA) funding sources eligible for public transportation, and a brief overview of the rules changes that allow for increased coordination among transportation providers and service agencies.

### **Federal Funds Related to Public Transit**

#### **Section 5307 – Urbanized Area Funds**

Section 5307 funds are the funds used to operate and maintain the fixed route system in the Metro Area. For urbanized areas under 200,000 in population like the metro area, the funds are apportioned to the Governor of each state for distribution. These funds are received by the cities of Fargo and Moorhead through each states department of transportation. In Minnesota the state provides a large portion of the grant before it is distributed to the City of Moorhead. In North Dakota the funds are matched exclusively at the local level through the city's general fund.

Eligible purposes include planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs.

A change in 5307 rules allows for revenue from service agreements to be excluded from fare box revenue. Essentially fixed route transit providers can use revenue from agreements with agencies (E.g. U-Pass) as the match on Section 5307 funds. This change is intended to increase client transit access by encouraging social service agencies to sign agreements with the transit provider instead of purchasing individual passes.

### **Section 5310 – Elderly, Handicapped, and Disabled**

The Section 5310 program provides formula funding to States for the purpose of assisting private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. Funds are apportioned based on each State's share of population for these groups.

The State agency ensures that local applicants and project activities are eligible and in compliance with Federal requirements, that private not-for-profit transportation providers have an opportunity to participate as feasible, and that the program provides for as much coordination of federally assisted transportation services, assisted by other Federal sources. Projects must be included in a locally-developed human service transportation coordinated plan beginning in FY 2007.

In Minnesota 5310 program funds are used in rural and urbanized areas. In North Dakota 5310 is not used inside of urbanized areas. The North Dakota Section 5310 program is used in rural areas combined with the Section 5311 program, which is a purely rural program. Under SAFETEA-LU beginning in 2007, Section 5310 projects must come out of a locally developed coordinated plan. This will mainly affect Section 5310 applicants on the Minnesota side. This change will seek coordinated applications from multiple agencies. There is also a provision in Section 5310 that allows an applicant to request 5310 funds for the purchase of a service agreement; this will allow agencies to use Section 5310 to buy service from a transit provider as opposed to buying a vehicle to independently operate service.

### **Section 5311 – Non-Urban Area**

This program provides formula funding to states for the purpose of supporting public transportation in areas of less than 50,000 population (non-urbanized). It is apportioned based on each State's non-urbanized population. Funding may be used for capital, operating, State administration, and project administration expenses, and must provide

for maximum feasible coordination with transportation services assisted by other Federal sources. Section 5311 operators in Minnesota may use other non-federal funding sources (Medicaid, TANF) as local match.

### **Section 5316 - Job Access Reverse Commute (JARC)**

The Section 5316 program is aimed at improving access to employment and training opportunities for low income individuals. JARC funds can be matched with Federal non-DOT sources (Medicaid, TANF, CSBG, CDBG, etc). Section 5316 changed to a formula program from a discretionary program in SAFTEA-LU. Formula allocations are based on the number of low-income persons and apportionments are made to states. Projects must be included in locally-developed human service transportation coordinated plan beginning in FY 2007.

### **Section 5317 - New Freedom**

The Section 5317 program is a new formula program aimed at increasing transportation beyond that required by ADA. Section 5317 funds can be matched with Federal non-DOT sources (Medicaid, TANF, CSBG, CDBG, etc). Section 5317 funds are allocated to states through a formula based upon population of persons with disabilities. States and designated recipients must select grantees competitively. Matching share requirements are flexible to encourage coordination with other federal programs that may provide transportation, such as Health and Human Services or Agriculture. Projects must be included in a locally-developed human service transportation coordinated plan beginning in FY 2007. Ten percent of funds may be used for planning, administration and technical assistance, at 100% federal share.

### **Transportation Network – Directory of Services**

What follow is a list of transportation providers in the metro area and a listing of the services they provide as well as their primary funding sources. This is a comprehensive list as documented by Metro COG's Directory of Special Transportation Services, which is updated annually. Metro COG has prepared the annual directory since 1978 and it is used by area transportation providers and service agencies. The creation of directory of transportation services has been inferred in the SATEA-LU legislation and Metro COG will continue its annual publication.

<b>Matrix of Services &amp; Funding Sources</b>
MD: Medicaid directly billed through State
Federal Transit: 5307, 5310, 5311, 5316, 5317**
OM: Funds transportation with Federal non-DOT funds
TPM: Medicaid paid as 3rd party from Medicaid provider
* Indicates services available to general public
** No entities receiving 5317 funding in the metro area; indicates entities eligible if projects were identified as part of a coordinated plan

Type of Provider	Funding Source							
	OM	5307	5311	5310	5316	5317**	MD	TPM
<b>Human Service/Job Access Transportation</b>								
Clay County Rural Transit *			X		X	X		X
Metro Area Transit Fixed Route *		X			X	X		X
Handi-Wheels Transportation *	X				X	X	X	
MAT Paratransit *						X		X
CCRI	X					X	X	
Heartland Industries	X					X	X	
Connections Inc.	X			X		X	X	
DWAC	X					X	X	
<b>Human Service Transportation/Non-Emergency Medical/General</b>								
Doyle Cab *						X		X
Lucky Seven Cab Service *						X		X
F-M Ambulance (MeritCare) *	X					X	X	
Medi-Van*	X					X	X	
Ready Wheels (MeritCare) *	X					X	X	
Bethany Homes	X					X	X	
Lakes & Prairies (Head Start)	X					X		
Elim Care Center	X					X	X	
Eventide	X					X	X	
Frasier, LTD	X					X	X	
Friendship, Inc.	X					X	X	
Frasier Child Care Center	X					X		
Any Time Transportation	X					X	X	
Dakota Clinic (Shuttle)	X					X		
SENDCAA	X					X		
Fargo Discount Taxi*						X		
						X		X
<b>Senior Only Provider</b>								
Fargo Senior Commission *	X		X	X		X		
Dilworth Senior Ride Service *								

## Survey of Existing Providers

In the November of 2005 Metro COG distributed a specialized transportation survey to existing transportation providers in the metro area. This survey was done in conjunction with the preparation of the *2006 Annual Directory of Special Transportation Services* that is prepared by Metro COG. The intent of the survey was to assess the following variables so as to get a sense as to where potential opportunities for coordination exist:

- Fleet Inventory
- Operational Costs
- Maintenance Costs
- Insurance Costs
- Storage costs
- Opportunities for coordination

Of the agencies surveyed the majority provide specialized services for elderly, disabled, and training/education. Many of the agencies surveyed serve multiple groups of clients; of the agencies surveyed the breakdown of services provided to certain groups is as follows:

- 77% Serve elderly persons
- 57% Serve individuals with developmental disabilities
- 77% Serve individuals with physical disabilities
- 70% Serve individuals on some form of economic assistance
- 60% Offer training and education services
- 43% offer services for children

The answers represent overlap in the services provided by these agencies. This overlap may be attributed to which state they operate in and the agencies mission. The similarities in populations that these agencies serve represent opportunities for agencies to coordinate transportation based on the fact that they aim to serve unique but similar populations using similar funds (E.g. Section 5310, Medicaid, TANF, etc).

