



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD
Mears Park Centre, 230 East 5th Street
St. Paul, Minnesota 55101
229-2700

MEETING NOTICE

REGIONAL TRANSIT BOARD

Metro 94*
Metropolitan Waste Control Commission Facility
455 Etna Street, Suite 32
St. Paul, Minnesota
Friday, October 29, 1993
12:30 p.m.

The members of the Regional Transit Board will hold a working session at the time and place shown above.

No action will be taken.

John H. Riley
Chair

mff
10/19/93



REGIONAL TRANSIT BOARD
Mears Park Centre, 230 East 5th Street
St. Paul, Minnesota 55101
612/229-2700

**Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
455 Aetna Street, Suite 32
St. Paul, Minnesota
October 29, 1993**

MEMBERS PRESENT: Ruth Franklin; Vice Chair; Michael Beard; Sharon Feess; Morgan Grant; Val Higgins; James Hovland; Gary Humphrey; Ruby Hunt; Harry Mares

MEMBERS EXCUSED: John H. Riley and Dennis Schulstad

OTHERS PRESENT: Bill Blom; Bill Schreiber; Gregory L. Andrews, Judy Hollander, Mary Fitzgerald, RTB staff

The meeting was called by Vice Chair Franklin to order at 12:45 p.m. and roll was taken.

Andrews distributed an invitation, dated October 29, 1993, from the State Advisory Council on Metropolitan Governance to make a 10-minute presentation to the committee. He reviewed the forces that led to the restructuring of metropolitan transit service and the creation of the Regional Transit Board in 1984. Franklin explained the role of the Transportation Advisory Board in metropolitan governance. Members discussed developing a series of pro-active recommendations to modify the transit system. The presentation should deal first with the paratransit problem and emphasize that the agency is directed by the Legislature to develop innovative programs.

There was discussion of the members' interest in legislative representation during the next session of the Legislature.

Staff was directed to develop; a list of what the board does well and a statement on Metro Mobility for the presentation on November 3. The board will review it at the next meeting.

Members agreed to meet again on November 19 at 12:30 p.m., preferably in the same location.

Staff was asked to confer with MTC staff on their legislative package and schedule an MTC budget presentation.

No formal action was taken and the meeting was adjourned at 4:25 p.m.

I hereby certify that the foregoing constitutes a true and accurate record of the Regional Transit Board's meeting of October 29, 1993.

Respectfully submitted,

Mary Fitzgerald

Mary Fitzgerald
Secretary of the Board

Approved by the Regional Transit Board on this fifteenth day of November 1993.

REGIONAL TRANSIT BOARD

Mears Park Centre
230 East Fifth Street, St. Paul, Minnesota 55101
292-8789

DATE: October 25, 1993
TO: Regional Transit Board Members
FROM: Gregory Andrews, Executive Director
SUBJECT: Materials for Board Retreat

Please find attached some background material that will be discussed at the Friday afternoon retreat. Based on conversations with board members, the primary focus of Friday's retreat is for board members to discuss our legislative strategy for the 1994 session in general and of more immediate importance, the November 3rd presentation on Metro Governance.

The three questions that we are specifically requested to address are:

1. What is actually happening within our organization?
2. To whom is the board accountable?
3. What is it about the current structures that are helping/hindering the provision of transit services?

I fell the first attachment labeled "The Regional Transit Board, Created to Plan and Manage Metro Area Transit" presents a good outline for the presentation. We need to discuss who would be most appropriate to make the presentation next Wednesday. Judy Hollander and I will be at the retreat to review the attached information with the board and answer your questions.

October 20, 1993

REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: 10/27/93

Member Name	Present	Vote							
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ISSUE

John Riley

Michael Beard ✓

Sharon Feess ✓

Ruth Franklin ✓

Morgan Grant ✓

Val M. Higgins ✓

James Hovland ✓

Gary Humphrey ✓

Ruby Hunt ✓

Harry Mares ✓

Dennis Schulstad

Visitors

Staff

W. Scheiber

G Andrews

J Hollander

M Fitzgerald

State Advisory Council on Metropolitan Governance
G-29 State Capitol, St. Paul, MN 55155 * 296-5099 * Fax 296-6511

October 29, 1993

Mr. Greg Andrews
Executive Director
Regional Transit Board
230 East Fifth Street
St. Paul, MN 55101

VIA FAX 229-2739

Dear Greg:

I understand John Riley is out of town and so I am sending this invitation to speak at the Metro Advisory Council's meeting on transit governance to you. Please handle this as you see fit. The meeting will be on Wednesday, November 3rd, 3:00 - 5:30 P.M., in room 107 at the State Capitol.

We have presentations scheduled from each of the agencies which have some responsibility for transit in the region.

Metropolitan Council
Regional Transit Board
Metropolitan Transit Commission
Regional Rail Authorities
Opt-Out Transit Systems
Minnesota Department of Transportation
Minnesota Department of Education
Minnesota Department of Human Services

The Advisory Council members are looking for information on how transit is provided here in the region. Particularly the roles and responsibilities of each of these agencies, the size of your budgets, number of employees, and how you interact with these other agencies. If you have personal opinions or officially adopted recommendations on how transit governance could be improved they would certainly be welcome.

The Department of Education is asked to discuss student transportation and the Department of Human Services the costs and needs for the transportation of recipients. While neither of these departments are usually considered transit providers both have sizeable transportation budgets and needs for service.

Greg Andrews

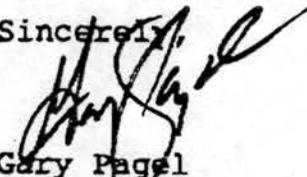
October 29, 1993

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Because of the number of presenters and the limited time for this hearing your presentation should be limited to about ten minutes. You may expand on your oral presentation with a written statement if you like. Please provide 25 copies for the Advisory Council.

If you have any questions please give me a call.

Sincerely,



Gary Pagel
Legislative Assistant

cc Senator Carol Flynn
Representative Myron Orfield

The Regional Transit Board: Created to Plan and Manage Metro Area Transit.

What is the Regional Transit Board?

- The Regional Transit Board (RTB) was created by the Minnesota Legislature in 1984 to conduct transit planning, policy-making and administration.
- The RTB is composed of ten board members and a full-time chair. The Metropolitan Council appoints eight board members. The governor appoints two additional members and the chair. The Council makes its eight board appointments from each of the RTB districts. At least six of these board members must be elected officials of cities, towns, or counties. Although RTB members serve four-year terms, elected officials may continue only as long as they hold office. The governor appoints the chair as well as a member who is 65 or older and a member with a disability.

Why Was the Regional Transit Board Created? The legislature created the RTB:

- to make transit services in the metropolitan area more responsive to community needs and user preferences.
- to separate transit planning from operations.
- to expand transit service and to implement new types of service.

What Does the Regional Transit Board Do?

The RTB plans, coordinates and administers a cost-effective system of transit services that is responsive to the needs of Twin Cities metropolitan area residents.

Develops transit plans

- Determines the needs for transit services, identifies new service concepts, establishes service specifications and evaluates services.
- Develops the overall vision for transit and the five-year plan to make the vision a reality, as well as plans for specific geographic areas and/or specific service types.
- Ensures that Metropolitan Council long-range transit policies are implemented.

Arranges a mix of services and providers

- Ensures that a variety of transit services are provided that respond to needs throughout the metropolitan area. The RTB arranges and coordinates regular route transit service, paratransit services, travel demand management strategies and ridesharing, and Metro Mobility.

- Arranges capital improvements necessary to improve transit performance including the establishment of transit hubs and park-ride facilities.
- Establishes performance standards for service and programs, provides technical assistance to transit providers, coordinates transit operations within the metropolitan area, regularly evaluates transit performance and holds contracts with 46 public and private transit service and program providers.
- Balances various interests and needs that may sometimes compete for the same limited resources. The RTB maintains the well-being of the individual parts as well as the whole regional transit system.

Ensures implementation of specific, important programs

- Implements Metro Mobility, the special transit service for persons with disabilities.
- Establishes travel demand management programs in the metropolitan area with ridesharing as a key component.
- Participates in the alternatives analysis/draft environmental impact statement for the Central Corridor, one of several options under consideration for transit improvements is light rail transit.
- Implements the Jobseekers program in response to a legislative mandate to increase the availability of public transit services and reduce costs for people who are seeking employment, but lack a private means of transportation.

Encourages service effectiveness and innovation

- Develops new service concepts and implements new services on a demonstration basis.
- Conducts financial and performance audits of transit programs.
- Restructures programs, as needed, to be more responsive to the region's needs.

Arranges the financing of transit services, including levying a property tax

- Seeks funding for transit services, from local, state, federal and private sources in order that needs can be met.
- Levies property taxes in the metropolitan area.
- Establishes fare structures for transit services.
- Approves all federal transit funding applications.
- Prepares an annual budget as well as three-year financial plans.
- Develops a capital plan.

Acts as advocate for transit

- Ensures that the regional transit system is developed and maintained. The regional transit system links communities together and helps maximize the quality of life in the Twin Cities area. A strong regional transit system:
 - provides access to jobs, social services, and health care for transit dependent people.
 - helps maintain the vitality of the two downtowns.
 - reduces congestion on the regional highway system.
 - reduces air pollution.
 - allows seniors and persons with disabilities to live independently.

