

Policy Options to Improve Specialized Transportation

Specialized transportation is vital to helping people with mobility limitations live as independently as possible. Authorization of the next surface transportation law provides an opportunity to improve specialized transportation services, particularly those funded by the Federal Transit Administration. This report recommends that policymakers take steps to strengthen coordinated planning, increase support for mobility management, and improve data collection and reporting on these services.

The congressional authorization of the surface transportation law, coupled with the growing demand for specialized transportation, presents an opportunity to improve the services targeted to Americans with mobility limitations caused by age, disability, or income constraints. Improvements would allow more of these vulnerable citizens to live in the settings of their choice, including their own homes and communities, and to access employment opportunities in the suburbs that are not well served by public transportation. Given this historic opportunity, the AARP Public Policy Institute is publishing this paper to

- describe specialized transportation, and how it is funded and delivered;
- highlight emerging best practices; and
- offer policy options for improving specialized transportation.

Background

Congress and interested stakeholders have begun preliminary work on the nation's next surface transportation law. This law could improve the delivery of specialized transportation services.

In addition, the administration has launched a partnership for sustainable communities involving the Department of Housing and Urban Development (HUD), the Department of Transportation (DOT), and the Environmental Protection Agency (EPA). One major objective of this joint effort is to “provide more transportation choices” that are “safe, reliable, and economical” and that “decrease household transportation costs...and promote public health.” Adequately funded and effectively delivered specialized transportation will help to achieve these national goals.¹

In October 2009, the AARP Public Policy Institute convened a two-day roundtable of experts in specialized transportation, including consumer representatives, federal and state transportation officials, transportation providers, and researchers. Although not all the policy options embody the views of these participants, their expertise and feedback, along with an extensive literature review, helped to inform this paper. The views expressed herein are for information, debate, and discussion, and do not necessarily represent official policies of AARP.

Demographic trends indicate that demand for public transportation—in particular, specialized services—will grow. From 2007 to 2030, the population aged 65 and older is projected to grow by 89 percent, more than four times as fast as the population as a whole, which is expected to grow by around 20 percent.²

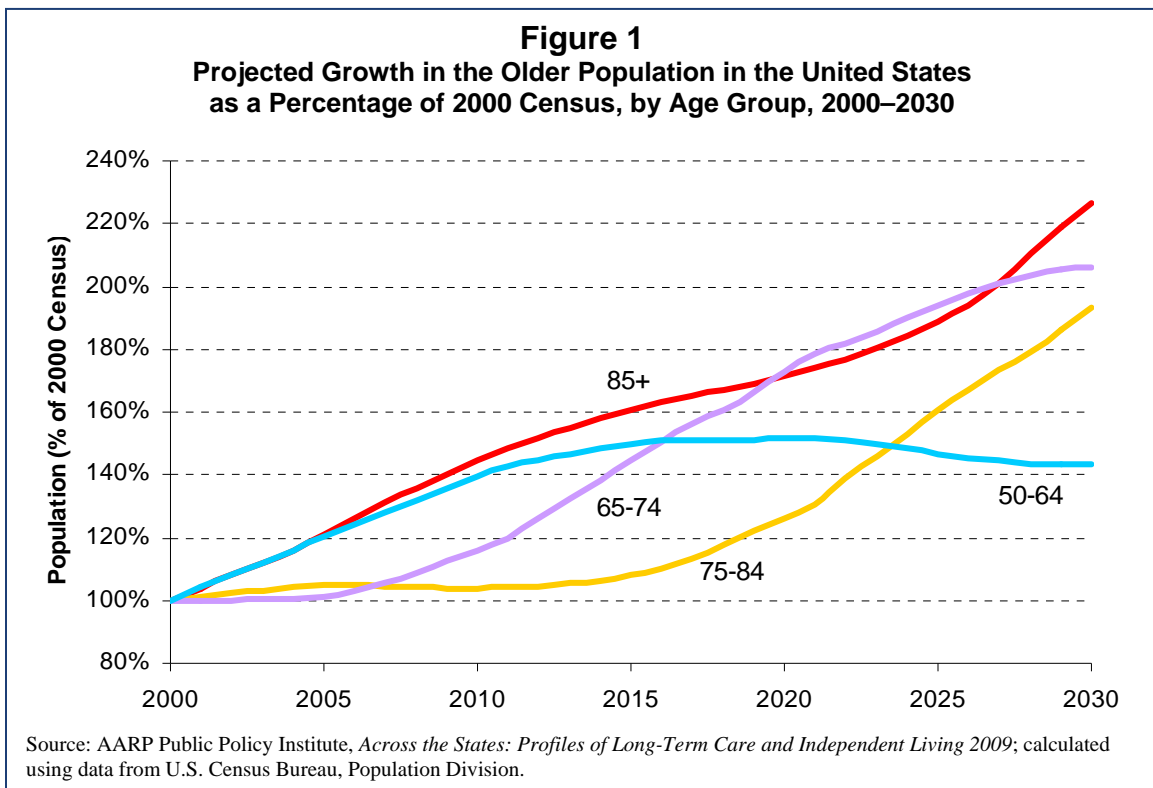
The next generation of older adults is expected to be healthier than the current one on average, and disability rates appear to be declining. But the sheer growth in population means many more older adults and more persons with disabilities will need transportation to remain in their community settings.

Professionals on aging have defined transportation as *foundational* for the aging services network. For those with mobility limitations, specialized transportation provides the same foundation and is necessary to enable them to live independently and maintain their quality of life.

What Is Specialized Transportation?

Specialized transportation services—via van, small bus, or taxi—provide essential transportation and independence for those who have difficulty using traditional fixed-route service³ because of disability, age-related conditions, or income constraints. Specialized transportation is a form of “demand-response service” that *responds* to riders’ individual requests (or *demands*) for service.

Specialized transportation and other demand-response services fall under the umbrella of *paratransit*, a term coined in the 1970s to encompass a continuum of transportation services between the private automobile and conventional fixed-route service, including taxis, jitneys, and car- and vanpools, in addition to demand-response transportation.⁴



Specialized transportation should be distinguished from Americans with Disabilities Act (ADA) paratransit, which is a more restrictive demand-response service mandated by the 1990 ADA for persons formally identified as functionally unable to use fixed-route service.