One of the objectives of the inventory was to identify which agencies provide transportation with their own vehicles and those who purchase transportation from a separate provider or agency. Fifty-six (56) percent of agencies inventoried indicated they own or lease vehicles for the transportation of their clients. Of the providers that listed they own or lease a vehicle for transporting their clients an inventory of the vehicles was identified in the survey. The list includes over 110 separate vehicles operated by the various human service agencies. Of these agencies multiple Federal and state funding sources were identified to support the purchase and operation of the vehicles. The following list identifies funding sources:

- Medicaid
- Federal Transit Administration
- Minnesota Department of Transportation

- North Dakota Department of Transportation
- Per Diem Medicaid Waiver Payments (Minnesota)
- Department of Labor
- Title III Older Americans Act
- Private Grant Funds
- Department of Human Services Office of Refugee Resettlement
- Indirectly through government contracts with Department of Justice
- State of North Dakota Human Services (Medicaid, TANF)
- Local Tax Dollars

It is estimated over \$277,000 is spent on insurance and maintenance by agencies who own, operate, or lease vehicles. This is a significant amount of transportation specific expense incurred by agencies whose primary mission is *not* transportation. Further, these represent dollars that could potentially be consolidated or coordinated to provide a more robust specialized transportation program(s) to metro residents.

Organization	Vehicle	Willing to Coordinate	Maintenance & Insurance
Mujeres Unidas	1 van	Yes	\$600.00
Lutheran Social Services	1 van	Yes	\$20,000.00
Bethany	1 bus	No	\$5,000.00
Fargo Senior Commission	9 vehicles buses & vans	Yes	\$34,000.00
Vocational Training Center	2 vans	No	\$4,000.00
Connections of Moorhead Inc.	8 vehicles buses & vans	Yes	\$40,000.00
Elim Rehab Care Center	1 car, 1 van	No	\$2,600.00
Pioneer House Assisted Living	1 van	No	
Heritage Villa	Van	No	
Clay County Rural Transit	5 buses	Yes	\$44,000.00
Eventide Nursing Home	3 vehicles minivan, 2 buses	No	\$10,000.00
Ready Wheels	5 vans	No	\$14,500.00
Centre Inc.	2 vehicles	No	NA
Frasier Limited	14 vehicles 1989-2006	Yes	\$59,500.00
Productive Alternatives	2 vans	No	NA
Retired Senior Volunteer Program Southern Valley	Pay NDSU for Van Use	Yes	\$12,000.00
Cass County Social Services	5 cars 1997-2005	No	\$3,000.00
Heartland Industries	9 vehicles buses & vans	Yes	\$25,775.00
Handi-Wheels Inc.	6 vehicles, buses & vans	Yes	
CCRI Inc.	6 Vans	yes	NA
Lakes & Prairies CAP	5 buses	Yes	
Medi-Van	5 Vans	No	NA
SENDCAA	15 buses	Yes	
Sharehouse Inc.	2 vans	No	\$2,500.00
Waterford at Harwood Groves	1 bus	NA	
Red River Recovery	1 Van	no	NA
<b>Total</b>	<b>113 Vehicles</b>	<b>59%</b>	<b>277,475</b>

Identifying the basic services provided, their cost, and funding source uncovers opportunities for coordination. The survey asked social/human service providers who operate vehicles if they would be willing to coordinate with other agencies for transportation as their vehicles near replacement age. Fifty-eight percent of agencies currently providing transportation indicated they would be willing to explore opportunities to coordinate with other agencies. This response indicates a willingness to coordinate among area agencies; more work needs to be done to encourage and facilitate coordination.

The survey demonstrates the many transportation options available in the metro area. The fleet of vehicles identified is large and provides critical specialized transportation options to a host of user groups. Comparing the results of the 2007-2011 Metro Transit Plan specialized transportation survey to a similar survey conducted as part of the *1990 Metropolitan Elderly and Handicapped Needs Study* indicates there are several metro agencies no longer providing transportation. A major outgrowth of the 1990 study was the eventual creation of MAT Paratransit (May 1996), which once implemented removed the ADA transportation burden for many smaller metro area service agencies. The 2006 survey did reaffirm the need for more coordination in the metro area. The current state of specialized transportation in the metro does little to build the public transportation infrastructure, and likely defrays resources from existing providers. Identifying coordinated programs with public and non-profit transit providers will allow increased transportation options for the specialized users groups by building upon existing systems.

### **Full Cost Allocation & Public Transit**

When surveying the existing human service transportation environment in the metro area a major system inefficiency is immediately identified, the lack of *full cost allocation* to the public transportation system. The meaning behind full cost allocation is to provide the full cost of transportation to the public transit system for rides they provide an individual being served by another Federal or State program administered locally. Full cost allocation between other government programs and the transit system is not being practiced in the metro area. There is no way to mandate agencies whose clients use Metro Area Transit (MAT) to practice full cost allocation. The current practice of client dumping by local agencies is and will continue to have negative impacts on the public transit system, especially the paratransit system (see Appendix A – Paratransit Options Analysis). Not fully allocating the eligible transportation costs to MAT passes the cost of transportation onto the local general fund of metro area cities and counties.