Integrates transit into transportation planning

- Ensures that transit and travel demand management strategies are integrated as important elements of the transportation system.

Provides a forum for transit issues

- Supports six advisory committees: the Transportation Accessibility Advisory Committee, the Provider Advisory Committee, the Rideshare Advisory Committee, the Local Officials Advisory Committee, the Marketing Committee and the Audit Advisory Committee.
- Solicits community input through its Community Outreach program;
- Develops publications informing the public about transit and the RTB's activities

How Does the Regional Transit Board Relate with Other Agencies?

- The Metropolitan Council appoints eight RTB members, establishes standards for the five-year transit plan and provides overall policies for the RTB's direction. The Metropolitan Council also issues general obligation bonds on behalf of the RTB.
- The Minnesota Department of Transportation works closely with RTB on corridor studies, federal funding for nonprofit organizations who want to provide transportation, light rail transit studies and overall transit and transportation policies.
- The County Regional Railroad Authorities have had the primary responsibility for developing and implementing light rail transit in their respective counties. They have worked with the RTB on these efforts.
- The RTB contracts with 46 providers, private and public, to provide transit services throughout the metropolitan area. MTC is the primary provider of regular route transit services. The RTB appoints the five MTC board members and annually approves the MTC's capital and operating budget.

REPORT OF

LEGISLATIVE COMMISSION ON METROPOLITAN TRANSIT

February 24, 1984

EXECUTIVE SUMMARY

Testimony received by the Metropolitan Transit Study Commission on the weaknesses of the region's transit system could be summarized by the statement--transit services in the metropolitan area are not sufficiently responsive to community needs and user preferences. The Commission isolated a number of structural conditions which it found hindered the delivery of responsive transit services. The Commission also found that the current method of paying for transit services worked against effective and efficient service delivery.

To correct these problems, the Commission is making a number of recommendations for changing the structure and financing of metropolitan transit. Structural changes revolve around the separating of operational and planning responsibilities and include:

1. Concentration by the Legislature on a broad policy oversight responsibility.
2. Closer integration of the metropolitan transit system into the region's entire transportation structure.
3. Creation of a Regional Transit Board to allow for the separation of operations from planning, to facilitate expansion of transit services and to foster new types of transit services.
4. Recognition of the Metropolitan Transit Commission as the region's primary provider of fixed route bus service to the fully developed areas.
5. Encouragement of more active participation by local units of government in the design and provision of transit services.

Financing recommendations include:

1. Moving from deficit-based financing to formula-based financing to promote stability and efficiency.
2. Setting the level of revenues to be received from fares for fixed route systems to approximate 35% of the operating costs.
3. Setting the contribution level of property taxes to the fixed route system to approximately 35% of the operating costs, and basing the tax rates on levels of transit service available.
4. Increasing the state's contribution to fixed route transit to 20% of operating costs.

INTRODUCTION

The Legislative Study Commission on Metropolitan Transit was created by the 1983 Minnesota Legislature (Laws of 1983, Chapter 293, Section 110). The purpose of the Commission was to evaluate: the effectiveness of metropolitan transit; the power, responsibilities, and external accountability of the MTC; the internal structure of the MTC, including the contractual relationship with the management company; current labor practices and contracts; governmental arrangements for transit planning and development in the metropolitan area, including the relationships among MTC, MnDOT, the Metropolitan Council, and the Transportation Advisory Board; the proper role of the MTC in governance, regulation and coordination of transit and other public transportation services in the metropolitan area, including fare structures and sources and amounts of subsidy; and the effectiveness of the metropolitan transit service demonstration program (opt-out).

The Commission was co-chaired by Senator Steve Novak and Representative Kathleen Vellenga. Other members were: Senator Marilyn Lantry, Senator Phyllis McQuaid, Senator Eric Petty, Senator Lawrence Pogemiller, Representative Chuck Dimler, Representative Dee Long, Representative Sidney Pauly, and Representative Carolyn Rodriguez. Staff, financing and administrative support for the commission were provided by existing legislative service offices.

The Commission began its work in September 1983. Fifteen public meetings were held from September 13, 1983, through January 25, 1984. More than 75 speakers appeared and numerous responses to Commission members' requests for information were received. In addition to the 35 hours of public hearing which were held, the Commission staff met in excess of 200 hours. Many of the staff meetings included the Commission members, state agency officials and representatives of transit users.

In addition to public hearings, the Commission members participated in the annual meeting of the Minnesota Public Transit Association (a statewide transit association representing transit users and providers of 42 transit systems) and the annual meeting of the American Public Transit Association (a national organization representing over 300 urban rapid rail and motor transit systems in the U.S., Canada and Mexico).

The Commission also co-sponsored a one-day metropolitan transit workshop conducted by a facilitator trained in collaborative problem-solving and dispute resolution. The participants in the workshop included MTC and Metropolitan Council Commissioners and staff, Department of Transportation Office of Transit Planning personnel, and Legislative Commission members and staff.

Early in the hearing process, it became apparent to the Commission members that time constraints would not allow for a thoughtful evaluation of all of the charges directed to them in the enabling legislation. The Commission decided to narrow the scope of the study by focusing in on five subjects for review:

1. Evaluation of Transit Service and Operation
2. Evaluation of Government Organization
3. Evaluation of MTC Internal Organization
4. Evaluation of Transit Purposes and Needs
5. Evaluation of Transit Finance

This document is the Commission's report on its evaluation of these issues. The report is divided into three sections:

Section I defines the problems the Commission identified in the structure and financing of the metropolitan transit system.

Section II contains the alternatives considered by the Commission and recommendations for changes to address the problems identified in Section I.

Section III, the appendices, contains: the minutes, written testimony, agency handouts, staff working papers and written responses to Commission members' requests.

I. DEFINITION OF THE PROBLEM

The existing transit system in the metropolitan area inadequately responds to the diversity of community needs and user preferences. Poorly served geographical and population groupings respond to this inadequacy in one of two ways--demanding more, different or improved service; or demanding relief from their funding responsibilities. The inability of the existing transit system to respond effectively to either of these pressures created the need for the study commission.

A. STRUCTURAL PROBLEMS

The transit system is a collection of people, equipment and facilities organized in a particular way to deliver transit services. In examining possible reasons for the inadequacy of service delivery, the Commission came to several conclusions regarding the current transit organization.

1. The effectiveness of the Legislature in promoting efficient and responsive regional transit service is impaired because it concentrates what attention it pays to transit on service development and operations and not on wider policy questions such as the purpose of government involvement in transit and the purpose of state subsidies.
2. The Metropolitan Council, the Metropolitan Transit Commission, and local units of government have been unable to systematically formulate and oversee metropolitan transit policy and transit service development.
3. There is a confusion of roles or perceptions of roles among the various officials and agencies dealing with metropolitan transit. The three functions of effective transit service--planning, arranging, and delivering--are misallocated among the various agencies and levels of government.
 - The complexity of the existing government structure, unclear assignment of responsibilities among agencies and levels of government, and confusing lines of authority have interfered with or prevented decisions on needs and user preferences and the establishment of corresponding service objectives.
 - Authority to arrange for a particular service is sometimes not assigned to the agency or level of government best suited to make decisions which are responsive to needs and objectives.
 - In the delivery of metropolitan service (producing or operating transit services), an undue concentration of responsibility at the MTC has restricted the variety of services available and thus their capacity to respond to needs and preferences.
4. Transit services are not sufficiently responsive to community needs and user preferences in part because of inappropriate or confusing allocation of management and operational responsibilities at the MTC.

- MTC commissioners have sometimes been too involved in transit operations, in the actual production or provision of service, which has interfered with their responsibilities as policy-makers.
- Accountability and independent oversight of the operations side of the MTC has sometimes been ineffective and inadequate.
- The statutory statement of the responsibilities of the MTC chair and MTC commissioners is confusing.

B. FINANCING PROBLEMS

Besides being a collection of people, equipment and facilities, the transit system is also a complex arrangement of methods to raise and distribute the money to pay for necessary services. Just as organizational inadequacies have produced pressure for change, so too have financing inadequacies and inequities.

1. Financial support for transit services in the metropolitan area has not been correlated with nor supportive of established legislative goals for transit.
2. There is no articulated state policy regarding financial assistance for transit in the metropolitan area. The current mix of the funding sources (federal, state, local and fares) is perceived as being inequitable. There is dissatisfaction with the relative contributions of the various sources as well as dissatisfaction with the relationship of cost to benefit within each source.
3. There is a lack of legislative direction with regard to the distribution of the portion of the motor vehicle excise tax proceeds anticipated to be dedicated to transit.
4. The various existing or potential providers of transit services are not all given reasonable access to the available transit capital and operating funds.
5. The existing deficit based method of distributing state funds to both the Metropolitan Transit Commission and private providers does not encourage efficiencies.

II. RECOMMENDATIONS

A. ALTERNATIVES CONSIDERED

Having decided that the existing transit organizational and financing structures lead to inadequate service delivery, the Commission next turned to the task of designing an improved structure and an improved allocation of decision-making responsibilities. To do this, the Commission focused on four decision areas: planning (the determination of needs and strategies for meeting these needs), funding (who pays how much and who receives how much), arranging (the implementation of the strategy plan), and provision (actual delivery of the service).