How Are Services Funded and Delivered?

Funding for specialized transportation services comes from many sources, primarily the federal government, but also state and local entities.⁵ The DOT's Federal Transit Administration (FTA) provides three key funding programs, but the largest source of specialized service funding originates with the U.S. Department of Health and Human Services (HHS), with additional funding from such federal agencies as the Departments of Labor and Education. Together, these federal agencies sponsor more than 60 programs that support special transportation services for older adults, persons with disabilities, and persons with low incomes.⁶

Available data on funding amounts are dated but provide perspective: In fiscal year (FY) 2001, the identified federal programs spent at least \$2.4 billion on specialized transportation, with state and local agencies contributing several hundred million dollars more, typically to fulfill matching requirements that range from 5 to 50 percent of total program costs.⁷

One HHS program—Medicaid—spends far more than any other program on transportation. In FY 2001, federal spending for Medicaid transportation was roughly 40 percent of the total federal funds identified for specialized transportation.⁸ More recent data for Medicaid found that the program spent slightly more than \$3 billion on transportation in FY 2006.⁹ In the same fiscal year, FTA apportioned

\$324 million for its three specialized transportation programs.¹⁰

Specialized services are delivered in myriad ways. With federal and state funds and supplemental match funds, local agencies purchase transportation services from existing public and private sources, contract for service from private providers, and purchase vehicles that they operate directly to serve their own clients. In the third group are hundreds of human service agencies that transport their clients to and from services with federally funded vehicles.

The Long History of Efforts to Coordinate Specialized Transportation

Observers have noted that the vast array of specialized transportation services creates “a complex web of providers and services:”¹¹ Specifically, they note that

- many transportation providers duplicate services and expenditures;
- vehicles and related resources are often underutilized;
- service quality and safety vary significantly from program to program; and
- information is lacking about available services, particularly for persons who need transportation.¹²

Since the 1970s, transportation experts have recognized the problems created by this complex web, and the federal and many state governments have attempted to coordinate services to improve transportation for target population groups.

Coordination is difficult for various reasons, but particularly because federal agency funds often flow down to the state and local levels encumbered with each program's specific rules and regulations. This “silo funding”

constrains the ability of the programs to work together, even if the agencies serve the same people or those with similar or even identical transportation needs.

This paper focuses on the three specialized transportation programs funded and administered through the FTA. New requirements for these programs have recently spurred significant steps toward coordination.

The FTA's Three Specialized Transportation Funding Programs

The FTA's three specialized transportation funding programs are (1) Section 5310, the Elderly Individuals and Individuals with Disabilities program; (2) the Section 5316 Job Access and Reverse Commute (JARC) program; and (3) the Section 5317 New Freedom program. JARC provides funds not only for specialized transportation but also for more traditional fixed-route service. While all three programs fund specialized transportation, they reflect different legislative objectives and histories (see the Key Characteristics of the Section 5310, JARC, and New Freedom Programs table at <http://www.aarp.org/research/ppi/liv-com/> for reference).

Section 5310

Section 5310¹³ was established in 1975 to address deficiencies in traditional public fixed-route transit service; specifically, where public transit service is "unavailable, insufficient, or inappropriate." The program predates the FTA's rural funding program, Section 5311, so the funding was particularly important in its early years for rural areas and for urban areas with limited fixed-route service.

With a legislative goal "to improve mobility for elderly individuals and individuals with disabilities throughout the country," Section 5310 funding was

initially directed to nonprofit human service agencies for the purchase of vehicles. An underlying premise was that these agencies would operate the FTA-funded vehicles with funding from their own programs sponsored by non-DOT agencies; for example, HHS through such local entities as the Area Agencies on Aging.

Over the years, the FTA has made changes to Section 5310 to encourage greater coordination of specialized transportation, a strategy well-recognized to improve such services. Changes introduced in 1991 allow public agencies that coordinate services to be Section 5310 subrecipients and allow the purchase of transportation services as well as capital purchases. These changes promote the use of private sector providers and coordination with other human service agencies and public transit providers.

The FTA provides Section 5310 funds directly to the states, using a formula based on each state's proportionate share of older adults (aged 65+) and persons with disabilities. As the designated recipients,¹⁴ the states have latitude to make funding decisions according to their needs. States distribute the funds to local agencies (subrecipients) in a variety of ways, most commonly through a discretionary selection process that is typically competitive.

Section 5310 funds flow primarily to nonprofit human service agencies. Transportation Research Board (TRB) research (2008) found that nonprofit agencies constitute 86 percent of total Section 5310 grantees and receive 78 percent of the funding.¹⁵ The program is primarily a capital program, and a number of states restrict the use of funds to capital purchases, such as buying vans. A pilot project in a few states is testing the use of program funds for operating purposes.¹⁶

The FTA does not impose any limits on the types of trips taken by the riders transported with Section 5310-funded vehicles. The grants support a range of trips, including quality-of-life trips (such as visiting friends) as well as life-sustaining trips (e.g., food shopping and medical appointments).

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—*Transportation Research Board, 2008*

Job Access and Reverse Commute

Enacted in 1998, JARC was created to support federal welfare reform efforts. The goals of JARC are to improve access to jobs and job-related services for low-income persons and to provide reverse commute services to suburban employment opportunities for all workers. JARC was considered a transitional program, with funding provided on a competitive, discretionary basis. With the passage of the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), however, JARC became an established formula program.

JARC funds are divided across the country on the basis of proportionate shares of low-income and welfare beneficiaries, with 60 percent of the funds distributed among designated recipients in large urban areas (200,000 population and greater), 20 percent to the states for small urban areas (between 50,000 and 200,000 population), and 20 percent to states for rural areas (less than 50,000 population). This funding formula gives more funding to larger metropolitan areas, effectively limiting states' discretion to make their own

funding decisions (although some flexibility is allowed to move JARC funds among population categories).

