

**PUBLIC TRANSPORTATION ADVISORY COMMITTEE  
MEETING NOTES  
December 13, 2010**

**Date:** Monday, November 13, 2010  
Time: 1:00 p.m. – 4:00 p.m.

**Location:** Keizer City Hall  
930 Chemawa Rd, Keizer

**Members Present:**

Chair, Terry Parker, Lane Transit District (LTD)  
Bob Lowry, Oregon Passenger Rail Advisory Committee (OPRAC)  
Ernie Palmer, Basin Transit Service, Klamath Falls  
Julie Brown, (Vice-Chair), Rogue Valley Transportation District  
Mary Jo Carpenter, Oregon Transit Association (OTA) – via telephone  
John Wenzholz, Morrow County, ex-officio  
Heather Ornelas, Bend Area Transit District, City of Bend  
Sally Lawson, Oregon State Area Agencies on Disabilities, NW Senior and Disability Services (NWSDS)-via telephone  
Roxanne Daniel, Salem-Keizer Transit, Transportation Options Group of Oregon  
Tim McQueary, Governor’s Commission on Senior Services  
Angel Hale, Oregon Commission for the Blind – via telephone  
Julie Stephens, Sandy Transit, City of Sandy, representing Claire Potter, TriMet

**Members Absent:**

Dennis Dick, Valley Retriever Bus Lines, Intercity Bus Service Provider  
Bill Hall, Assoc. of Oregon Counties (AOC)  
David Ritacco, Office of Vocational Rehabilitation  
Allan Pollock, Salem Area Mass Transit District (SAMTD)  
Claire Potter, TriMet

**ODOT Public Transit Staff Present:**

Michael Ward, Administrator  
PJ Pippin, Executive Support  
Joni Bramlett, Capital Programs Manager  
Sharon Peerenboom, Small City and Rural Program Manager  
Arla Miller, Office Specialist

**Interested Persons Present:**

Tim Wilson, Interested Citizen  
Dan Schwanz, Mid-Columbia Council of Governments (MCCOG), Hood River Transportation District  
Ken Bronson, Senior Citizens of Sweet Home, Linn Shuttle, Sweet Home Dial-A-Bus  
Joan Reimer, Sweet Home, Linn County  
Kindra Oliver, Senior Services Director, City of Lebanon  
Bill Lewis, City of Sweet Home

Mona West, Salem Area Mass Transit District (SAMTD), CARTS  
Mark Volmert, Linn County STF Coordinator, Oregon Cascades West COG  
Julie Wilke, Ride Connection, via telephone  
Craig Martin, City of Sweet Home, City Manager  
Matt Mumford, Tillamook County Transportation District

**Guest Speakers:**

Dr. Ashley Haire, Ph.D.

[ITEM A](#)

1:00 p.m. **Welcome, Introductions, Items of Interest**

Chairperson Terry Parker called the meeting to order. Welcome and introductions were made. Meeting notes from the November 8, 2010, PTAC meeting were reviewed. A motion was made by Bob Lowry to approve the notes with corrections (Heather made the motion to convene the December meeting to continue discussion of 5311 program changes; change the title of John Wenholz from AOC representative to Ex-Officio), seconded by Ernie Palmer and unanimously approved by Committee.

[ITEM B](#)

1:10 p.m. **Public Comment**

Chair Parker asked if there were any Public Comments regarding the 5311 Formula Program.

Dan Schwanz - Comment. Hood River – Previously, our statistics were counted incorrectly; every mile was counted as a revenue mile regardless. Every person that called for a ride was considered a rider, whether or not they kept their reservation. Base dollars insure that no one will be penalized regardless of miles and riders.

Ken Bronson – Comment. Based on the impact on our system the base amount is critical to keeping our systems running.

Kindra Oliver – Comment. We have a letter from the Mayor of the City of Lebanon addressing concerns with the formula. The main concern is, if we are changing the formula and it is to be based on rides and miles only, it will be detrimental to some of the smaller, rural dial-a-bus programs. Our rides average 1-2 miles each. If the base goes away, the impact is greater. The base amount allows some programs to even exist. What safeguards would be in place after the first year? The 5311 changes will be detrimental to our funding. Some safeguards in place for the first year but what happens after that? What happens with SAFETEA-LU? It is still in limbo. Maybe we should wait on any formula changes until after the reauthorization of SAFETEA-LU.

Mark Volmert – Comment. Thank you for your support of the local transportation systems. Thanks for the daily efforts of PTD staff and their assistance to local programs. The diverse thirty-eight 5311-funded programs reflect the diversity of our state, and have complex and diverse funding issues. How do the proposed changes improve the 5311-funded programs, improve statewide coordination of programs and achieve the vision and goals of the program? Currently the 5311 funding is the most stable funding source for most providers. Do we really want to change

the program that could be changed again by the federal government in a year or so? We suggest keeping the status quo until we see what changes the federal government requires with the reauthorization of SAFETEA-LU. The three partners; the local programs, PTAC and PTD, need to continue the dialogue and work together on a fair, equitable, logical and sustainable allocation formula that enables the thirty-eight local programs to continue to deliver transportation services in a safe, effective and cost-efficient manner.