The Commission examined a continuum of possible assignments of decision-making responsibilities. The continuum moved from centralized responsibility at the state level on one end, to completely decentralized local control at the other end. For purposes of focus, the Commission isolated four structures on this continuum: one with state centralized responsibility; two with regionally centralized responsibility, and one having shared responsibility between regional and local units. These four models were used to elicit specific thought and comment on possible restructuring proposals. They were not seen as rival candidates for plans but as a means of systematically examining a wide range of options. Testimony and discussion analyzed these models and a myriad of combinations of their constituent elements.

1. DOT Model (Model I). This model would elevate more decision-making authority to the Minnesota Department of Transportation. MnDOT would approve plans as submitted by the Metropolitan Council, would make the funding choices, and be the ultimate arranger of services, with the possibility of sub-contracting out this latter responsibility. Providers would be the MTC or others.
2. Metropolitan Council Model (Model II). This model would consolidate more decision-making authority at the level of the Metropolitan Council. Planning functions, now split between the Met Council, MnDOT and MTC, would all go to the Council. The Council, operating with advice from affected parties, would also make the funding and arranging decisions and evaluate the performance of the providers whether they be MTC or others.
3. Regional Transit Agency Model (Model III). This model would transfer decision-making responsibility to a new, non-operating, metropolitan-wide transit agency. This agency would be responsible for all transit planning, financing and arranging. MTC and others would provide the service.
4. Regional-Local Model (Model IV). In this model, the Metropolitan Council would monitor the transit activity performed by the MTC in the fully developed service area and by local units in other areas, acting independently or jointly with other local units. Long-range planning would continue to be the responsibility of the Council, but mid-range planning would be done by the MTC for its service area and the involved local units in the other areas. The Council, in conjunction with a transit advisory group, would make the funding decisions. Arrangements outside the MTC district would be made by the sub-regional and local

units. The MTC would provide service in its district. Other operators would serve the other areas under contract with the appropriate local unit or sub-regional unit.

After receiving testimony on the strengths and weaknesses of the various models and suggestions for alternatives, the Commission evaluated the proposals and came to a number of findings and recommendations. These findings and recommendations are listed below in two sections. The first deals with structural questions, the second financing.

B. STRUCTURAL RECOMMENDATIONS

1. Legislature

Historically, the Legislature has established relatively specific performance stipulations for the Metropolitan Transit Commission and has not been concerned with broader transit goals for the region. As a result, the flexibility of the MTC has been reduced as new demands are placed upon it; and at the same time, there has been no overall guidance or evaluation of transit in the region. In addition, the Legislature has spent too little time evaluating the performance of the other transit actors.

Recommendations:

- a. The Legislature should formulate transit policies which are consistent, realistic and appropriate in level of detail. Specific performance goals and objectives should not be set by the Legislature but rather by the various metropolitan transit agencies. The Legislature should review these goals and objectives for conformity to the state's policies.
- b. The Legislature should establish the following goals for regional transit:
 - *To contribute to the social and economic viability of the metropolitan area by providing, to the greatest extent feasible, a basic level of mobility in the metropolitan area.
 - *To arrange for the provision of a comprehensive set of transit and para-transit services to meet the travel needs of various population segments within the metropolitan area.
 - *To cooperate with other other private and public entities which build, operate and maintain the metropolitan transportation system to assure the most efficient use of the existing and planned transportation infrastructure.
 - *To be prepared to maintain public mobility in the event of unforeseen emergencies or future energy shortages.

2. Metropolitan Council

There is a lack of coordination between the transit planning done by the Metropolitan Council and by the MTC. This has led to gaps and inconsistencies with a detrimental impact on transit services. In addition, the current structure restricts much of the Metropolitan Council's effort to capital activities to the exclusion of important operating considerations.

Recommendations:

- a. The Metropolitan Council should continue to prepare the region's long-range transit plan as part of its comprehensive transportation plan. This transit plan should include an analysis of goals, needs, and issues for a prospective five to fifteen year period. The plan should be amplified to include specific and prospective policies on such matters as funding levels, fund distributions, revenue sources, service objectives and allocation of service. The Legislature should review this plan.
- b. The Metropolitan Council should have approval authority over the plans, capital budgets, and operating budgets of implementing agencies.
- c. The Metropolitan Council should be required to approve the Regional Transit Board's capital and operating budget prior to its presentation to the Legislature (see recommendation three below).
- d. The Metropolitan Council, in consultation with affected legislators and local governmental officials, should appoint the members of the Regional Transit Board (see recommendation three below). In addition, the Metropolitan Council should advise the Governor on the appointment of the chair of the Regional Transit Board by submitting a list containing at least three recommendations.

3. Regional Transit Board

The Metropolitan Transit Commission is responsible for both implementing the entire region's transit plan and for operating the region's major fixed route bus system. As a result of placing these two conflicting responsibilities in one agency, many problems have developed: some areas of the region are inadequately served; there are not sufficient incentives to encourage the development of new methods of service; new providers have been discouraged from entering the market; the region's mid-range implementation plan speaks largely of capital development for a bus system and neglects regional and sub-regional service objectives, and service development plans, funding policies and policies relating to the allocation of services, and other matters.

The Commission was reluctant to expand the statutorily defined role of the Metropolitan Council by involving it in matters beyond its planning and coordinating functions. Rather, the Commission sought to give the Council the opportunity and direction to perform its duties effectively.

Recommendations:

- a. The officials who have responsibility for metropolitan transit planning should be different from those who have the responsibility for operating the metropolitan transit services.
- b. The Legislature has established a policy which provides that the Metropolitan Council should be confined to long-range policy planning and should not be involved in implementation plans. To perform the necessary implementation functions, a new organization, the Regional Transit Board, should be formed.
- c. The Regional Transit Board should consist of nine members, eight of whom represent the eight metropolitan commission districts as defined in current law. The members should be appointed by the Metropolitan Council in consultation with affected legislators and local governmental officials. These members should serve staggered two-year terms. The Board should be chaired by an appointee of the Governor. The Metropolitan Council should be required to make suggestions for this appointment. This position should be full-time. All initial appointments to the Regional Transit Board should be effective July 1, 1984. The chair of the Regional Transit Board should be authorized to propose the hiring of three persons to fill unclassified positions. The Board must approve the selections within 30 days or no salaries will be authorized to pay the individuals recommended by the chair to hold the positions. One of the positions should be an executive director. In addition to these unclassified positions, the Board should be authorized to hire a small number of professional staff. The number of staff hired by the Board should be reduced from the complement of the MTC and the Department of Transportation. All employees of the Regional Transit Board are accountable to the Board.
- d. The chair of the Regional Transit Board should present the metropolitan area transit budget to the Legislature. In addition, the chair should be responsible for the organizing of an annual regional transit conference before the annual legislative session at which all agencies involved in metropolitan transit would be expected to participate. The purpose of this meeting would be to facilitate communications, cooperation and coordination among the Legislature, metropolitan transit agencies, and other interested parties.
- e. The Regional Transit Board should:
 - prepare the two to five year mid-range regional transit plan, which would establish the specific objectives and programs to accomplish the goals identified in the long-range policy plan;
 - initiate, approve, monitor and evaluate contracts with providers;
 - establish and review fare policies, including social fares;

- establish temporary advisory groups for the purpose of planning on a sub-regional basis;
 - establish transit-user group advisory committees;
 - issue bonds and assume public debt;
 - encourage new forms of transit;
 - prepare the regional transit system's annual operating and capital budget; and
 - receive and allocate available federal, state and metropolitan funds.
- f. All contracts issued by the Regional Transit Board for regular route transit service should include an evaluation of the impact these contracts may have upon the number of passengers, routes, schedules, fares and work force levels of the existing services provided by the MTC. Financial assistance should be granted to an applicant only if the Regional Transit Board determines that the service proposed for funding is consistent with the preservation of the public investment in human and capital resources at the MTC.
- g. The Regional Transit Board should complete an analysis of the degree of advantages and disadvantages of requiring that all contracts for regular route transit services contain provisions for the payment of prevailing wages. The results of this analysis and recommendations should be transmitted to the Legislature by February 1, 1985.

4. Metropolitan Transit Commission

Because of its multiple responsibilities, the Metropolitan Transit Commission has been unable to concentrate on its area of expertise--the provision of fixed-route service in fully-developed areas.

Recommendations:

- a. The MTC should:
- provide service as authorized by the Regional Transit Board;
 - manage the equipment and facilities of its transit operations; and
 - employ the workers of its transit operations.
- b. The Metropolitan Transit Commission should be reduced to three members with the demonstrated managerial competence necessary to handle an operation the size of the MTC's. The Governor should appoint one representative from Minneapolis nominated by the mayor of Minneapolis, one member from St. Paul nominated by the mayor of St.

Paul, and one member from the MTC-served suburbs from nominees submitted by the mayors of those suburbs. The terms of the appointments should be staggered and for three years. Each member should serve as chair for one of the three years.