States are the designated recipients of JARC funds for both small urban and rural areas. For large urban areas, identification of the designated recipient is more involved and is based on a planning process that includes the state, local officials, and the public transportation provider. Typically, the designated recipient is the local metropolitan planning organization (MPO) or the public transportation provider. The designated recipients in the three population areas apply to the FTA for funds on behalf of subrecipients in their respective areas.

New Freedom

Established in 2005, the New Freedom program is the latest of the FTA's three specialized transportation programs. The program's goals include reducing barriers to transportation services and expanding mobility for persons with disabilities, including access to employment. The 1990 ADA aimed to fully integrate persons with disabilities into society, including public transportation, but Congress determined that additional efforts were necessary. Thus, New Freedom funding must be used for transportation purposes that go "beyond the ADA"; for example, the expansion of ADA paratransit service beyond the required three-quarter-mile corridors around fixed routes.

The New Freedom program follows the same parameters as JARC in terms of its funding formula, with the same 60-20-20 percent split (although the proportionate shares are based on persons with disabilities) and the same parameters regarding designated recipients. With similar program characteristics, New Freedom is typically administered together with JARC by the designated recipients.

Unlike JARC, however, designated recipients may not move New Freedom funds among population categories.

(For summaries of the three programs, see the Key Characteristics of the Section 5310, JARC, and New Freedom Programs table at <http://www.aarp.org/research/ppi/liv-com/> for reference).

Emerging Practices Hold Promise for Improved Specialized Services

The FTA's new requirements for coordinated planning for its three specialized transportation funding programs and a new emphasis on mobility management show significant promise for improving specialized transportation.

Coordinated Planning Requirements Formally Connect FTA's Three Specialized Programs

Beginning in 2007, the FTA required the development of a *coordinated public transit–human services transportation plan* from which all projects funded by Section 5310, JARC, and New Freedom must be derived. This is not a plan *for* coordination but rather a plan created using a coordinated process. This process is designed to bring together a wide range of providers and agencies that operate and fund specialized transportation, as well as persons who use the three FTA programs. The process must address “opportunities to improve efficiencies in service delivery.”¹⁷ The resulting plan may include a specific strategy or strategies to improve coordination among specialized transportation providers, but that is not a requirement.

This new mandate for coordinated planning follows various federal government efforts over the past several decades to encourage the coordination of specialized transportation. However, the

mandate does not extend to non-DOT transportation programs, such as Medicaid transportation.

Although it is referred to as a “local plan,” the newly required coordinated public transit–human services transportation plan may be developed at the local, regional, or statewide level. The lead planning agency is decided locally; it does not have to be the state or the particular agency that is the designated recipient of FTA funds. It can be the MPO (the regional planning entity), a county or city, the local public transportation provider, or the state.

While flexible on the lead planning entity and the planning process itself, the FTA is quite prescriptive regarding the actual plan and the participants. The participants should include the area's transportation planning agencies, public and private transportation providers, passengers and advocates, human service agencies, and others, such as emergency management agencies, faith-based organizations, and school districts. It is important that representatives of the target populations—older adults, persons with disabilities, and people with low incomes—be at the table.

Among the required elements of the coordinated plan are strategies, services, and projects to meet the identified transportation needs; these must be prioritized for funding and implementation. The plan must be adopted through a locally determined process.

Competitive Selection Process for Priority Projects in the Coordinated Plan

Beyond the requirement of inclusion in the coordinated plan, the FTA mandates that projects funded by JARC and New Freedom (but not by Section 5310) must be selected through a fair and equitable competitive process. The agency serving as the designated recipient of the FTA

Convincing stakeholders—including nontraditional transportation providers such as human service agencies and Medicaid—to participate in developing the coordinated plan was among the top three challenges reported by state DOTs responsible for the coordinated plan.

—*Preparing Coordinated Transportation Plans: A Guidebook for State Departments of Transportation*, Research Results Digest 331, April 2009.

funds (the state for small urban and rural areas and the locally selected agency in large urban areas), which may or may not be the agency leading the coordinated planning process, is responsible for designing and conducting this competitive process.

Section 5310 projects, however, are selected through state-defined processes. The states and the locally selected agencies in large urban areas then use varying approaches to merge the state-designed selection process for Section 5310 with the mandated process for JARC/New Freedom selection to determine final funding awards. Federal regulations stipulate that the states and designated recipients in large urban areas certify that all projects finally selected for funding must be derived from the coordinated plan.

Incorporation of Projects in Metropolitan and State Transportation Planning Processes

The coordinated planning process and the transportation planning processes required for metropolitan areas and states overlap to some extent. The coordinated plan may be developed as part of already required metropolitan and statewide transportation planning processes.¹⁸ Or the coordinated plan can be developed separately and then

incorporated into the broader transportation plans. The projects that are selected for funding—including JARC and New Freedom as well as Section 5310 (all of which must come from the coordinated plan)—must be incorporated in both the Transportation Improvement Plan (TIP) and the Statewide Transportation Improvement Plan (STIP) in urbanized areas and in the STIP for rural areas.

Mobility Management Offers Potential to Stitch Together the Funding Silos

Mobility management is a systems approach to managing transportation resources; it seeks to optimize all transportation resources in a community. Instead of focusing on one mode or on

What Is Mobility Management?

Mobility management emphasizes the following:

- Movement of people instead of vehicles
- Customer needs and the discrete travel needs of individual consumers
- The entire trip, not just that portion of the trip on one mode or another
- Improvements to the effectiveness, efficiency, and quality of the travel services being delivered
- Design and promotion of transit-oriented development, livable communities, and energy-efficient sustainable communities
- Improvements in the information that is available about those services

—*National Resource Center for Human Service Transportation Coordination*

specific services, mobility management takes a broad approach: matching the transportation needs of individuals—including older adults, persons with disabilities, and those with low incomes—with a range of transportation options and solutions available in the community. This evolving concept has garnered much enthusiasm among transportation professionals.

Policy Options

Authorization of the next surface transportation bill offers Congress the opportunity to build upon the momentum of these programs and emerging best practices, and to address several areas in need of improvement.