Craig Martin – Comment. Basically, the funding formula has worked for us to provide critical transportation (medical trips, etc.). It seems to work well for us. It's not broken so why change it?

### ITEM C

1:15 p.m.

#### **Continued Discussion and input on 5311 Formula project AND draft recommendations.**

Mr. Ward apologized and took full responsibility for not addressing the 5311 program issues in more depth earlier. He acknowledged the importance of any changes made to the program.

Mr. Ward said that the formula is broken. There are significant issues around population such as who is included, who gets counted and how? (counted as half of a person, or a quarter)? The base is broken as several providers receive more than one base allocation when others receive one base within their allocation but are doing the very same things. It is not a fair and equitable system. Some organizations are doing the same thing as others but only some of them get more dollars. The question is to decide what makes sense and what follows the FTA requirements.

There is an issue around timing in respect to the reauthorization of SAFETEA-LU (federal authorizing legislation for surface transportation). Mr. Ward indicated not wanting to hold off as it is unknown when the federal government will pass the next long-term transportation bill. PTD needs to fix the problem now to ensure that the formula is fair & equitable. Currently, there are inconsistencies in how it is applied.

Currently, there are thirty-eight 5311 grants to thirty-four subrecipients. PTD does not specify how each subrecipient will use their 5311 allocation as long as it is an allowable expense under the program. Now 2004 data for population is used. Some providers do not use their entire formula allocation. That money is returned to the 5311 fund account and re-used in the following year for transportation services. In the future PTD hopes to conduct more audits. PTD doesn't intend for audits to be a "gotcha", or a way to catch a provider doing something wrong but, rather, a technical assistance tool to ensure providers are receiving the full benefit of the 5311 program.

The question was raised as to why PTD uses 2004 data. Mr. Ward said that provider service areas transcend county, city, and intercity boundaries and that PTD does not have reliable population data by individual service area. Population bases are different from what is used for STF and what is used for other programs.

Dr. Ashley Haire was contracted to review the program and give recommendations on how to ensure the program is fair, equitable, and transparent. Dr. Haire gave a brief review of the 5311 formula program and presented information on how other states in the U.S. run their 5311 programs.

Currently, ODOT’s 5311 formula program is based on:

1. \$50,000 is used as a base allocation
2. 50% on population
3. 25% on rides
4. 25% services miles

Options presented are:

1. Get rid of formula and use a competitive application
2. Change the weighting of rides and miles.
3. Eliminate population parameters from the formula.
4. Eliminate base allocation (currently at \$50,000)
5. Limit funding increases and decreases and use 3 year average.
6. Maintain use of a “floor and cap” on funding levels with not less than 95% of previous year’s allocation and no more than 110% of prior year’s allocation.

Links to the reports *December 2010 Assessment* and *Final Report* follow:

[www.oregon.gov/ODOT/PT/docs/Assess-5311Formula-FinalRpt-Nov2010.pdf](http://www.oregon.gov/ODOT/PT/docs/Assess-5311Formula-FinalRpt-Nov2010.pdf)

[www.oregon.gov/ODOT/PT/docs/5311/5311-Dec2010-Presentation.pdf](http://www.oregon.gov/ODOT/PT/docs/5311/5311-Dec2010-Presentation.pdf)

Most states use the competitive process vs. formula. PTAC unanimously suggest using the formula process. As noted in the report, population-related issues that have been identified are:

- Can multiple providers claim a population or portion of a population within a service area?
- What level of service should constitute the right to claim a portion of a population?
- In which cases should the right to claim a population be denied?



## Recommendations

Option/Criteria	Consistent with sub-recipient preference for formula-based procedure	Ease of implementation	Low administrative burden
<b>Retain Population Parameter in Formula</b>			
A. Develop service measures to quantify provision limits	●	◐	○
B. Develop zonal populations for all providers in a zone	●	◐	◐
C. Change funding operations to region-based system	●	○	○
<b>Eliminate Population Parameter from Formula</b>			
D. Eliminate pop. parameter; Adjust formula accordingly	●	●	●
<b>Eliminate Formula; Use Competitive Application</b>			
E. Abandon formulaic approach for competitive process	○	○	○
● Well-Addressed      ◐ Partially Addressed      ○ Poorly/Not Addressed			

The state of Iowa uses the Forkenbrock-style formula. It eliminates the population parameter and uses 60% for service miles and 40% for rides. Service miles seem to be an effective measure of needs in especially low demand densities. Rides are also on a need-base and if a transportation provider provides more rides it requires more funding.

The recommendation to maintain the use of a “floor” and “ceiling” of no less than 95% of the prior year’s grant amount and no more than 110% of the prior year’s grant funding. Amounts beyond the 110% cap are returned to the “pot” and redistributed to subrecipients not reaching cap. PTAC members discussed that even a 5% change could have a negative impact on smaller transportation service providers.

The recommendation to eliminate the \$50,000 base was met with great concern from the providers in attendance. The report suggested that the difference is generally compensated for in adjusted formula parameters and percentages. If the \$50,000 minimum guarantee is kept in the program then clear criteria need to be developed to clarify the rationale for setting the amount and expectations for service providers in receiving the base allocation by program or by service area.