- c. Existing law, which provides for the Metropolitan Transit Commission to enter into a contract for the management of any public transit system, should be changed to make the transit management company more accountable to the Commission.

--The MTC should provide an opportunity for contract management firms to bid competitively for management of the transportation system.

--Clear operating objectives, performance criteria and management autonomy on operational decisions should be assured.

--The management contract should become effective upon execution and continue for a term of two years. The term of the management contract should be short because long-term contracts could not be satisfactorily evaluated due to uncertainty as to future policy objectives, available subsidies, costs and consumer preferences.

--The Commission should invite all known contract management firms to submit applications for participation in the bidding process. The MTC should supply applicants with particular information, including but not limited to the following:

- 1) clear operating objectives and performance criteria;
- 2) delineation of available subsidy and tax revenue and quantities and quality of plant and equipment; and
- 3) data on previous performance of the transit system.

--During the contract period, the MTC should review contract management on a spot-check basis to determine if performance criteria are being met.

- d. The Commission should employ a chief administrator.
- e. Internal audit activity should be managed directly by the Commission.

5. Local

Transit service in many areas of the metropolitan area is inadequate or non-existent, partly due to lack of involvement by local units of government.

Recommendation: Local units of government, acting either individually or in formal cooperation with other communities, should be encouraged and helped to plan, design and arrange transit services to meet their needs consistent with the overall regional transit plan.

6. Minnesota Department of Transportation

In an attempt to fill gaps in the regional transit system, the Legislature has tended to assign metropolitan transit responsibilities to a state agency, the Minnesota Department of Transportation. This assignment of increasing responsibilities over local and regional transit questions to a state agency is inappropriate.

Recommendations:

- a. To reflect the new structuring of the regional transit system, MnDOT should maintain its current involvement with outstate transit systems and relinquish its participation in the arrangement of metropolitan transit services to the Regional Transit Board.
- b. MnDOT should continue to enforce operating and safety rules for all transit providers.
- c. MnDOT should receive and directly pass on to the Regional Transit Board all legislatively appropriated metropolitan transit funds.
- d. MnDOT should continue its role in federal fund distribution for statewide programs. For projects receiving federal assistance in the metropolitan area from these funds, approval should first be obtained from the Regional Transit Board.

B. FINANCING RECOMMENDATIONS

1. General

The existing mix of funding sources (state, local, federal and operating revenues for transit services in the metropolitan area) is perceived as inequitable. In particular, questions have arisen as to the appropriate level of contribution among the sources as well as the relationship of cost to benefits within a funding source.

Recommendation: The Regional Transit Board should develop a long-term financing structure for public transit consistent with overall policy to be established by the Legislature. Funding formulas should be established which promote stability and revenue certainty. The use of a formula to establish fare-box recovery rates, as well as federal, state and local subsidy levels, will move the transit system away from its current deficit financing orientation, thereby reducing hardships on users and providers.

2. Fares

The ability of fare revenues to support transit services is limited by the sensitivity of transit users to increases. Too frequent fare increases or fares out of line with the cost of competing transportation modes will drive down ridership levels. On the other hand, fares that do not keep pace with inflation will eventually weaken the transit system. Additionally, fare systems which are overly complicated will have an adverse impact upon ridership levels.

Recommendations:

- a. Within the metropolitan area, fares for regular route transit services should approximate 35% of total operating cost.
- b. Fares and fare collection systems, with the exception of social fares, should be established which ensure that operating revenues are proportioned to the cost of providing the service so as to minimize the disparity in the subsidy per passenger on routes in the transit system.
- c. In conjunction with the implementation of formula recovery rates, the Legislature should avoid enacting stipulations with respect to recovery rates for operating revenues, including fare caps.
- d. As much as possible within other fare constraints, fare structuring should be simplified and should be consistent across the metropolitan area.

3. Property Tax

Property tax as a percentage of total operating costs for regular route transit services in the metropolitan area has increased. In 1972, property taxes accounted for 28.4% of total operating expenses, but by 1983, property taxes accounted for nearly 45%.

Recommendations:

- a. Within the metropolitan area, the contribution of property taxes levied for regular route transit services should approximate 35% of total operating costs. Adherence to this policy will avoid an inequitable reliance on this source of financing for transit services.
- b. The property tax structure should be adjusted to reflect the levels of services provided from those funds. In particular, the structure should be modified to reflect the following rates:

Limited Peak-Hour Service	1.25 mills
Peak-Hour & Limited Off-Peak Service	1.50 mills
Full Range of Service	2.00 mills

Consequent revenue losses should be initially replaced by the surplus contained in the fund balance of the Metropolitan Transit Commission. Subsequent losses beginning in fiscal year 1986 should be replaced by funds available through the transfer of the motor vehicle excise tax proceeds deposited into the transit assistance account (see recommendation six below).

- c. The metropolitan transit service demonstration program (opt out) should be temporarily continued. The Regional Transit Board should review and make recommendations regarding the future direction of this program. Project approval should be the responsibility of the Regional Transit Board. A primary goal of

the Regional Transit Board should be to create incentives which would encourage the participation of local communities in establishing and meeting their transit service needs. Communities, in conjunction with the Regional Transit Board, should develop funding levels for needed service which would consist of an appropriate share of state, local and operating revenue support. In establishing a proper mix of funding sources, consideration should be given to the level of property taxes paid, particularly in those areas where taxes have been reduced through feathering.

4. State Grants

Financial support for transit services in the metropolitan area has not supported established legislative goals for transit. In addition, the Legislature has not articulated a state policy regarding the appropriate level of financial support for transit in the metropolitan area. State assistance for regular route services has varied from 9% to 40%, and currently stands at 12%.

Recommendations:

- a. General Fund support for metropolitan transit services should not fall below current levels.
- b. State assistance for metropolitan regular route service should approximate 20% of total operating costs.
- c. Revenues needed to raise the level of state involvement in the provision of regular route transit services from current levels to the targeted 20% level should come from funds made available by the transfer of the proceeds of the motor vehicle excise tax (see recommendation six below).
- d. Funding formulas for small urban and rural metropolitan transit services should remain as currently stated in MS 174.24, Subd. 3.

5. Federal Funds

Both federal operating and capital funds play a key role in supporting metropolitan transit programs. A reduction in the level of support provided by the federal government would place an extreme hardship upon transit services within the metropolitan area.

Recommendations:

- a. Federal support for regular route transit services should not be less than 10% of total operating costs. Efforts should be undertaken to improve information and enhance understanding of the need for a continued federal involvement in transit operating and capital programs. In particular, Minnesota's elected federal officials should be provided with information regarding the need for federal assistance.

- b. The Governor should designate the Regional Transit Board as the recipient of federal operating and capital funds which are available for the Twin Cities metropolitan area. These funds should be made available to all providers to the extent that they qualify under the federal guidelines.

6. Motor Vehicle Excise Tax - Transit Assistance Account

Under existing law, there will be made available to transit additional funds from the motor vehicle excise tax. Recognizing that these funds are available for use on a statewide basis, the Legislative Study Commission recommends the following distribution and uses of these funds.

- a. The distribution of funds for transit programs from monies available through the portion of the motor vehicle excise tax dedicated to transit should reflect both the existing percentage of state funds appropriated for each funding category as well as a consideration of statewide transit needs and priorities as determined by the Legislature during the biennial budget process.
- b. The current state level of General Fund support for transit programs should be maintained at its current fiscal year 1985 level.
- c. As funds for metropolitan public transit become available through the phased transfer of the motor vehicle excise tax, this money should be used as a supplement to bring the state portion of the subsidy for the Twin Cities metropolitan area fixed route service to 20% of total operating costs and in turn reduce to 35% the portion of the total operating costs supported through property taxes.
- d. Motor vehicle excise tax funds should also be used to meet the operating and capital needs of both existing and potential providers of public transit service throughout the state, including those proposing new transit options.

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296-5048

The Responsibilities of the Regional Transit Board

A Summary of Legislative Policy

This information brief traces the development of legislative policy on the assignment of transit functions to the Regional Transit Board (RTB).

The brief attempts only to summarize the legislative treatment of the RTB's transit functions. It does not, therefore, deal with many matters related to transit--including transit finance, the functions of the Metropolitan Council and the Metropolitan Transit Commission (MTC), regional transit policies and plans, the internal structure and functioning of the RTB, and much law relating to particular programs, services, and modes of transit that does not alter the RTB's general authority or functions.

For information on a related topic, see: Metropolitan Light Rail Transit: A Summary of Current Law and Procedure, House Research, January 1989.

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A Summary of Current RTB Responsibilities

Service Planner and developer

- prepare transit implementation plan to accomplish the transit policies of the Metropolitan Council and the state
- encourage effectiveness and innovation in transit services
- encourage interest and participation in transit development
- provide technical assistance

Service "broker"

- develop better services
- contract with operators, local authorities, and other providers for delivery of transit services
- assess the effect of service contracts on the MTC
- monitor and evaluate operators and services
- no authority to regulate or approve transit operators, except through control of public subsidy contracts
- no authority to own or operate transit services or facilities; must refrain from direct operational planning, administration, and management of specific services or facilities

Financial manager

- prepare financial plans for the transit system
- prepare consolidated operating and capital budget for the system
- approve MTC budget
- receive and allocate state transit subsidies (except for LRT)
- approve all applications of political subdivisions for federal (but not state) transit funds
- levy and allocate metropolitan property tax for transit
- set fare policies and approve fares
- approve the issuance of metropolitan debt for transit (bonds by the Metropolitan Council, short-term certificates by the MTC)

Trends in Transit Organization before the RTB

In the late 1960s and early 1970s, metropolitan transit went through a period of expansion, consolidation of providers, and system integration.