There are many examples of this practice locally. One example is nursing homes. In Minnesota and North Dakota residents of nursing homes that have their stay paid by Medicaid are mandated to provide the needed *medical* transportation for the resident as part of the overall payment they receive for services. In the case of nursing homes, even if MAT becomes a Medicaid provider they will not be able to bill Medicaid for medical rides because the nursing home has already received Medicaid payment for that ride as part of their monthly fee. When a nursing home uses MAT Paratransit to provide

*Medicaid eligible* rides and only pays the \$2.00 fare, they are not allocating the amount of funds they receive from Medicaid to offset the true cost of MAT Paratransit. For example, a typical Paratransit ride costs MAT \$16.00. If the cost of a Medicaid eligible ride are not fully allocated MAT is left to cover the other \$14.00 of the ride. Seven dollars of the \$14.00 is covered by an FTA operating grant; the other \$7.00 is passed on to the local general fund. The Systems Analysis performed by *Pertee, Inc.* identifies that the current paratransit operating demand will result in a \$60,000 operating increase per year (50% of these costs must be covered by local general fund of the Cities of Fargo and Moorhead). With out full cost allocation, or other costs saving strategies, the MAT Paratransit budget will double by the year 2013. One way to assist in defraying these projected demands is to work with nursing homes (among others) to being to more fully allocate costs to MAT Paratransit. Appendix A more fully describes strategies by which to capture the true costs of operating MAT Paratransit.

The same practice goes on with social service agencies and other human service providers. If a per diem is received for a client to receive transportation and that per diem is \$100 per month (as an example) the agency should not just buy a \$35 bus pass. If the client can receive all of their transportation on the bus, the agency should pay Metro Area Transit \$100. When social service agencies use private providers like taxi cabs they fully allocate those costs to the taxi by paying the full fare.

Full cost allocation is not happening locally because the issue has never been explored in detail. Agencies likely pay the minimum required fare for clients because they have already allocated those funds in other areas like operations, or administration and believe public transit is intended to cheaply serve their needs. Ironically the agencies that do not practice full cost allocation are the same agencies that request more transit and paratransit service for their clients. One could argue based on the chart below that public transit should be dumping riders onto the human service transportation network as it is funded at a much higher level.

**Table 1: Estimated Spending on Transportation Services for the Transportation-Disadvantaged by Eight Federal Agencies in Fiscal Year 2001**

Agency	Amount spent on transportation (in millions)	Percent of total estimate	Number of programs included in estimate	Total number of programs that provide transportation
Department of Health and Human Services	\$1,771.0	72.9%	10	23
Department of Transportation	\$317.3	13.1%	6	6
Department of Veterans Affairs	\$160.8	6.6%	3	3
Department of Education	\$133.8	5.5%	2	8
Department of Labor	\$26.4	1.1%	3	15
Department of Agriculture	\$13.0	0.5%	1	1
Department of Housing and Urban Development	\$7.5	0.3%	3	4
Department of the Interior	Not available	0.0%	0	2
<b>Total for 8 agencies</b>	<b>\$2,429.8</b>	<b>100.0%</b>	<b>28</b>	<b>62</b>

Source: GAO analysis of HHS, DOT, VA, Education, DOL, Agriculture, HUD, and Interior data.

If area agencies started practicing full cost allocation it would allow MAT to defray existing general fund contributions to the Paratransit system and potentially provide a

more comprehensive fixed route system. Agencies that allocate various Federal and State programs need to allocate the transportation resources accordingly.

An equal distribution/allocation of transportation resources (amount federal sources) helps build a strong transit infrastructure and is what drives the effort of *coordinated human service transportation*. At this point in time there is not an equitable allocation of these resources.

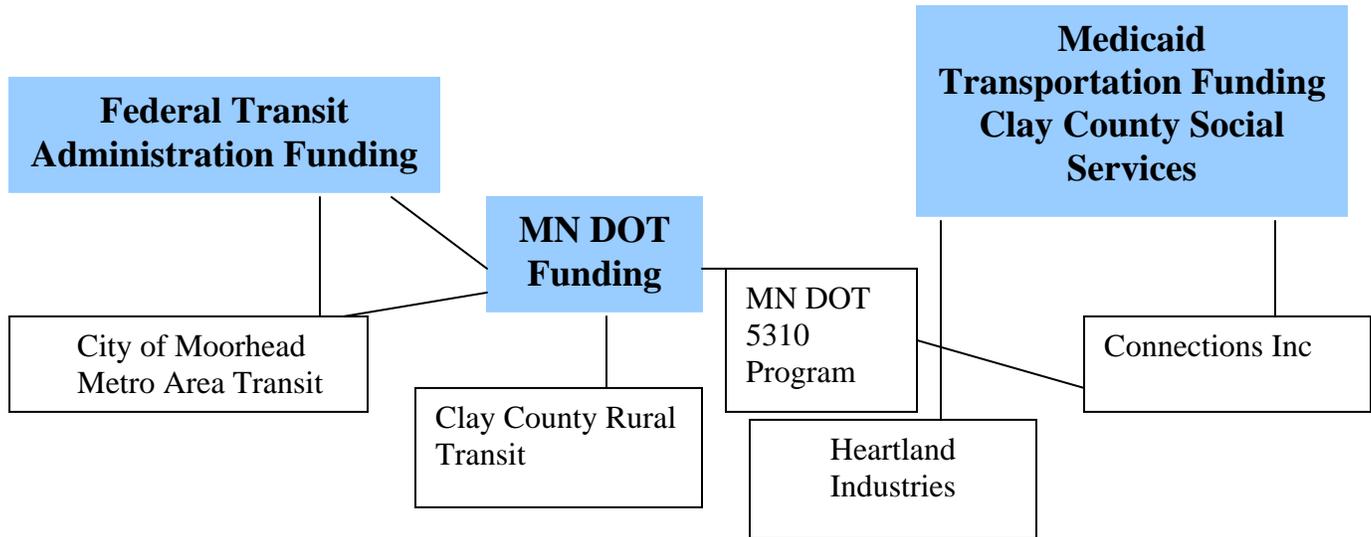
Leaders of human service agencies have to decide what is best for their clients, putting their dedicated transportation funds into a solution, or funding other areas of their operations and uncoordinated transportation. Uncoordinated transportation will always serve a portion of any agencies clients extremely well, but it relies on Metro Area Transit to transport and finance the rest of their client's transportation that they can't serve.

Full cost allocation can be achieved if spearheaded by local elected bodies that oversee the departments that administer these funds. Full cost allocation needs to be approached at a state or federal policy level, too. Local officials however do have the ability to create an abundance of change in this area if so desired.