There was discussion about the original intent behind establishing a base allocation. The original base was initially included for the benefit of smaller systems as a funding guarantee for minimal services (such as operating one bus with a paid driver for one year). The concept was that you need a minimum amount of money to do something meaningful.

An additional concern is under spending by some subrecipients. The percentage of an allocation not used by some subrecipients was as high as 50% to 80%. There was discussion about possible reasons such as smaller systems not having enough local match for their full allocation.

2:00 p.m. BREAK

2:15 **ITEM C**

**Continued Discussion and input on 5311 Formula project AND draft recommendations.**

Dr. Haire has recommended eliminating the \$50,000 base since the difference is generally compensated for in adjusted formula parameters and percentages.

Most public in attendance expressed great concern that if the \$50,000 base was removed then many small, rural transportation systems would be put out of business.

Mr. Ward reiterated that rides and service miles are a good proxy and good indicator for receiving funds but further discussion is required. Members asked for a spread sheet that details what would happen to projects if the \$50,000 base was discontinued.

Comments from PTAC members via email were shared.

- Dennis Dick couldn’t be here but wanted to wait until, at the federal level, SAFETEA-LU-2 is settled.

- Claire's email – There are six 5311 providers in tri-county area. The Tri-County area supports keeping the Formula program vs. the competitive program. Formula programs are important to ensure the stability of revenue for providers. Claire continues to say that they support the new formula (60% mileage/40% ridership) and recommend the floor to cap adjustments to help providers who may lose funding adjust to the new formula.
- Julie Wilke (Had difficulty hearing the meeting because of technical problems with the telephone system.) Based on the concept of riders and miles, it seems reasonable but when reviewing the numbers, the suggested changes to the formula will devastate the amount of funding that Washington County receives. Washington County has mostly demand service with many people being transported around the county and beyond. Washington County advocates reconsidering and reevaluating the population of the bases for a portion of the calculation or leave the base amount intact. They strongly advocate for a gradual transition with multiple years of limiting the funding increase/decrease.
- Julie Stephens wanted to add that a lot of rural population are outside of the service area and are not being counted.

Members continued to express and discuss their concerns.

More research will need to be done if population is to be considered further in the program. The point of the validity of statistics was brought up again.

Mary Jo Carpenter, representing Baker County said they would want to be cautious of using only performance measures but, at the same, they don't have a solution for the population issue.

Ernie Palmer said that his system, Basin Transit, is easy because they fit. If there are thirty-eight grant agreements (thirty-four providers), how many have this population issue? If only a few have a problem then PTD should work with those few. He asked about the magnitude of the issue(s). Mr. Palmer said that he did like the idea of not including population in the formula because then Klamath Falls doesn't have to compete with Portland. (Note: Portland metro area is not eligible for 5311 funds.)

Mr. Ward responded that approximately thirteen providers out of thirty-four have a problem. It was agreed that the program has a problem that must be fixed to be fair, equitable, and transparent.

Mr. Tim Wilson was concerned about service performance as major funding factor. If there was a decrease in percentage a provider could go into a death-spiral if each year they had less and less state funds to provide transportation.

Ms. Oliver said she's happy to find that the changes to the program are still flexible and have other options. Ms. Oliver wanted to ensure that no one particular population suffers from changes in the 5311 program.

Mr. Ward said that funds may be used for whatever the service needs the provider has such as, operating, maintenance, or office needs as long as these are allowable expenses under the 5311 program. There were lots of great questions but at this time the Committee needs to concentrate on the policy with details and criteria to be worked out later. Convening a sub-committee or

work group was suggested. PTD was asked to provide a spreadsheet that would show of projects/services would be affected without using population because there are so many inconsistencies.

Several committee members again expressed the desire to wait to make changes to the formula until the federal government dictates the reauthorization of SAFETEA-LU-2.

Mary Jo Carpenter made that comment that if population is not considered and the program is solely based on performance, there is no way a smaller provider in very rural areas can operate solely on service miles and rider statistics. Something other than performance needs to be considered. Subrecipients need a base.

Several question came up about the base allocation such as why some subrecipients receive multiple bases; if there is a base what will be the criteria; will there be one base per provider; And what are the administrative costs. There are still so many questions regarding this issue: What is minimal level of service? What are the criteria which this program should operate?

The Committee deemed it necessary to discuss this topic further and will put this item on the agenda for January 10, 2010. The information will be extremely helpful in shaping and forming a final 5311 program that will follow federal guidelines of being fair and equitable. As well as being a long-term, simplified program that provides meaningful, financial assistance to rural providers to ensure Oregon citizens have access to transportation for their needs.

PTD is asked to provide spreadsheets that present different scenarios. This exercise made sense to Committee and others attending the meeting. It was noted that the PSU report compiled by Dr. Haire has excellent information and provided a great place to start.

3:30 p.m.

#### **ITEM D**

**Wrap up and adjourned. Chair Parker adjourned the meeting at 3:40pm.**

**The next meeting is scheduled for January 10, 2011.**

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