Throughout the nation, public transit oligopolies or monopolies were established and large, centrally administered mass transit systems planned. This occurred in the Twin Cities as well.

The MTC was created in 1967. It was given the authority to regulate private bus lines, to acquire private bus companies, and to develop a publicly-owned mass transit system.

In the next decade, the MTC acquired Twin City Lines and several other private bus companies, dramatically expanded and consolidated service, proposed several versions of fixed-guideway transit, and began receiving increasing levels of public subsidy from a metropolitan property tax and state appropriations.

The late 1970s and early 1980s reversed or slowed the earlier trends. It was a period of contraction and diversification of providers.

Transit experts and suburban representatives began to argue that mass transit oriented on the downtowns would not serve the kind of multiple-centered suburban development occurring in metropolitan areas. The federal government began to promote "paratransit" services and to encourage diversity of providers and private ownership.

Locally, the MTC quit acquiring private lines. The Legislature began to sponsor experiments with paratransit and to subsidize private operators.

Minnesota courts, declaring that the MTC could not constitutionally own the dominant bus system and regulate its competitors, invalidated the law giving the MTC regulatory powers. Regulatory authority moved back to the state, where it settled in the Transportation Regulation Board (TRB).

The Legislature—perceiving the same conflict of interest at the MTC, and also becoming concerned about the rapid increase in state subsidies—attempted to manage metropolitan transit directly by stipulating fares, services, and other matters. The Legislature also turned increasingly to the state Department of Transportation (MnDOT) to develop, administer, and fund transit systems and providers, including the MTC.

Through all of this, the MTC retained its general system planning and development responsibility. But the agency had little incentive to plan new or different services which it could not deliver, and so increasingly occupied itself with running the bus system and coping with a series of fuel and financial crisis of the late 1970s and early 1980s.

dem's projects

*micro
magnet*

*32 million
miles
in 1980*

Conclusions of the Legislative Study Commission, 1983-84

A legislative study commission, created in 1983 to evaluate metropolitan transit, recommended to the 1984 session that service should be diversified, government functions reassigned, and finance reorganized.

1. Diversity of services

The Commission found that the existing mix of transit services and providers was not sufficiently diverse and responsive to various community needs and user preferences:

- Some areas and populations were inadequately served.
- There were insufficient incentives to encourage new methods of service.
- New providers were discouraged from entering the market.
- Metropolitan transit plans focused on capital investment and neglected service development and funding policies.

The Commission concluded that government should encourage greater diversity and responsiveness in transit services, while protecting the integrity of the regional public bus system. Without impairing the viability of the MTC, the Commission wanted to develop alternatives to the existing system of line-haul, regular-route service oriented to the two downtowns.

2. Government agency responsibilities

The Commission found that defects in government organization were partly to blame for the service deficiencies:

- *Excessive state involvement in metropolitan transit management.* Both the Legislature and state agencies had inappropriate roles in metropolitan transit. The Legislature was ineffective in its proper role—setting and overseeing transit goals and performance—because it was mired in the details of transit operations and services. MnDOT and the TRB had come to play too large a role in metropolitan transit.
- *Agency fragmentation and overlap.* With the involvement of the TRB and MnDOT, executive responsibilities had become fragmented and inappropriately allocated. Too many agencies had a hand in transit, with conflicting and confusing lines of accountability the result.
- *Weak systems management.* As a consequence of agency fragmentation and overlap, no agency was clearly charged with the responsibility for developing and managing the metropolitan transit system as a whole.
- *Conflicting functions of the MTC.* The MTC's dual statutory responsibility—as a systems manager and as a provider—involved it in a conflict of interest that prevented it from doing either function properly.

- *Insufficient local participation.* This fragmented and unfocused governance system was also excessively centralized. Local governments and transit operators were largely excluded from participation.

The Commission recommended restructuring the responsibilities of government agencies, as follows:

- *Concentrate the Legislature on broad policy setting and oversight.* The Legislature should stop stipulating the details of transit and focus on policy, government structure, and performance evaluation.
- *Move responsibility from the state agencies to the metropolitan level.* Responsibility for developing, managing, and funding metropolitan transit should be reassigned from MnDOT and the TRB to a metropolitan agency.
- *Keep the Metropolitan Council focused on long-range policy.* The Metropolitan Council should continue as the long-range planner and over-all policy-setter for the region. The Council should, however, expand its transit plan beyond capital investment policy and place more emphasis on finance and service policies.
- *Consolidate system management in a new metropolitan agency, the RTB.* All systems development, management, and funding responsibilities—formerly in the TRB, MnDOT, the Council, and several other places—should be placed in the RTB. The RTB should replace MnDOT as the administrator of transit subsidies; and RTB service contracts should replace TRB regulation of fares and service areas. The TRB should retain only the responsibility to determine the operating fitness of providers other than the MTC.
- *Separate systems management and transit operations.* The MTC should be confined to owning and operating MTC services; all responsibility for systems development, management, and funding should be removed to the RTB, which should be devoid of operational entanglements.
- *Encourage active participation by diverse interests.* The RTB should not replace the MTC as a centralizing force in transit; it should rather encourage local governments, providers, and users to participate in designing and providing transit services.

3. Transit financing

The Commission found that defects in financing were partly to blame for the service deficiencies:

- *Deficit-based finance.* Transit finance was driven by deficits, not policies or formulas. The resulting uncertainty in funding created operational disincentives for innovation and produced instability and inefficiency in services.
- *Absence of financing policy.* Neither the Legislature, the Governor, nor a responsible metropolitan agency had ever articulated a financing policy.

The Commission recommended changes in financing of transit:

- *Move to formula-based financing.* The Commission recommended a formula to promote stability and efficiency, depending upon availability of funds.
- *Require more financial planning.* The Metropolitan agencies should articulate policies on finance—including such matters as: goals, fares, mix of revenues, and allocation of funds among subregions, service types, and providers.

TRANSIT REORGANIZATION

Changes in Agency Functions

This chart outlines the major shifts in agency functions that were consolidated in the RTB in 1984.

FUNCTION	AGENCY	
	BEFORE	AFTER
LONG-RANGE POLICY CAPITAL INVESTMENT APPROVAL	Metropolitan Council	Metropolitan Council
SERVICE SYSTEM: PLANNING DEVELOPMENT	TRB MnDOT MTC	RTB
FINANCIAL MANAGEMENT: PLAN LEVY TAX RECEIVE SUBSIDY FUNDS ISSUE BONDS	MnDOT MTC	RTB
SERVICE "BROKER": CONTRACT WITH OPERATORS EVALUATE OPERATORS DISTRIBUTE FUNDS	MnDOT MTC	RTB
OPERATIONS	MTC	MTC

ION ACT OF 1984

Original Functions of the RTB

The principal functions of the RTB in the 1984 enabling law were:

1. Service planning and development

The RTB was directed to:

- prepare a mid-range (two- to five-year) transit implementation plan, which would establish objectives and programs to accomplish the transit goals articulated in the Council's long-range transportation plan
- promote transit: conduct an annual regional transit conference; encourage new forms of transit; provide technical assistance; establish transit user groups and local advisory groups to plan transit for particular populations and subregions

2. Financial management

The RTB was authorized to:

- prepare the regional transit system's financial plan and annual operating and capital budget
- approve the MTC's annual budget
- receive federal and state subsidy funds for transit
- approve all applications of political subdivisions for federal transit funds
- levy the metropolitan property tax for transit
- issue metropolitan transit bonds and short-term certificates of indebtedness

3. Service "broker"

The RTB was authorized to:

- assume control of various transit funding and development programs located in other agencies, including: ridesharing, Metro Mobility, "opt out," and others
- arrange for transit services by transit operators and local authorities—that is, the RTB was to initiate, approve, monitor, and evaluate service contracts

The RTB was required to protect the core MTC regular route system from being nibbled to death by contracts with other providers.

The RTB was given no authority to regulate or approve transit operators, except indirectly through its control of public subsidy contracts. The TRB retained only the authority to certify the fitness of operators. General regulatory authority was eliminated.

Changes in RTB Responsibility Since 1984

RTB purposes

The 1984 law did not contain a purpose section for the RTB. In 1987, the Legislature expressly stated the purposes of the RTB, as follows:

- to foster effective delivery of existing services
- to encourage innovation in services
- to prepare implementation and financial plans for the transit system
- to set policies and standards for implementing the transit policies of the state and the Council
- to conduct research and evaluation
- to administer state and metropolitan subsidies
- to arrange with others for the provision of transit services and facilities

[Minn. Stat. sec. 473.373, subd. 1a]

RTB as transit planner/developer

In various enactments since 1984, the Legislature has repeatedly reaffirmed this function and demanded more and better planning from the RTB.