### **Existing Condition of Human Service Transportation – Clay County**

Human Service transportation in Clay County contains many duplicated services and the under utilization of vehicles. A specific area of opportunity in Clay County is transportation for clients of the Minnesota Waivered Services Program administered by Clay County Social Services. Waivered services include Day Training and Habilitation (DTH) providers in Clay County, and in-home services. Currently there are two major providers of DTH transportation in Clay County, Connections of Moorhead Inc. and Heartland Industries of Dawson Inc. Both agencies operate as 501 C 3 non-profits with the ability to enter Joint Powers Agreements as passed by the Minnesota Legislature 471.59.

## Major Funding Sources – Clay County Human Service Transportation



Each of these agencies receives a per diem amount for each client to provide transportation to and from the DTH site. Each of these agencies is mandated to provide transportation regardless of where the clients live in the county. The chart below represents the *transportation only* payments these agencies received for their clients in 2005 as reported by the Minnesota State Auditor’s office.

Connections of Moorhead	\$134,222
Heartland Industries Moorhead	\$44,855
<b>Total DHS/County Funds</b>	<b>\$179,077</b>

The purpose of this plan is not to determine if the funds these agencies receive is adequate to provide the transportation they are mandated to provide; it is to identify coordination opportunities to more efficiently use the dollars while at the same building the capacity of existing transportation infrastructure (i.e. Clay County Rural Transit). Connections and Heartland Industries have a combined fleet of 17 vehicles. Heartland Industries works with CCRT to provide much of their transportation. Connections Inc. has worked with CCRT and the City of Moorhead to provide some of their transportation in the past. Currently Connections does not work with either public transportation provider in Clay County. Connection’s has not coordinated with a public provider since they began to receive vehicles through the MN DOT Section 5310 program.

Clay County Rural Transit currently has underutilized vehicles and limited revenue and depends on commuter route fares to provide the majority of the 15% match MN DOT requires to operate the system. The total budget for CCRT is around \$242,000 for fiscal year 2006. They have 5 large ADA accessible vehicles.

A macro look at uncoordinated federal programs in Clay County shows two transportation systems (excluding MAT Fixed Route and Paratransit).

- FTA/MN DOT funded system **CCRT**
- Medicaid/Clay County Social Services/MN DOT funded system.

Coordinating these two systems of transportation should be a high priority for MN DOT and Clay County Social Services as it would accomplish the following:

- Use local, state, and Federal resources more efficiently
- Better serve social service clients
- Better serve the general public
- Make better use of publicly funded vehicles

Minnesota state law also addresses human service transportation through state statute (256D.03) requiring that the county shall ensure that only the least costly most appropriate transportation and travel expenses are used. Based on the language of the statute combining the resources of a publicly funded transportation system with DHS transportation funds should provide the least costly and most appropriate transportation for most clients. The solution for coordination in Clay County will likely be a multiple provider, multiple agency approach.

### **Existing Condition of Human Service Transportation – Cass County**

Human Service transportation in Cass County is different in many ways than the Clay County. The main difference is the structure of human service programs between Minnesota and North Dakota. Services delivered in the North Dakota are not as dependant on vendors. More of the services are delivered directly by state and county programs. However, the service deliveries for clients who attend DTH programs and clients who receive in-home assistance are similar in many ways.

Unlike Clay County, DTH programs in Cass County utilize the public transportation system at a very high degree; this is a reflection of different policy and funding than their counterparts in Clay County. This practice is commendable and maximizes the benefit of Federal funds received, however this practice can also be viewed as *client dumping*, as described earlier. The problem with client dumping is that it financially overwhelms the transit system, more specifically the paratransit system. As mentioned earlier, fixed route transit is limited in routing ability to capture more general public riders for political reasons, and the paratransit system is overwhelmed by peaks of high demand during the day as human service clients go to their daily programming and appointments.

In Cass County clients receive DTH services at DWAC, ETC, and Friendship. Many of these clients require lift-equipped vehicles to get to and from DTH programming. A large number of these clients live in group homes operated by Frasier, Friendship, Red River Human Services, Easter Seals, and others. Many of these group homes have their own

vehicles but still rely on the paratransit system to transport clients to DTH programming. These rides account for twenty five percent of all the paratransit system rides.

Appendix A, the Paratransit Options Analysis identifies the exact number of day training clients that use paratransit everyday (the majority of which are in Cass County). However additional analysis is required. Beyond paratransit, pressure is put on the fixed route transit system to serve group homes, day training centers, shelters, and other locations even though the ridership may be at peak times only, or may not even justify a bus route. The pressure of this routing may be inhibiting general public from riding due to inconvenience and bus routing that does not follow general travel patterns.

### **Alternatives for Coordinated delivery of Specialized Transportation**

The specialized transportation survey as well as Metro COG's Directory of Special Transportation Service allowed for the development of several conceptual service alternatives for the coordination of specialized transportation in the metro area. The goal in alternative development is identifying mechanisms to achieve a more coordinated delivery of service through the consolidation of *both* existing service agencies and service providers.

#### **Alternative 1: Do Nothing**

The first alternative to consider is always doing nothing. The do noting alternative allows existing agencies to continue providing transportation to their clients. The Do Nothing alternative leaves human services agencies to face rising insurance and maintenance costs. Threatening to eat away at funds intended for services relating to their mission. The Do Nothing alterative furthers the burden upon MAT Paratransit and does little build capacity with in Clay County Rural Transit. The Do Nothing alternative does not sufficiently accomplish the intent of the coordinated planning process as set forth by recent Federal law.

#### **Alterative 2: Joint Maintenance and Storage Facility**

Alternative 2 envision metro area agencies and transportation providers pooling their resources to gain efficiencies in the creation of a joint maintenance and storage facility. Estimated annual maintenance costs were obtained from 25 different agencies in the metro area. The total estimated vehicle maintenance and insurance costs reported was \$277,000 dollars, annually. This cost is separate from operating costs and only represents the costs of maintaining and insuring vehicles. There seems a realistic potential to create a joint maintenance and storage facility for smaller transportation providers.

The joint maintenance and storage facility would be dedicated to storing and maintaining the vehicles of human service agencies and other transportation providers in the metro area. A larger scale of this concept is in place in the Twin Cities Metro Area and has proven to be an asset to the communities. There are several aspects of such a maintenance facility that make it unique:

- A non-profit focused on serving non-profits
- Concentrated on servicing specialized vehicles
- Affordable preventative maintenance programs
- Customers are billed for actual time rather than at pre-established “book rate”
- Parts are marked up at a standard rate instead of fluctuating rates based on the part
- Mechanics are not paid on commission, eliminating incentives for unnecessary parts and labor.
- Labor costs average about 20% less per hour than conventional repair shops.