Increase Overall Funding for Public Transportation, Especially Specialized Transportation

Funding for all public transportation—traditional public transit as well as specialized transportation—should be increased. Traditional fixed-route transit plays an important role in the mobility of many older adults, persons with disabilities, and persons with low income, and increasing investment allows transit agencies to continue efforts to serve them better. Transit agencies' purchase of accessible buses and operation of special neighborhood routes are just two of the many investments that directly benefit people with mobility limitations. Increasing investment also allows transit agencies to continue specific efforts to serve older riders. A 2007 survey found that virtually all public transit agency respondents provide special services for older adults, including reduced and free fares, travel training, and flexible routes.¹⁹

But many people in the three target population groups rely upon specialized services, such as door-through-door service for riders who are frail or those with disabilities (services beyond ADA paratransit) and late-night shuttles to

low-density suburban locations to enable low-wage workers to access jobs (these are often unproductive routes for fixed-route operators). Given the increasing numbers in these groups, it will be essential that Congress increase funding for specialized services.

Strive for Full Accessibility

Across the country, public transportation systems have made great strides toward accessibility,²⁰ and efforts must continue. Where transit systems have fully accessible vehicles, stations, stops, and services, all riders benefit, especially persons with disabilities. For example, requirements for fixed-route operators to announce stops benefit riders with vision disabilities as well as riders who are unfamiliar with the route; curb-cuts and ramps at stations and stops benefit riders who use mobility devices as well as those with wheeled luggage and baby strollers.

Recognize that Specialized Needs Often Require Specialized Services

While traditional transit serves many older adults, persons with disabilities and low-income individuals—who collectively take a significant portion of the 34 million transit trips each weekday²¹—many in those special population groups must rely on the specialized services funded through the FTA's three programs: Section 5310, JARC, and New Freedom.

Increase FTA Research and Technical Assistance Budgets

Increased federal funding for improved and meaningful data tracking and dissemination is needed for more robust assessment of specialized services beyond the standard counts of passengers and trips. Enhanced data collection should investigate and measure increased specialized transportation as it relates to broad societal objectives such as improving

health outcomes and allowing older adults to remain in their homes and live independently.

Funding for service demonstration grants would encourage innovation in specialized transportation. These grants could be structured similarly to the federal government's Service Methods and Demonstration grants in the 1970s. The grants would help FTA program subrecipients experiment with pilot services to meet local needs, including creative services under the broad definition of mobility management. Additional funding for research and technical assistance should not mean reductions in funds allocated to service provision.

Strengthen Coordinated Planning

The mandated FTA coordinated planning process has real value, especially in bringing new stakeholders to the table. As states and designated recipients work through their learning curve with the requirements, important relationships are built among transportation and human service providers, a critical link for coordinating and improving specialized transportation. The process does require time and resources, and some communities lag far behind others in their progress.

Promote Coordinated Planning

The FTA should promote coordinated planning by sharing model plans, best practices, and success stories, and in particular by providing technical assistance.

Information sharing can improve and facilitate the coordinated planning process. For example, posting sample plans on the state DOT website can give lead planning agencies across the state models they can emulate.²²

Increased technical assistance can also improve coordinated planning. This

includes FTA guidance on planning components (e.g., how the designated recipient should structure the required competitive selection process) as well as technology support. Assistance with such technology tools as geographic information system (GIS) mapping software can strengthen the planning process, especially for newcomers to transportation planning. GIS maps provide visual aids that make the discussion of transportation needs and available services more relevant and meaningful.

Encourage Non-DOT Representatives to Participate in the Coordinated Planning Process

A particular coordination challenge has been securing the participation of specialized transportation providers that are funded through HHS and other non-DOT agencies. Medicaid transportation providers are key stakeholders for coordinated planning, but they often choose not to participate in local planning efforts. In many areas of the country, state-level brokers for Medicaid transportation have not participated.

Increase Efforts to Bring Underrepresented Groups to the Planning Table

Low-income persons and veterans have not been well represented in the coordinated planning process. FTA guidance specifies that representatives of the targeted populations (older adults, persons with disabilities, and people with low incomes) should be invited to participate in the planning process. The guidance spells out notification and outreach efforts to invite these groups and stakeholders to the planning table.

Lead planning agencies should increase their efforts to include stakeholders representing low-income persons, veterans, and other underrepresented groups in their local planning process.

Grant FTA the Authority to Review the Coordinated Planning Process

The FTA should review the coordinated planning process used by the lead planning agency (not the actual plan) as part of its required triennial reviews to ensure that the lead agency made best efforts to bring all stakeholders to the table. Nationwide, the results have been mixed regarding the range of stakeholders who participate in the coordinated planning process.²³ In its review, the FTA should emphasize the importance of ensuring that stakeholders representing the three target population groups actively contribute to the process. The more consumers are represented in the planning process, the more the resulting plan and projects will reflect their needs.

Policy Options

- Increase overall funding for public transportation, especially specialized transportation.
- Strengthen coordinated planning.
- Continue to support mobility management.
- Collect and analyze smarter data to strengthen programs.
- Expand program flexibility.
- Study the impact of consolidating the FTA’s three specialized transportation programs.

Provide Stronger Language than “derived from the coordinated planning process”

While the law stipulates that projects selected for funding must be “derived from a locally coordinated public transit-human services transportation plan,” the chosen projects do not always best meet the transportation needs of the community’s three target groups. This may happen as a result of underrepresentation of hard-to-reach consumer groups (e.g., low-income

persons). It may also result from an administrative mismatch, as project selection for Section 5310 awards is made through a state-administered process separate from that for JARC and New Freedom. Or it may result from an overly general coordinated plan. Additional clarification in the guidance, along with implementation of the other measures to strengthen coordination offered in this paper, could address this problem.

Retain the Current Flexibility of the Lead Planning Agency

There are pros and cons regarding which agency should serve as lead planning agency for the coordinated planning process. In some cases, a local entity such as the public transit provider has successfully led the planning effort. In other cases, it has been difficult to identify local agencies to take on the lead planning role, so the state has stepped in. Several different types of entities—the state, a local government transportation agency, an MPO—can, and have, effectively brought the requisite stakeholders to the table and facilitated a viable planning process. The FTA guidance rightly allows flexibility in this regard.