In 1986, the Legislature clarified the relationship between the transit plans of the Council and the RTB. This new arrangement becomes fully operational in 1990. Under it:

- The RTB and the Council both have stronger legislative direction to plan services and finance, as well as capital development.
- The Council's authority over the RTB's mid-range transit plan is increased: the plan must now implement the Council's policies, and the Council is entitled to force the RTB to change its plan to ensure this. (The RTB must also continue to get Council approval of its biennial transit financing plan.)
- The Council's authority over the RTB's annual capital program is reduced. The Council is expected, under the 1986 law, to control capital development at the planning stage, not at the project stage. (The RTB, as before, is free of Council review of its operating budgets.)

[Laws 1986, chap. 460; Minn. Stat. sec. 473.146; 473.161; 473.377; 473.38, subd. 2]

RTB as service broker

The Legislature has also reaffirmed this RTB function since 1984, with some refinements.

The 1984 law required the RTB to enter into contracts with recipients of its subsidy funds (except for the MTC, over which the RTB has direct budgetary control). Since 1984, the Legislature has imposed *procedural "due process" requirements* on the RTB in its contracting role.

- In 1987, the RTB was told that it could competitively bid service only in accordance with formal standards and procedures adopted by the RTB following a specified public review process. [Minn. Stat. sec. 473.392]
- Also in 1987, similar formality and public consultation requirements were imposed on the RTB's administration of Metro Mobility. [Laws 1987, chap. 88; Minn. Stat. sec. 473.386]

As the basis of the subsidy contracts with providers, the 1984 law required an *MTC impact assessment*: a finding by the RTB that the contracts would not "impose an undue hardship on the ridership or financial condition of the commission, cause the dismissal of persons that are employed by the commission, or reduce the total level of service in the metropolitan area provided by the commission." The MTC "impact assessment" provision was weakened some in 1985, by eliminating the last standard, about preserving the total level of service provided by the MTC. [Laws 1984, chap. 654, art. 3, sec. 121, subd. 7; Laws 1985, 1st spec. sess., chap. 10, sec. 99]

RTB's role in transit operations

The 1984 law was not explicit about the RTB's role in transit operations. The Legislature has been at considerable pains since 1984 to ensure that the RTB does not edge into transit operations.

The Legislature has evidently been concerned that operational entanglements could nullify the very reason for creating the agency: to separate system development and management from the ownership and operation of specific services.

The 1984 law contained no restriction on *the RTB's authority to own property*. Concern soon arose that the RTB technically had the authority actually to build and acquire transit systems, and might exercise it. Therefore, the Legislature has moved to prohibit RTB property ownership inconsistent with its management role:

- Under 1985 legislation, the RTB may not acquire or hold any permanent or temporary interest in real property, except for the rental or lease of its office space.
- In 1988, the Legislature added another prohibition: The RTB may not own transit services or acquire or hold any permanent or temporary interest in transit vehicles.

[Minn. Stat. sec. 473.375, subd. 4, subd. 18]

The Legislature also addressed the issues of *RTB operating authority* directly.

- In 1987, fearing that the RTB was enmeshed in an ambiguous position in running the Metro Mobility program, the Legislature directed the RTB to contract with an outside administrator for day-to-day operation of the services, confining itself to policy-setting, funding, and evaluation activities. [Minn. Stat. sec. 473.386, subd. 2]
- In 1987, in the RTB purpose section, the Legislature became quite pointed about its intentions: "The board shall arrange with others for the delivery and provision of transit services and facilities. The board shall avoid, to the greatest extent possible, direct operational planning, administration, and management of specific transit services and facilities." [Minn. Stat. sec. 473.373, subd. 1a]
- Also in 1987, the Legislature directed the RTB to contract with operators or local governments for route planning and scheduling services. The law now limits the RTB to approving operator routes and schedules for conformity to RTB plans and policies. [Minn. Stat. sec. 473.391]
- In 1988, the Legislature was even more direct: "The board may not own or operate transit services." [Minn. Stat. sec. 473.375, subd. 18]

The RTB as financial manager.

Since 1984, the Legislature has withdrawn its various stipulations on metropolitan transit fares, carrying out the intention of the Study Commission that the Legislature should turn direct fare setting over to the RTB.

The 1984 act did not repeal legislative controls on fares or define RTB authority over fares.

- In 1985, the Legislature: made explicit the RTB's authority to set fare policies and control the fares charged by providers; required the RTB to develop a uniform policy on fares; eliminated the statutory specification of the downtown fare; and suspended all other statutory fare restrictions until July 1, 1987. [Laws 1985, 1st spec. sess., chap. 10, 108, 109, 122, 123, subd. 1]
- In 1987, the Legislature strengthened the law requiring the RTB to state its fare policies in its plans and repealed all statutory fare restrictions. [Minn. Stat. sec. 473.377, subd. 4; Laws 1987, chap. 278, sec. 26]
- However in 1988, in a line-item appropriation, the Legislature again intervened, indirectly, into a specific fare policy. Regional agencies were considering raising one of the "social fares"—for seniors—to a quarter. Without directly setting the fare, the Legislature provided funds specifically earmarked to maintain the fare at a dime. [Laws 1988, chap. 684, art. 2, sec. 3 (c)]

[Minn. Stat. sec. 473.408]

(Of course, the Legislature determines fare revenue indirectly through legislative appropriations and property tax restrictions.)

The Legislature has reassigned the authority to issue debt.

The 1984 legislation consolidated tax and bonding authority. It transferred from the MTC to the RTB the authority: (1) to levy a metropolitan property tax for transit, and (2) to

issue bonds. It also gave the RTB authority to issue short-term debt, and required that MTC short-term debt have RTB approval.

In 1985, the Legislature elevated the bonding authority to the Council, in an effort to consolidate metropolitan bonding. The Council cannot issue transit bonds without an RTB request. The 1985 law also eliminated the RTB's power to issue short-term debt, on the grounds that this function was more appropriate to an operating agency like the MTC. The MTC cannot issue short-term debt without RTB approval.

Under the current law, therefore, the RTB levies the transit tax and then allocates the proceeds to providers, as operating subsidies, and to the Council and the MTC for debt repayment. (The RTB has never been authorized to use the metropolitan tax for its own operation; the agency's operating expenditure is wholly funded by state appropriation.)

[Minn. Stat. sec. 473.39; 473.436; 473.446]

The Legislature has not delegated to the RTB complete authority to allocate state transit funds.

The Legislature has continued its former practice of appropriating money by program, and occasionally by project or line-item, rather than by formula or block grant.

The 1984 law moved the administration of all state subsidies from MnDOT to the RTB; the goal was to consolidate this function at the metropolitan level. In 1988, the Legislature turned partly away from this policy, by designating MnDOT as the administrator of state subsidies for light rail transit (LRT).

[Laws 1988, chap. 684, art. 2, sec. 2(b), 4]

The Legislature has restricted the RTB's access to federal funds.

The 1984 law directed the governor to designate the RTB as a recipient of federal funds. The Legislature has retreated from this policy, partly out of fear that it would lead the RTB into operational entanglements.

- The purpose statement for the RTB enacted in 1987 pointedly left out federal funds when describing the funding allocation function of the RTB. An appropriations rider in that year forbade the RTB to be a recipient of federal capital or operating assistance for transit—the idea being to confine the agency to planning funds. At the same time, the RTB was directed to report to the 1988 session on the effects, advantages, and disadvantages of transferring the authority to receive federal capital and operating funds to the RTB from the MTC. [Laws 1987, chap. 358, sec. 3]
- In 1988, the Legislature adjusted the prohibition slightly to allow the RTB to receive some forms of discretionary federal funding. The law now states that the RTB may not be a recipient of federal operating or capital assistance distributed by formula or block grant. [Laws 1988, chap. 675, sec. 15]
- Also in 1988, the Legislature adopted an even broader prohibition against RTB receipt of federal funds for LRT. The agency may not be a recipient of any federal capital grants—whether distributed by formula or by block or discretionary grant—for light rail and other fixed guideway transit systems. [Laws 1988, chap. 675, sec. 15]

[Minn. Stat. sec. 473.575, subd. 8]

The RTB and LRT

The Legislature has restricted the RTB's functions as they apply to LRT.

The 1984 law was silent on the RTB's role in LRT. As a consequence of legislation since 1984, the RTB's current authority may be summarized as follows:

- The RTB may not construct, own, or operate LRT facilities.
- The RTB does not control the funds for LRT as it does other metropolitan transit.
- The RTB has no authority to disapprove LRT projects or to manage or regulate LRT development. The RTB may comment on CRRA plans and must cooperate with CRRAs in planning CRRA systems.
- If CRRAs were to contract with the MTC for the operation of LRT, the RTB would gain some indirect influence over the operation of CRRA systems through its control of MTC operations.

(For a further explanation of the law on this subject, see *Metropolitan Light Rail Transit: A Summary of Current Law and Procedure*, House Research, January 1988.)

**PRINCIPLES AND OPPORTUNITIES FOR
METROPOLITAN TRANSIT**

Prepared by the Staff of the
Regional Transit Board

March 1989

Introduction

In his proposed 1990-91 budget, Governor Perpich recommended that metropolitan transit functions be restructured. Although existing transit functions--planning, programming, contract administration and policy-making--would be funded in 1990-91, it is proposed that the Regional Transit Board (RTB), the agency currently responsible for these functions, would be eliminated, and responsibility for these functions would be reassigned to other agencies.