A joint facility could provide savings to multiple non-profits and governmental agencies regardless of their size. A joint facility could serve as a catalyst for further operational and administration coordination among the transportation elements of several agencies. A Joint Maintenance and Storage Facility would meet the Federal requirement for coordinate transportation.

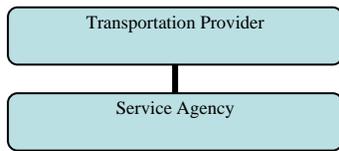
### **Alternative 3 – Joint/Consolidated Operations**

Alternative 3 envisions the creation of one or more agreements between existing service agencies and transportation providers. There are major expenses in providing transportation for smaller agencies and transportation providers: 1) Insurance of vehicles; and 2) the duplication of trips by various agencies and transportation providers. The joint/consolidated operations alternative would allow agencies to pool resources by creating or contracting their transportation services with a third party provider, preferably a provider that already receives assistance in operating and capital from FTA or a state department of transportation. A joint/consolidated operations alternative allows for more flexibility and reduced capital and insurance cost for participating agencies. Using funding sources like Medicaid and TANF in conjunction with FTA programs would allow agencies to receive a higher level of transportation service.

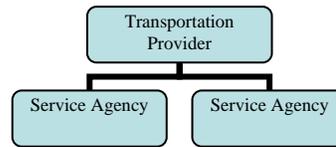
A barrier to consolidated/joint operations is the perceived loss of control on the part of service agencies that have traditionally provided their own transportation. Movement toward joint operations needs to be planned and implemented at a rate that is comfortable to agencies. Sharing resources by coordinating with others agencies will allow participating agencies more resources to focus on their core programs, besides transportation.

Demonstrated below are three options for developing consolidated service strategies in the metro area between existing service agencies and transportation providers. These range from: 1) single provider-single agency agreement; 2) a single provider-multiple agency agreement (this could be within a single county or could cover the whole metro); and 3) could include multiple transportation providers and multiple agencies. Option 3 could be within a county or could cover the whole metro area.

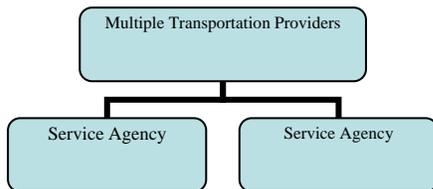
### 1. Single Provider-Agency



### 2. Single Provider-Multiple Agency



### 3. Multiple Provider-Multiple Agency



The best fit options would likely be based on the type of transportation provided, either human service or job access. In the case of job access you may lean towards either variation 2 or 3. When handling human service transportation (especially Medicaid funded) you are likely going to want to use variation 1 or 2, and base it on a bi-county model as opposed to a metro-model.

## The Coordinated Plan

Based on the inventory of existing transportation services in the metro area, Metro COG broke down the type of services provided into two major categories, Job Access and Human Service. This breakdown and/or separation occurred due in large to the survey responses which identified that both were two separate yet somewhat overlapping categories. The Job Access component was related primarily to getting lower income individuals to work. The Human Service component was the Medicaid funded DTH transportation being provided in the metro area. Both forms of transportation, especially the DTH component, are not currently coordinated. The opportunity to coordinate seems likely.

The Job Access component has grown in coordination since the adoption of the 2003 Access to Jobs Plan; however there still appears to be several opportunities to further increase coordination and build upon existing programs. It was recognized there was tremendous opportunity to provide a coordinated program that would address the needs of the disabled community as well as the lower income community by prioritizing service strategies that could be utilized by both groups. At the same time these new programs could be wrapped around the existing footprint of transit services provided by Metro Area Transit.

Metro COG has outlined a preferred coordinated model for each facet of specialized transportation. What follow is the recommended alternative(s) for each facet of specialized transportation and a descriptive dialogue for each.

### **Clay County – Consolidated Operations & Maintenance and Storage Facility**

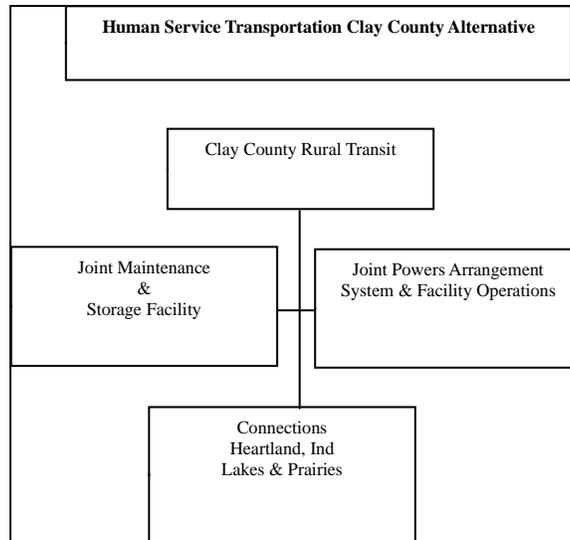
Clay County was awarded a \$250,000 grant from Mn DOT to remodel the old highway garage into a transit storage and maintenance facility. The Clay County facility is the obvious placeholder a joint maintenance and storage facility (Alternative 2 above) for local agencies and transportation providers in Clay County, Minnesota. Based on a series of stakeholder meetings as part of the planning progress a handful of potential agencies were identified to have an interest in either storing or maintaining vehicles at the Clay County facility. Those agencies were as follows:

- Connections of Moorhead Inc. (DTH)
- Lakes & Prairies Community Action (Head Start)
- Clay County Rural Transit (Public Transit)
- Heartland Industries of Moorhead (DTH)

Other agencies in Clay County that could participate however were not part of the preliminary discussions:

- CCRI
- Access Inc
- Red River Recovery Center

Through lease agreements or a Joint Powers arrangement these agencies could coordinate the storage and maintenance of their fleet vehicles. The vehicles these agencies operate serve children, the general public and disabled persons. As noted in the inventory of transportation providers these agencies all receive some form of federal funding for transportation.