Better Define the Competitive Selection Process

The FTA requirement for a competitive process to select JARC and New Freedom funding awards has been interpreted in many ways. The FTA’s intent is not necessarily to require a formal request for proposal process but to ensure an open and competitive process that results in a broad range of projects being considered. Designated recipients would benefit from additional guidance on this aspect of the required process.

Strengthen Coordinated Planning with the Broader Transportation Planning Processes

The lead planning agency may develop the coordinated plan either as part of or separately from the federally required metropolitan and statewide transportation plans. If the plan is developed separately (the more common approach), it must later be incorporated into the regional TIP and STIP so that selected projects from the coordinated plan receive final funding approval. The TIP and STIP planning processes are well-established, open, and public. Key stakeholders, especially consumers of the services, should be made aware of this formal approval step and invited to provide public input.

Continue to Support Mobility Management

States and localities are increasingly using FTA specialized transportation funds for mobility management activities. Recent research shows that mobility management projects have been the second most common New Freedom activity: 10 percent of projects in FY 2007 and 18 percent in FY 2008.²⁴

The large majority of FTA funds for mobility management (about 70 percent) come from JARC and New Freedom. Few states use Section 5310 for mobility management, but that number is increasing.

Retain Mobility Management as an Eligible Capital Activity

Mobility management is an eligible capital expense under the three FTA specialized transportation programs, with up to 80 percent federal funding available rather than the 50 percent federal match afforded transit operating activities. The higher federal funding share encourages implementation of mobility management activities.

Promote Mobility Management as an Eligible Activity under Non-DOT Programs

The inclusion of mobility management as eligible for funding through non-DOT programs would strengthen coordination among the FTA's three programs and the various specialized transportation programs provided through other federal agencies, especially HHS. Mobility management's ability to stitch together the various transportation programs would increase if it were included as an eligible expense in the non-DOT programs.

Retain Flexibility for Funding the Broad Range of Mobility Management Activities

One of the strengths of mobility management is the breadth of activities that fall under its definition. Services as disparate as centralized call centers, volunteer driver programs, and high-tech automatic vehicle locator systems (which allow dispatchers to track vehicles in real time for improved service) have received funding. Communities embarking on mobility management can choose from a long menu of activities, selecting the most appropriate and tailoring them to meet local needs.

Provide Continued Support and Increased Technical Assistance for Mobility Managers

Mobility management is a new field, and mobility managers need support and technical assistance. Several factors make such support and assistance particularly important: Mobility managers may come from a wide range of backgrounds outside of transportation; mobility management activities are many and varied, with some requiring significant technical skills (e.g., computerized scheduling/dispatch); and information sharing among mobility managers can help jump-start projects, lessening the learning curve that often challenges new projects. The American Public Transportation Association (APTA), with FTA funding support, is

developing a best practices document for mobility management, as well as a mobility management curriculum to help transit agencies develop this new field. Support and technical assistance are critical to realize the full potential of mobility management to improve specialized transportation.

*Support Mobility Management
Demonstration Programs*

Funds for demonstration grants for innovative mobility management activities, similar to the Service Methods and Demonstration grants of the 1970s, would allow mobility managers to test new and creative approaches to the many activities eligible under the FTA program guidance. The enthusiasm for mobility management among transportation and human service professionals is genuine and substantial, and demonstration grants are one way to take this enthusiasm into the field in innovative ways. (Support for demonstration grants is also described above under “Increase FTA research and technical assistance budgets.”)

*Link Mobility Management with Other
Information and Referral Programs*

Mobility management includes an array of activities (sometimes referred to as a “family of services”), such as shuttle services, taxi subsidy programs, volunteer driver programs, vouchers, travel training, and ride sharing, among others. Mobility management also includes centralized one-call services, which collect and share information on the specialized transportation services in the community. These transportation and information activities should be linked to the broader centralized information and referral services that exist in many communities, especially those developed for human services. The 2-1-1 systems, for example, are designed with an easy-to-remember number to connect people with critical community and human services. The

benefits of these human service-oriented systems could be greatly extended by including information on specialized transportation.

**Collect and Analyze Smarter Data to
Strengthen Programs**

Tension exists between the desire for less data collection and reporting to ease the administrative burden on program managers and service providers and a need for more data to make informed decisions. The different reporting cycles of the FTA, states, and localities add to the complex reporting requirements placed on FTA grant recipients and subrecipients. At the same time, stakeholders understand the need to establish more meaningful person-centered data to assess program outcomes that go beyond counts of trips and miles. The data should tell the story, not just report the facts.

The FTA recently implemented extensive data reporting procedures for the JARC and New Freedom programs (July 2009) and issued new instructions for Section 5310 data reporting (October 2009). Using the new JARC and New Freedom data, the FTA conducted an evaluation of the two programs²⁵ that provides extensive information on, for example, estimates of jobs accessed and the expansion of ADA paratransit services. Narrative profiles are included, in which grantees provide project descriptions that complement the quantitative data. This evaluation provides a foundation for JARC and New Freedom reporting.

*Standardize Data Definitions in the Program
Guidance*

The FTA could improve data reporting and performance assessment for its three specialized transportation programs by standardizing the definitions of data terms used in FTA circulars and supplementary guidance. For the Section

5310 program, for example, states count and categorize ridership in many different ways, with particular confusion in reporting riders who are both elderly and disabled.²⁶ Other important data terms—including *trip*, *cost*, and *expense*—lack consistent definitions in recipients' and subrecipients' data reports. Standardizing these key data elements is an important first step in strengthening program assessment.

Evaluate Overall Program Effectiveness

Program recipients need to monitor the services of their subrecipients, but they should make additional efforts to assess overall program effectiveness. How successful has JARC been in moving low-income persons to jobs and job-related services? What quantifiable progress has been made in addressing the gaps in services for older adults and persons with disabilities through the Section 5310 program? The recently issued JARC and New Freedom evaluation begins to address program effectiveness, at least for these two programs.