Different approaches to structuring metropolitan transit responsibilities are currently being addressed by legislators, regional policy-makers and local officials. Based on its experience and expertise, the staff of the Regional Transit Board offers its ideas to the current discussion. This paper presents key principles and opportunities for improvement that we, as staff, believe will enable successful transit planning and provision of services regardless of a specific institutional format.

Principles for Success

The creation of the Regional Transit Board sent a strong message to the region that transit is a critical element in maintaining the quality of life. During the past four years, the RTB has made numerous contributions to the metropolitan area in dealing with issues associated with mobility of area residents. The RTB:

- provided funding and technical support services to 40 contracted transit service providers;
- implemented a series of new services in the suburban areas serving Anoka, Blaine, Coon Rapids, New Brighton, St. Anthony, Maplewood, North St. Paul, Oakdale, Roseville, Shoreview, Falcon Heights, Little Canada, Lauderdale and Forest Lake;
- took steps to improve the Minnesota Rideshare program and promote travel demand management strategies to alleviate traffic congestion;
- expanded the Jobseekers program, which subsidizes transportation for the unemployed;
- made a number of changes to the Metro Mobility program to ensure that transportation for mobility disadvantaged persons is provided in a responsive manner;
- has been involved in planning for light rail transit; and
- served as a focal point in the political process to heighten awareness of the importance of transit.

The staff of the Regional Transit Board has been responsible for conducting many of these transit studies, analyzing and developing policy options and implementing service changes and improvements. In doing so, staff has worked closely with employers, developers, transit providers, community representatives, and representatives of other agencies such as the county regional railroad authorities, Metropolitan Council and the Minnesota Department of Transportation. Based on this experience, it is our belief that efforts to advance the development of transit services in the Twin Cities metropolitan area will be most successful when the responsible entity has the ability to:

1. ***Integrate transit into transportation planning.*** Transit and travel demand management strategies must be integrated as important elements of the transportation system. Major trends point to a period of stress for the region's transportation system and increasing travel needs of transit dependent persons. Transit can help to provide part of the solution to deal with many difficult transportation issues facing the region. Efforts over the past four years to conduct joint RTB work efforts with the Minnesota Department of Transportation and the Metropolitan Council have shown that working together can produce better integrated, more effective facilities and services. The presence of an organization, like the RTB, that strongly advocates transit, can ensure transit interests are considered.
2. ***Arrange a mix of services and providers.*** The diverse service needs of metropolitan area residents can best be satisfied through a variety of methods and modes, each designed to serve the needs of specific market groups. It is essential that efforts be maintained and expanded to ensure that a mix of services and providers is offered to meet user needs at reasonable costs.
3. ***Link planning and services.*** The linkage between planning, implementing and administering transit programs is essential. To successfully carry out any of these functions requires open and frequent communication and an acceptance of common goals among those planning, implementing and providing service. At the RTB, this strong linkage has been established through common reporting to a department head. In alternative situations, mechanisms to ensure common objectives and accountability in carrying out plans and programs should be ensured. The coordinated ability to implement plans, manage contracts and allocate financial resources help to carry out policies.
4. ***Separate policymaking from operations.*** One of the basic premises for creating the Regional Transit Board was the need to separate transit planning from transit operations. This principle still holds true. It is commonly agreed that the separation of these functions has helped to focus efforts of the MTC and the RTB on their major responsibilities.
5. ***Develop and implement policies that address pressing regional priorities.*** An integrated transit system provides a network for meeting the diverse needs of metropolitan area residents and coordinating transit services in an effort to maximize resources and minimize duplication.

6. *Encourage service effectiveness and innovation.* It is essential that the way transit services are planned and provided is constantly challenged to determine how it can be done more effectively and more responsively. The travel needs of area residents change over time; it is important that the region has the ability to anticipate changing needs in order to better provide service in the future.
7. *Develop and use a process for open public input and community participation.* Decisions on transit matters often impact affected parties in very different ways. It is important that all interest groups—providers, citizens, communities, special needs groups—have an opportunity to provide their opinions early in the planning process and that adequate time for responding with changes in plans be allowed. Successful planning, coordination, and funding of transit services in the metropolitan area are dependent on ownership of the process by all interested parties.
8. *Focus on consensus building and managing change.* A forum for the discussion of transit issues is essential. Although sometimes controversial, RTB decisions and activities have prompted greater attention to transit issues than in the past. Disagreement and conflict on issues among diverse constituencies are commonplace, but it should be possible to provide opportunities for all parties to present their points of view, find common areas of agreement, and develop policies and programs that have widespread acceptance. The consensus-building function must be an important component of transit planning and programming activities.

Opportunities for Improvement

Staff experience in working with providers, communities and special interest groups suggests that there are always opportunities for improvement. Listed below are areas identified that should be considered in restructuring current regional transit roles and responsibilities. RTB staff believes that change is needed, and to be most effective, each of these areas should be addressed:

1. *Clarify planning and operational functions in order to minimize conflicts.* Continuing efforts have been made, legislatively and administratively, to clarify planning and operational functions. Although clarifications have been helpful, there remain a few outstanding issues related to areas of responsibility for policy-making and implementation. Relations between the MTC and RTB have sometimes been strained because of differences in opinion about what constitutes "operations" versus what constitutes "planning." These differences in opinion have come up especially with regard to determining who is responsible for making policy decisions about certain transit issues. When the disagreement was not resolved to the satisfaction of both parties, policies, even when adopted by the RTB, were not always adequately implemented.

The processes for implementing policies and resolving governance issues should be built into the organizational structure, as is true in other cities.

2. ***Clarify and establish appropriate responsibilities and authority.*** It is important to either clarify or establish appropriate roles and responsibilities for a variety of specific issues. Planning for light rail transit, capital needs, opt-out transit services and service implementation during the past four years has pointed to the need for fine-tuning an understanding of "who does what." In each of these specific cases, the need for some type of regional coordination is readily apparent as attempts are made to allocate scarce resources and to set consistent service, development and investment policies.
3. ***Improve linkages between elected and appointed officials.*** The Regional Transit Board has sometimes lacked credibility in its decision-making on transit issues with local elected officials. This is especially true in the case of light rail transit where it is the counties who have the authority to collect tax revenues for payment of the project(s). Efforts to impose regional oversight are often viewed with distrust. However, jurisdictional differences arise also because of dissimilar objectives or concerns that the RTB was imposing requirements upon local officials that effectively diminished local authority.
4. ***Better define and communicate roles of board and staff in order to strengthen their separate roles in setting policy and coordinating transit services.*** When dealing with transit issues, it is often easier to focus in on specific operational issues than to step back to consider broad policy consequences of those issues. In recognition of this tendency, it is important to clearly outline the policy responsibilities of the decision-makers and the administrative and/or executive functions of the staff.
5. ***Emphasize the need for building a consensus on major transit issues and managing change.*** As suggested throughout this paper, the number of diverse constituencies who have a stake in transit issues, the importance of transit in the total transportation system, and development of the metropolitan area points to the need for a forum for all parties to come together and freely discuss their points of view when dealing with key transit issues. Organizational structures must recognize the need for special interest groups to have access to the discussion of transit issues that will impact them.

Although the RTB has frequently attempted to build consensus, success has not always occurred because of the lack of a shared strategy among board members and staff and because the amount of effort needed to build consensus on controversial subjects was underestimated. It should be expected that disagreement and conflict on issues among diverse constituencies will continue to be commonplace when there is an effort to make changes; however, organizational formats should provide for the opportunity to communicate openly and build consensus.

6. *Emphasize the importance of the linkage between transit and land use and development.* Nationally, there is recognition that transit organizations need to develop more influence on land use decisions and traffic impact issues in an effort to better combat congestion and mobility issues. Locally, the RTB experience shows that transit and travel demand management strategies can make a significant contribution in resolving these issues, but that transit needs to be considered early in development and land use decisions.
7. *Provide more input and shared responsibility among transit planners, providers, government agencies and municipalities.* More input and shared responsibility between transit planners, providers, and government agencies and municipalities are necessary. These groups should be working as partners to provide the best possible transit services in the metro area. In addition, greater effort should be made to communicate with all the organizations involved in transit. When information is exchanged freely and early in the process, there is little room for suspicion and a greater level of trust can develop.
8. *Establish a common vision of transit for the future to ensure that services are responsive to the changing needs of the metropolitan community.* Steps should be taken to conduct an "environmental scan" of the strengths and weaknesses of the transit market, and the needs of existing and potential users, providers and the community-at-large as a basis for the strategy of the future. The RTB's Implementation Plan is a useful document in which to convey this information. Specific priorities and direction should be established to inform and gain the support of the community for the timing and purpose of major efforts to be undertaken.

Conclusion

Because of transit's importance to the continued vitality of the region, RTB staff hopes that the presentation of these principles for success and opportunities for improvement are helpful to decision-makers as they consider options for structuring metropolitan transit responsibilities. Regardless of structural changes that may result, we hope that any new arrangement will build upon the strengths and accomplishments of the RTB over the last four years and provide opportunities for planning and provision of transit services that are even more responsive to the needs of the residents of the metropolitan area.