An eventual joint powers arrangement covering the terms of storage and maintenance could be expanded to allow for the coordination of transportation program. The first obvious operations coordination points of the joint powers arrangement would be the establishment of a pool of drivers and the terms of joint vehicles operations and procurement.

### **Summary and Recommendations – Clay County**

There are many opportunities in Clay County for human service transportation expenditures to be used more efficiently. Although transportation is a small part of overall human service expenditures in Clay County, the opportunity for coordination is clear. Clay County primarily has a vendor style social service department where most of the services are preformed by for-profit and non-profit vendors. Case workers in Clay County authorize and issue contracts for service. Awareness and education would allow for greater coordination. Clay County needs to be aware that CCRT and Social Services can benefit greatly from working together to solve transportation issues. Most coordination efforts have been between CCRT and County vendors, engaging the Social Service department before vendor contracts are approved would benefit the clients and the general public.

It is recommended that Clay County explore the following items to improve human service transportation:

- Creation of mobility management program
- Identify mileage reimbursements to all contract social service providers
- Educate case workers on the unanticipated transportation costs related to facility or in-home placement when issuing service contracts to contracted providers (E.g.

Red River Recovery Center, CCRI, MCRS, Access, The Family Link, Solutions, Connections, Heartland Ind. and others)

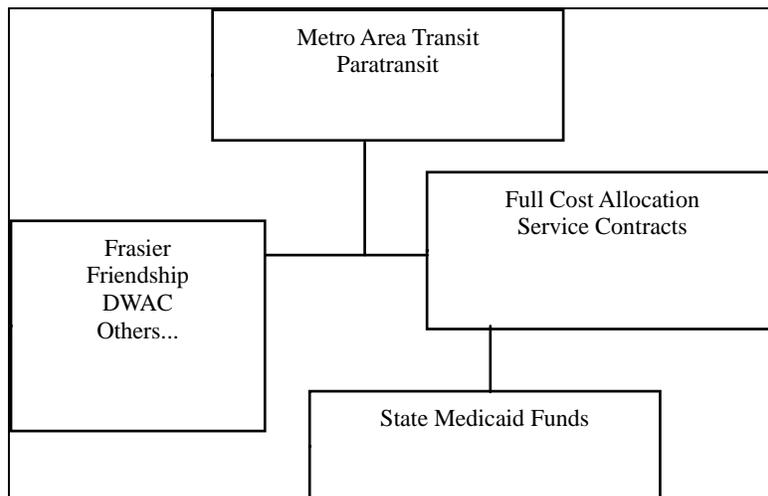
- Explore bulk purchase/cost sharing agreements between human services and public transit agencies (CCRT & Metro Area Transit)
- Capture Medicaid non-emergency transportation dollars
- Increase Job Access/Human Service transportation in coordination with MN CEP
- Establish a working group of county leaders and departments heads to coordinate transportation programs with in the county.
- Volunteer driver program should be coordinated between CCRT and Social Services
- Support a joint Section 5310 application between CCRT and providers of elderly and disabled transportation. Pursue the option of 5310 operating funds (purchase of service contract).
- Implement joint dispatch technology for human service transportation that piggy backs on existing infrastructure.

### **Cass County - Human Service Transportation**

The use of MAT Paratransit as the primary transportation provider for a human service program or medical assistance rides in Cass County without full cost allocation is financially straining Metro Area Transit. There are two options that would benefit the riders and the MAT Paratransit system.

#### **Option 1**

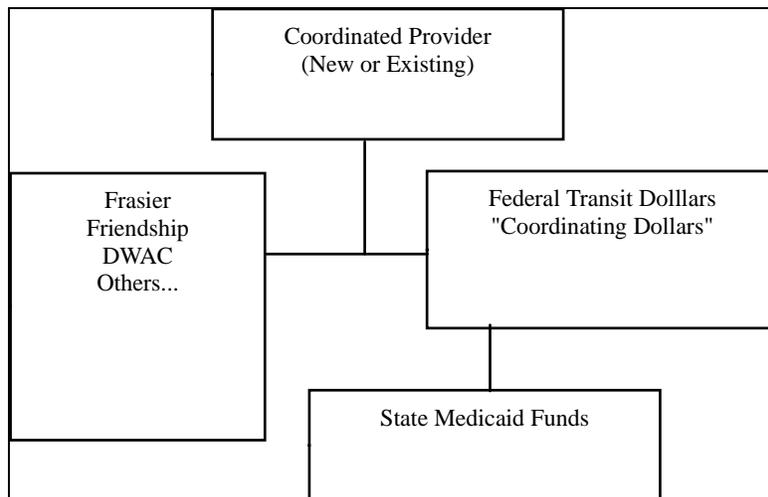
Expand the paratransit system by receiving full cost allocation from human service providers under service contract for rides and pursuing FTA 5317 (New Freedom) funds to build capacity by matching the revenue of the service contract. Option 1 embodies Alternative 3 Option 2 outlined above, Single Provider-Multiple Agency.



To pursue Option 1, the human service providers and state Department of Human Services (DHS) could choose not to be proactive and MAT could simply become a Medicaid provider and bill the state for each ride they provide to medical services, or day training and habilitation services. Option 1 will help solve MAT Paratransit funding issues; however it does not give the providers or state DHS a voice in how the service is provided. The human service providers and the state DHS could choose to be proactive and sign service agreements with MAT for transporting their clients. This would allow easy access for their clients and they could have a larger voice in planning service needs.

**Option 2**

Option 2 would use the current human service funds agencies receive and pursue FTA 5317 funding to create a streamlined service provider. Option 2 would allow for agencies transport each others clients by eliminating the insurance barrier, sharing vehicles. Options 2 would also remove some burgee from MAT Paratransit. Option 2 embodies Alternative 3-Option 3 outlined above, *Multiple Provider-Multiple Agency*.



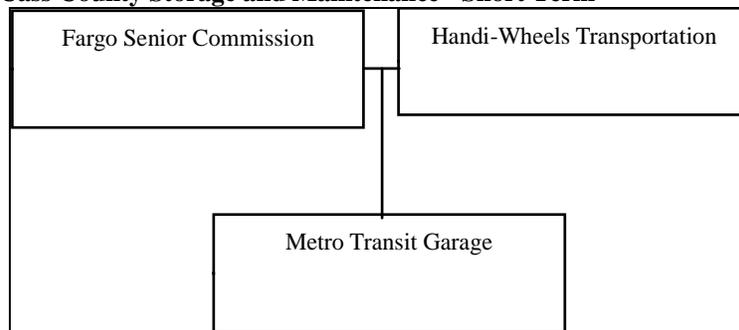
Option 2 would allow for a specially designed service to be implemented with the help of FTA 5317 funds. Option 2 would provide relief to the paratransit system and allow providers of human service programs more control over the operations.