Programs need to tell their story; to demonstrate the human side of their achievements. At the same time, they need to use the powerful management tools of data and performance measures to assess their internal operations. Assessments must include cost measures, which should be used in appropriate ways. For some program reviewers, cost measures may be attractive for peer reviews and comparisons among programs. However, because of the differences among programs and the environments in which they operate, cost measures alone should not be used to measure program effectiveness.

Appropriate Funds for Research to Link Transportation and Human Services Data

A research study should be included in the next transportation authorization to investigate linking transportation and

human services data for stronger program evaluation. This study would explore the feasibility of using cross-agency data and developing measures that bridge the two halves of specialized transportation: the *specialized human service* side relating to the needs of the three target population groups and the *transportation* side of vehicles, miles, and rides.

This effort could build on the Federal Interagency Forum on Aging-Related Statistics, which produced *Older Americans 2008: Key Indicators of Well-Being*.²⁷ As a start, the DOT should become a member of this forum.

The research study would identify existing databases on the human service side (e.g., the National Health Interview Survey) and those used for transportation (e.g., the National Household Transportation Survey). From these, measures could be identified to link data that demonstrate the broader achievements of specialized transportation program investments. For example, what quantifiable measures could be used to demonstrate the benefits realized when specialized transportation enables older, frail individuals to remain in their homes—to age in place—rather than entering nursing homes? This study could further develop meaningful benchmarks, at least preliminary ones, that could in turn inform program targets.

Include Transportation Elements in National Survey Efforts

Various federal agencies and organizations fund extensive national surveys to measure a wide variety of person-centered outcomes; for example, the Behavioral Risk Factor Surveillance System, which assesses health-related behaviors. These broad efforts provide an opportunity to test links with

transportation and could augment efforts described above to obtain better, smarter data to strengthen the evaluation of specialized transportation programs. The FTA should work with the sponsors of these surveys to include transportation-related questions.

Establish a Central Clearinghouse of Information

A central clearinghouse should be created to store comprehensive, smarter data on the specialized transportation programs, including program outcomes and results. Such a central, public repository of data and narratives would facilitate communication about specialized transportation program investments.

Expand Program Flexibility

Differences among states—and certainly among large urban, small urban, and rural areas—make it difficult to design a one-size-fits-all program structure. The ability to use funds flexibly varies across the three FTA programs. The JARC and New Freedom programs are structured so that funding is distributed among large urban, small urban, and rural areas by a 60-20-20 percent split. This distribution limits states' ability to target funding to areas they determine are most in need. Section 5310 funding, on the other hand, is provided directly to the states, giving them freedom to allocate resources as they determine best for their individual state. The FTA does allow limited transfer of funds among population categories for the JARC program²⁸ but not for New Freedom, for reasons that are not clear.

Increased Flexibility Would Help Remove Funding Silos

Significantly greater flexibility to transfer funds across the geographic categories would help designated

recipients, especially states, address locally determined needs. Funding silos are key deterrents to specialized transportation coordination; as part of a surface transportation authorization, Congress should consider measures that would loosen the silos within the FTA's funding programs.

Provide Local Discretion to Flex Funds Across Geographic Categories

With greater ability to transfer funds across geographic categories, the states could target JARC and New Freedom to areas and projects that are most in need. Needs for specialized services may be greater in rural areas, but these areas have more limited funding.

Retain Flexibility to Locally Determine the Designated Recipient for JARC and New Freedom Funds

For large urban areas, the designated recipient for JARC and New Freedom funds is determined through a locally negotiated process involving the state, various local officials, and the public transportation provider. This process often results in the identification of the local MPO or the public transportation provider as the designated recipient. No single entity is always the perfect one to fulfill this role. Localities appreciate the flexibility to determine the appropriate recipient for their area.

Retain Non-DOT Funds and In-kind Contributions as the Local Match

Federal non-DOT funds and in-kind contributions are among eligible sources of the local match required for Section 5310, JARC, and New Freedom. SAFETEA-LU expanded the options for meeting local match requirements, and this expansion benefits subrecipients, which in many cases have limited opportunities to secure matching funds.

| Rationale for Consolidation | Rationale Against Consolidation |
|---|---|
| <p>Consolidation would mean optimal flexibility for designated recipients to administer specialized transportation funding.</p> <p>Consolidation would reduce the administrative burden.</p> <p>The transportation needs of the target population groups are more similar than different, so three separate programs are not necessary.</p> | <p>The needs of low-income workers without disabilities (JARC’s target group) are different than those of older adults and persons with disabilities.</p> <p>The merger of programs could introduce competition among the target groups for a share of the funds.</p> <p>Consolidation could mean the loss of the more specialized and lower-cost services offered by nonprofit human service transportation providers.</p> |

Study the Impact of Consolidating the FTA’s Three Programs

Several transportation organizations—most notably APTA and the American Association of State Highway and Transportation Officials—have proposed consolidating two or three of the FTA specialized transportation programs in the next transportation bill, primarily to increase program flexibility and reduce administrative burden. Program administrators would like to be able to use grant monies to meet locally determined needs without rigid funding silos. These stakeholders cite increasingly time-consuming and complex management requirements for multiple programs that must be met with decreasing staff resources in state DOTs.²⁹

Proponents also point to lapsed funds as a rationale for program consolidation, although this problem is largely confined to the New Freedom program, especially in small urban areas. Local officials say they sometimes cannot spend New Freedom grants in a timely manner because of their inability to flex funds across population categories, the smaller apportionments allotted to small urban and rural areas, and limited local funds to meet match requirements.

The complexity of multiple funding programs spills down to the local operator level as well and hampers coordination efforts. Many local transit operators, particularly in small urban and rural areas, receive funding from more than one of the FTA grant programs and find it almost mandatory to run separate services just to satisfy the rules and reporting requirements of the separate grants. As a result, they might have one route in their system funded through JARC, another service that “goes beyond the ADA” funded with New Freedom dollars, and a third senior shuttle operated with a Section 5310-funded vehicle to ensure that the vehicle is used primarily for 5310 purposes. To meet the reporting requirements of the various grant programs, different data are collected and reported for each of these routes and services.