**Cass County - Joint Maintenance & Storage**

Cass County has multiple agencies that provide transportation to specialized groups. Currently this transportation is provided by each agency independently. The joint maintenance and storage of vehicles by providers in Cass County could also be a viable option. In Cass County there are several agencies that could benefit from joint maintenance and storage of vehicles. The Clay County facility will only be able to serve a few agencies that have close ties to Clay County and Mn DOT funding.

The joint facility in Clay County is based around the existing rural public transportation provider, CCRT. In Cass County the situation is somewhat different. Metro Area Transit is nearing completion on the Metro Transit Garage (MTG) which will store and maintain the entire fixed route and paratransit fleet. Handi-Wheels, Inc. and the Fargo Senior Commission (FSC) both operate with some level of Federal Transit Administration funding and could benefit in the near term from purchasing storage and maintenance from the MTG. In the long run the MTG may not have the ability to serve the large number of vehicles that are operated by various agencies in Fargo-West Fargo, besides just the FSC and Handi-Wheels. Cass County agencies will need to pursue a stand alone facility built to serve their needs. With the growth of the Metro Area Transit fleet likely continuing in future years it would be advantageous for Handi-Wheels and the FSC to be partners in the creation of a new facility to serve their long term needs and the needs of countless other service agencies that have vehicles.

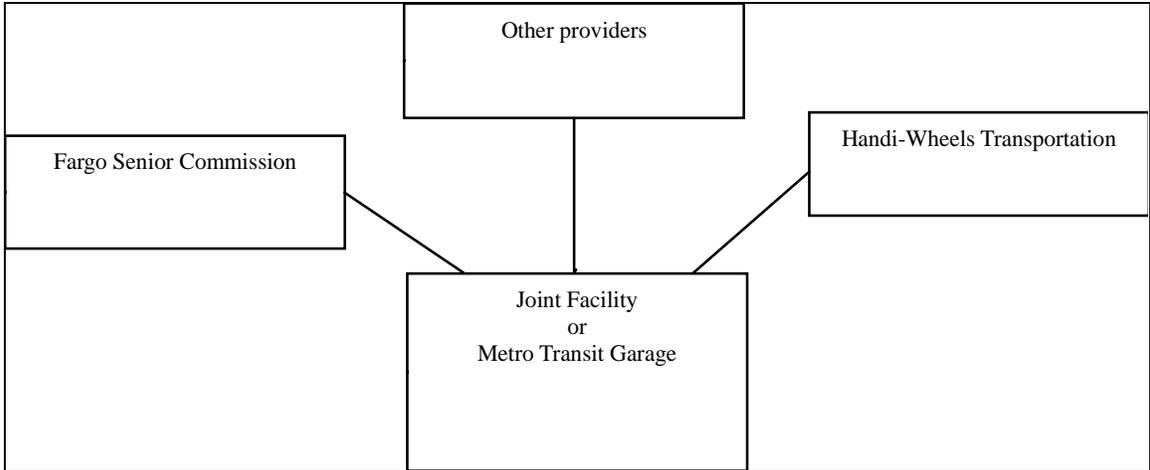
**Cass County Storage and Maintenance - Short Term**



**Cass County Joint Storage & Maintenance - Long Range Alternative**

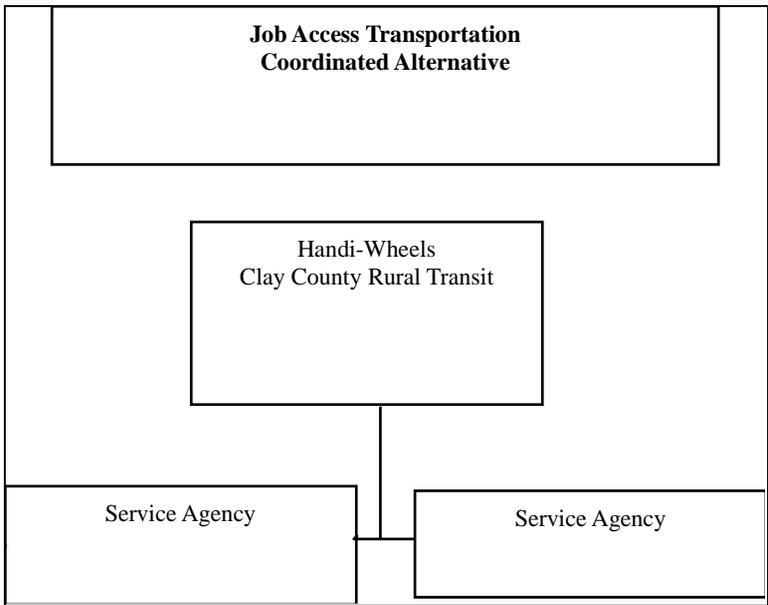
A separate facility to maintain, store, and serve as a hub for coordination could be made up of the following agencies resources. It is likely that Handi-Wheels would take part in the creation of this facility as they may be a key partner in coordinating between agencies. The governance of this facility would likely be lease agreements or a Joint Powers arrangement. These agencies and possibly others can coordinate the storage and maintenance of their fleet vehicles. The vehicles these agencies operate serve children, the general public and disabled persons.

**Cass County Storage and Maintenance - Short Term**



**Job Access Coordination – Metro Model**

The coordination changes described for the Minnesota and North Dakota human service transportation delivery above will increase job access for some users groups. A greater job access strategy aimed at serving TANF dependant or those in danger of becoming TANF dependant needs to be metropolitan in scope.