Aging and disability organizations—including AARP, the National Association of Area Agencies on Aging, Easter Seals, Jewish Federations of North America, and other members of the Senior Transportation Task Force—are concerned that consolidation of the programs could lower the quality of service provided under the Section 5310 program and lead to other unintended consequences. A particular concern for these organizations is that older adults,

persons with disabilities, and low-income populations do not have identical transportation needs that can always be met by the same service. In an effort to meet the needs of each group, advocates could find themselves pitted against one another in unproductive competition. These organizations also believe that consolidation would remove the current priority for nonprofit human service providers under the Section 5310 program. Many feel that these nonprofit providers, given that their primary institutional purpose is to meet human service needs, are best able to offer the high-quality, specialized service that many older adults and persons with disabilities require.

Additional study is needed to understand whether consolidation can streamline program administration and at the same time improve the delivery of specialized services to older adults, persons with disabilities, and low-income workers.

Two thorny issues arise in considering the details of implementing consolidation:

- **Identification of the designated recipient.** If the three programs merged into one, a single entity would become the designated recipient. Would it be the state—the designated recipient for the long-standing Section 5310 program? Or would the designation follow the practice of the newer JARC and New Freedom programs, under which (at least for large urbanized areas) the designated recipient is determined through a local collaborative process? Potential conflicts of interest could arise if the designated recipient for JARC and New Freedom is also an applicant for those program funds.
- **Flow of funds.** Should the money flow to the state (as is currently the

case for Section 5310 funding), or should it flow to the designated recipient via the 60-20-20 percent distribution among population categories (as is the case for JARC and New Freedom)? Stakeholders do not concur on the best funding structure. They generally agree that the 5310 funding structure works well for the state-administered 5310 program. They also believe quite strongly that the JARC and New Freedom apportionment boundaries established among the three population categories should be loosened to provide more flexibility to fund locally determined needs.

Consolidate FTA Grant Programs for Rural Areas Only

An option is to combine FTA grants available for rural areas only—Section 5311, Section 5310, JARC, and New Freedom—while retaining all activities now available under the separate programs. Rural transit services typically focus on riders with special needs, including older adults, persons with disabilities, and low-income persons. Merging the programs would allow rural transit operators to provide transit services without the constraints of separate grant agreements and requirements.

This option entails a number of caveats. First, Section 5311's focus on *general public service* should remain; services to those with special needs should not preclude services for the general public. Second, a consolidated rural program would need to define an appropriate funding level for Section 5311(f), the Intercity Bus Program. Under the current rural program, states must spend at least 15 percent of their annual Section 5311 apportionment to support intercity bus transportation (unless the state certifies that needs for such services are met). Third, some stakeholders question

whether this option would reduce state administrative efforts, since Section 5310, JARC, and New Freedom would remain separate programs for urban areas.

Consolidate Section 5310 and New Freedom

Another option is to consolidate Section 5310 and New Freedom, since both focus on persons with disabilities (Section 5310 targets older adults as well). These target groups are quite distinct from those of JARC (low-income persons and reverse commuters regardless of income). The transportation services developed for older adults and persons with disabilities are similar and often identical, such as door-to-door demand-response programs. JARC services tend to be more traditional fixed-route transit, serving employment centers at scheduled times. Given the commonalities between Section 5310 and New Freedom, a consolidation of the two may be appropriate. The issues of designated recipient and flow of funds remain stumbling blocks with this option.

Consolidate JARC and Section 5307

A third permutation could be merging JARC with Section 5307, the FTA’s Urbanized Area Formula Assistance Program that provides federal funds for urbanized areas (50,000 and greater population). In many such areas, Section 5307 transit operators provide JARC services. Thus, merging JARC with Section 5307 could eliminate the administrative issues involved with managing and operating two separate grant programs.

However, many stakeholders consider this option problematic. Such a merger might preclude the more innovative JARC services operated in some communities by nontraditional providers such as taxi companies. Additionally, some public transit operators, according

to at least one stakeholder, “want nothing to do with” the more specialized services intended for JARC funding. Furthermore, when operated by the public transit operator, the specialized JARC routes become prime candidates for elimination when budgets are tight, because they often fail to meet productivity standards. A final concern relates to TANF (Temporary Assistance for Needy Families) funds, which have historically served as a match for the operation of JARC routes. Some stakeholders believe that the availability of TANF for match funding would likely end if JARC funds were bundled with Section 5307 funds that go to the public transit operator.

Conclusion

Specialized transportation is a lifeline for many older adults, persons with disabilities, and low-income workers. Authorization of the next surface transportation law provides an opportunity to improve the services funded by the three FTA-administered programs. Enhancements to the coordinated planning process and renewed support for the promising field of mobility management are two areas that could be strengthened through the authorization. Improved data collection and reporting are fundamental to understanding the full value of the programs and identifying where improvements are needed.

While stakeholders recognize that current program structures would benefit from increased flexibility and reduced administration burden, wholesale changes to the program structure—specifically, program consolidation—could result in unintended consequences for the beneficiaries of these programs. Any program restructuring must strive, above all, to improve transportation for older adults, persons with disabilities, and persons with low incomes.

¹Accessed December 15, 2009, <http://www.epa.gov/dced/partnership/index.html>.

²“Across the States, 2009: Profiles of Long-Term Care and Independent Living.” Accessed February 1, 2010 at http://www.aarp.org/research/ppi/ltc/other/articles/across_the_states_2009_profiles_of_long-term_care_and_independent_living.html.

³Fixed-route public transportation refers to public buses and trains that follow an established service route according to a fixed schedule. Fixed-route systems typically include city bus systems, commuter bus systems, subways, light rail systems, and intercity rail transportation.

⁴KFH Group et al., *Guidebook for Measuring, Assessing, and Improving Performance of Demand-Response Transportation*, TCRP Report 124. Washington, DC: Transportation Research Board, 2008; and R. Kirby, *Paratransit: Neglected Options for Urban Mobility*. Washington, DC: The Urban Institute, 1974.

⁵U.S. General Accounting Office, *Transportation Disadvantaged Populations: Many Federal Programs Fund Transportation Services, but Obstacles to Coordination Persist*. June 2003, p. 12.

⁶*Ibid*, p. 8. This report found that the full extent of spending on specialized transportation is not known, because complete spending information is not available for some federal programs. Spending information provided in the report is based on information available for 29 of the 62 programs identified. According to available data, HHS programs together spent the most on specialized transportation in the fiscal year studied.

⁷*Ibid*, pp. 12–14.

⁸*Ibid*, p. 13.

⁹S. Rosenbaum et al., *Medicaid’s Medical Transportation Assurance: Origins, Evolution, Current Trends, and Implications for Health Reform*, Policy Brief. Washington, DC: George Washington University School of Public Health and Health Services, July 2009.

¹⁰FTA apportionments for FY06: for 5310, http://www.fta.dot.gov/funding/grants/grants_financing_8352.html; for JARC, http://www.fta.dot.gov/funding/grants/grants_financing_7176.html; for New Freedom, http://www.fta.dot.gov/funding/grants/grants_financing_7187.html.

¹¹“Report to the President: Human Service Transportation Coordination Executive Order 13330,” 2005, available at http://www.unitedweride.gov/1_866_eng_html.htm.

¹²J. Burkhardt et. al., *Economic Benefits of Coordinating Human Service Transportation and Transit Services*, TCRP Report 91. Washington, DC: Transportation Research Board, 2003.

¹³The Section 5310 program was originally called the Section 16 (b)(2) program.

¹⁴The FTA uses the term “designated recipient” to refer to a public body that has the legal authority to apply for, receive, and dispense federal funds.

¹⁵KFH Group, Inc., *Current State Eligibility Requirements for Grantees to Qualify for Federal Section 5310 and Section 5311 Funds*, National Cooperative Highway Research Program 20-65(16) final report. March 2008. The report found that private nonprofit agencies comprise 86 percent of total grantees and receive 78 percent of the funding; local governments and independent public transit districts comprise 13 percent of grantees and receive 22 percent of the funding; and tribal governments comprise less than 1 percent of grantees and receive less than 1 percent of the funding.

¹⁶SAFETEA-LU included a pilot project that allowed seven states (Alaska, Louisiana, Minnesota, North Carolina, Oregon, South Carolina, and Wisconsin) to use up to 33 percent of their respective annual Section 5310 funds for operating assistance, with a 50 percent local share requirement. (Wisconsin later decided not to participate.) SAFETEA-LU required the states to prepare a report assessing the pilot. According to a DOT letter to Congress (available at http://www.fta.dot.gov/funding/grants/grants_financing_8353.html), because the pilot was slow getting started, the study found insufficient data to report the pilot’s effectiveness. Also, the study found that, because of increasing coordination of Section 5310 with other human service transportation activities, “it is difficult to isolate the impacts of this Pilot Program from other programs.” The FTA said in this letter that it expected that adequate data would not be available to assess the pilot before the end of FY 2009.

¹⁷U.S. Department of Transportation Federal Transit Administration, Circulars FTA C 9070.1F; 9045.1; 9050.1, May 1, 2007.

¹⁸For information on required metropolitan and statewide planning requirements, see, for

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example, “The Transportation Planning Process: Key Issues,” a publication of the Transportation Planning Capacity Building Program, Federal Highway Administration and Federal Transit Administration, available at <http://www.planning.dot.gov/documents/briefingbook/bbook.htm>.

¹⁹The Beverly Foundation, *Public Transportation Programs for Seniors, 2007 Final Report*. Washington, DC: American Public Transportation Association, December 2007.

²⁰ Since the ADA was signed into law, public transit buses have become nearly universally accessible to persons using wheelchairs. As reported by APTA, a sampling of the bus fleet finds that 99.3 percent of public buses have wheelchair lifts or ramps, up from 40.2 percent in 1990 (APTA, *2009 Public Transportation Fact Book*, Table 20). Much work is still needed to make the sidewalk network around bus stops accessible. A smaller percentage of the commuter and light rail vehicle fleet is accessible (86 percent and 84 percent, respectively).

²¹ According to APTA, more than 34 million public transportation trips are taken each weekday. Public Transportation Takes Us There, Fact Sheet, at <http://www.publictransportation.org>.

²² *NCHRP Research Results Digest 331*, April 2009.

²³ *Ibid.*

²⁴ Commonwealth Environmental Systems and TranSystems, *Connecting People to Employment and Enhancing Mobility for People with Disabilities: An Evaluation of Job Access and Reverse Commute (JARC) and New Freedom Program Services Provided in 2007 and 2008, Final Report*. Washington, DC: Federal Transit Administration, November 2009.

²⁵ *Ibid.*

²⁶ A. Enders and T. Seekins, *A Review of FTA Section 5310 Programs' State Management Plans: A Legacy Program in Transition*, Technical Report. Missoula, MT: University of Montana Rural Institute, February 2009.

²⁷ Information on the Federal Interagency Forum on Aging-Related Statistics can be found at http://www.agingstats.gov/agingstatsdotnet/main_site/default.aspx. At present, the following federal departments are forum members: Commerce, Health and Human Services (which

includes the Administration on Aging, Centers for Medicare and Medicaid Services, and National Institute on Aging), Housing and Urban Development, Labor, Veterans Affairs, Environmental Protection Agency, Office of Management and Budget, and Social Security Administration.

²⁸ A state may transfer funds among small urban and rural areas if it certifies that all JARC objectives are being met in the area from which funds are being transferred. JARC funds apportioned for rural areas and small urban areas may also be transferred anywhere in the state, including to large urban areas, if the state has a statewide JARC program (but not the reverse, from large urban areas to small urban or rural areas).

²⁹ As documented in *NCHRP Research Results Digest 314*, state program administrators are required to manage parallel and often identical, overlapping, or concurrent elements, including rules and regulations related to funding flow, separate and discrete application processes and documents, necessary certifications, fund tracking for obligations and payments, project review and evaluation processes, and ongoing program oversight and reports.

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