It is important to note that long term Job Access and Human Service transportation efforts in the Metro Area will not be sustainable if they depend on JARC, New Freedom, or FTA funds alone. The current JARC project with Handi-Wheels is successful as a demonstration project and can only serve a limited number of people. The current preferred strategy for Job Access Transportation in the Metro is to continue employment

based dial a ride with Handi-Wheels. The Handi-Wheels model addresses the following barriers:

- Land Use
- Third Shift Transportation (hours of Operation)
- Travel Time
- Childcare Transportation
- Access to Fargo Industrial Park
- Cost of Transportation & Transit
- Fringe Area Transit Access

Through the process of preparing the coordinated plan, the Metropolitan Transportation Initiative (MTI) endorsed continuing the Job Access Strategy currently in place with Handi-Wheels. The project is still in a pilot phase and began operating in early 2006. To fully demonstrate the effects of the project it is recommended that up to two years of JARC support be given to the project. Two years of additional funding will give the project time to transition from JARC to partnerships with agencies that use the service. If agencies who currently use Handi-Wheels to transport their clients do not become funding partners the long term viability of the projects is limited.

### **Increasing the Impact of MTI**

It will be dependant on local and state human service agency representatives (as well as local elected leaders) to make changes in the way funds are used for client transportation for the Specialized Transportation Plan to be implemented. To date, no agency participating in MTI except Handi-Wheels and Metro Area Transit have made substantive policy changes to support job access transportation. Examples from other states and cities are endless on ways to restructure programs to allow for more clients to receive transportation by growing the transportation infrastructure.

MTI needs to become a body that can answer questions for, and ask question of, social services and local governments that receive requests for transportation dollars. There is a need to engage local elected leaders to demonstrate the budgetary and societal benefits of policy change in human service transportation. MTI needs to include state level policy makers and directors of local non-profits that provide transportation to clients as part of their service contracts with county and state governments. MTI as a more broad based (and well understood) body will serve more individuals' long term by setting a clear strategy to maximize and secure funding for transportation resources. A restructure of MTI is proposed.

Proposed additional/new MTI members are as follows:

- Cass Director of Social Services
- Clay Director of Social Services
- Fargo City Commission (MAT Board liaison)
- Moorhead City Council (MAT Board liaison)
- MN & ND State DHS Representative

- State Medicaid Representatives ND & MN
- DT & H provider's (metro wide)

It is recommended MTI remain a sub-committee of the Metro COG Board. It is recommended that some of the entities currently seated on MTI should either be removed or given a seat on Metro Area Transit's Advisory Committee (MAT TAC). It is recommended that Metro Area Transit and Metro COG, working in coordination with MTI and the MAT TAC, reorganize the makeup of both committees very early 2007. The reorganization would also include a clear delineation of each committee's role and responsibility. An effort is needed to ensure better communication with county government, too.

It is recommended each County formally establish an internal advisory committee that can meet twice annually to discuss the efforts of MTI and the larger human and social service transportation issues related specifically to each county. These internal working committees at a minimum should include the following individuals:

- Director of Social Services + key social service staff
- County Administrator
- One or more Commissioners, as needed

It is understood that Metro COG would take the responsibility for providing the necessary information to assist in engaging a dialogue with the county advisory committees. It is further recommended that the Metro Area Transit Coordinating Board be provided quarterly updates from Metro COG and Metro Area Transit on the activities of MTI. Further, MTI minutes should be included with every MAT Board mailing; as well MTI minutes should be mailed out with every Metro COG Board mailing.

### **Consolidated Transportation Barriers**

As part of the input process for the 2007-2011 Metro Transit Plan Metro COG worked with MTI and a host of public and private stakeholder groups to identify transportation barriers for residents of the metro area. The base list of barriers was pulled from the 2003 Access to Jobs Plan and updated based on new gaps and deficiencies identified through the public input process.

The majority of these barriers are related to individuals with disabilities or those with limited transportation options, many apply to the general public, too. Generally this list of barriers should be considered the consolidated list of transportation barriers for which both JARC (5316), New Freedom (5317), and Elderly and Handicapped (5310) funding should be targeted to address. As well, FTA Section 5307 and 5311 funds expended by local transportation providers will also contemplate this list of barriers as service plans and strategies are developed.

- Land Use
- Third Shift Transportation (hours of Operation)

- Travel Time
- Information
- Childcare Transportation
- Access to Fargo Industrial Park
- Dependable Transportation /Informed Automobile Purchases
- Attitude and Perceptions of Transit
- Cost of Transportation & Transit
- Fringe Area Transit Access
- Cross-Agency Coordination

It is expected that private/public transportation providers, human service, and social service agencies are to use this list of barriers when considering the development of new transportation services. Programs funded in the metro area using 5310, 5316, and 5317 *must* address at least one of the barriers listed above

### **Project Concepts**

What follows is a list of project concepts for addressing the transportation barriers listed in the previous section. The range of projects is broad, however is limited so as to outline projects aimed at addressing this list of transportation barriers and which are also eligible for Federal funding under those programs identified above.

- Information and outreach
- Southtown (I-94) Commuter /Job Access Route
- Specialized Fargo Industrial Park Service
- Hours of Operation on MAT System
- Employment based Dial-A-Ride
- Childcare Transportation
- Transit Pass Programs
- Land use
- Mobility Management
  - Employer orientated TMO's
  - Transportation Brokerages
    - MTI, or other coordination entity
    - Human Service/Transit Joint Powers Arrangement?
  - Call Centers
  - ITS or GIS Technologies
    - Scheduling/dispatch software, etc.
    - Vehicle position-monitoring Programs
    - Trip planning software
- Expanded ADA Service beyond ¾ mile requirement (Blended Strategy)
- Administration of Voucher Programs, Volunteer drivers programs
- Travel Training Programs
- Coordinated Service Programs/Operations

- Expanded Niche Services
  - Weekends
  - Evenings
- Fringe Area

Projects funded in the metro area using 5310, 5316, and 5317 funds must not only address one or more of the barriers listed above, they must work to specifically employ one or more of the project concepts identified above.

## **Metropolitan Project Priorities – Job Access and Human Service**

### High Priority Projects

- Information and Outreach
- MAT hours of operation
- Industrial Park Service
- Employment Based Dial a Ride
- Childcare Transportation
- Mobility Management
- Administration of Voucher Programs
- Coordinated Service Programs/Operations

### High Priority Capital Projects

- ITS or GIS Technologies
- Scheduling Dispatch Software
- Vehicle Positioning-Monitoring Programs
- Trip Planning Software

### Lower Priority Projects

- I-94 South town Commuter Route
- Land Use
- Expanded ADA Service Beyond ¾ mile requirement
- Travel Training Programs
- Expanded Niche Services
  - Weekends
  - Evenings
  - Summer Midday
  - Feeder Services
- Vehicle Purchases