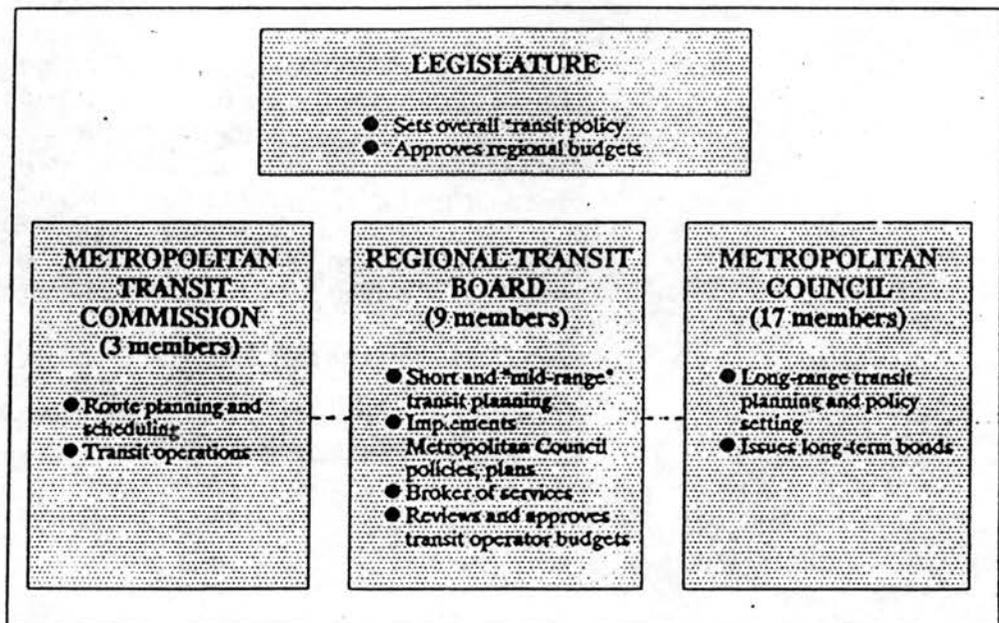
METROPOLITAN TRANSIT PLANNING

Executive Summary

In 1984, the joint Legislative Study Commission on Metropolitan Transit concluded that "the three functions of effective transit service--planning, arranging, and delivering--are misallocated among the various agencies and levels of government." The commission felt that the region's public bus operator, the Metropolitan Transit Commission (MTC), could not objectively plan new transit services to meet local needs. In addition, the commission was concerned about rising costs, declining ridership, and the lack of local involvement in transit planning.

Based on the commission's recommendations, the 1984 Legislature established a transit planning structure that is unique among large U.S. metropolitan areas. The Legislature limited the MTC to transit operations and short-term planning, and allowed the region's Metropolitan Council to continue long-range transit planning and policy setting. In addition, the Legislature established a third agency, the Regional Transit Board (RTB), to conduct mid-range planning, implement the policies and plans of the Metropolitan Council, and arrange for transit services.

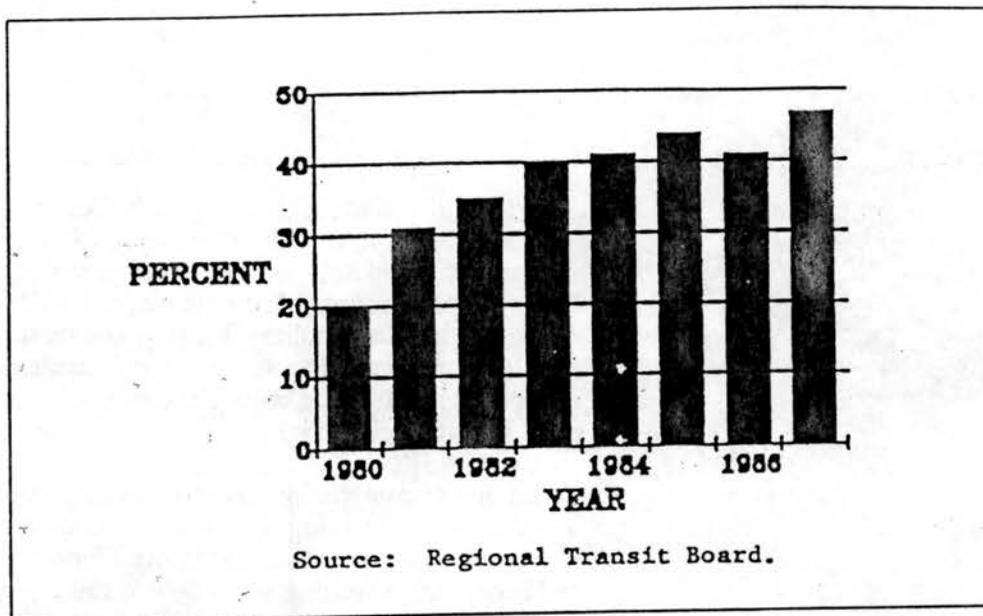
The Twin Cities' three-tiered transit planning structure is unique in the U.S.



Twin Cities Regional Planning Structure

municipalities within the region's "transit taxing district" contribute between 1.25 and 2.0 mills to the regional transit system, depending on their level of service. Property taxes account for about half of transit revenues in the Twin Cities. We found that no other large U.S. metropolitan transit system relies on property taxes this much. According to a survey we conducted, 45 percent of this region's municipal officials think their city property tax contributions are reasonable, and 37 percent said they are not.

The Twin Cities' transit system has become increasingly reliant on property taxes.



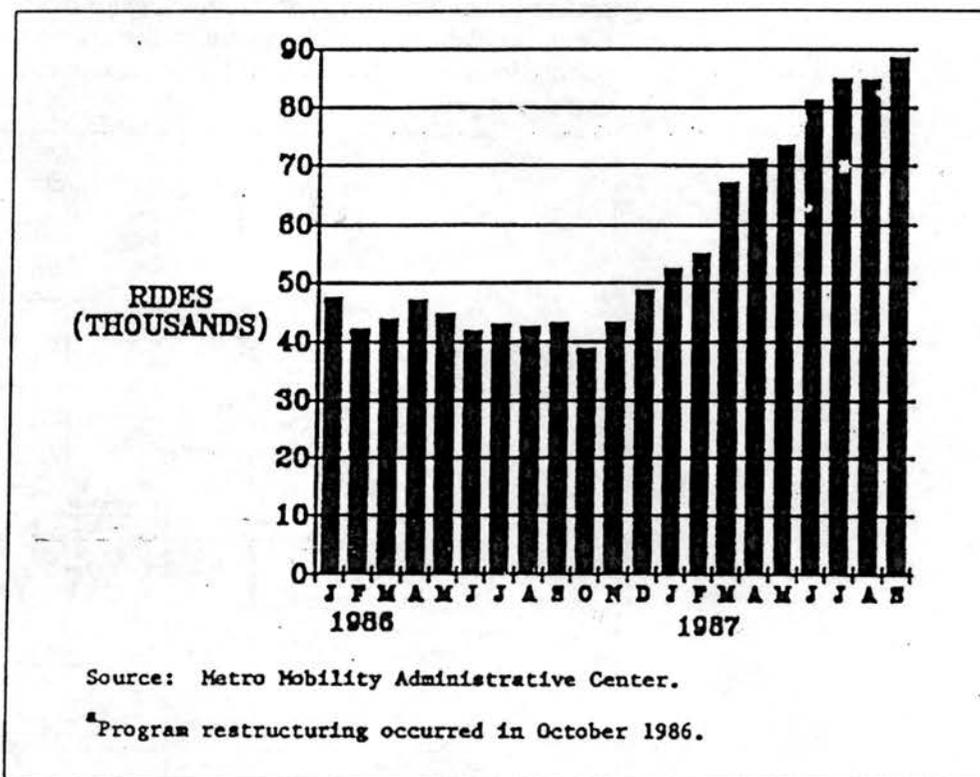
Property Tax Revenues
as a Percentage of Twin Cities Regional Transit Revenues
1980-87

The Regional Transit Board consists of eight members appointed by the Metropolitan Council and a full-time chair appointed by the Governor. The board spent much time during its first three years responding to "brush fires," partly because key issues caught them by surprise. In addition, it has taken some time for the RTB staff to gain a working knowledge of Twin Cities transit and their role in the decision-making process. The RTB's initial staff hirings were not completed until October 1985, and there was considerable turnover in top managerial staff during the agency's first two years.

Since 1984, the topic that the board discussed most frequently was Metro Mobility, the region's main transit program for the disabled. In contrast, some issues were the subject of relatively few board discussions, including ridesharing and new suburban transit services.

THE RESTRUCTURING OF METRO MOBILITY

Metro Mobility is the Twin Cities region's primary transit program for disabled people. It provides 80,000 to 100,000 rides per month, about double the number of rides given prior to a major program restructuring by the RTB in October 1986. The RTB changed Metro Mobility to a "user choice" system in which users arranged their own rides with providers, rather than calling a central dispatching center. We reviewed the process the board used to plan and implement these changes and concluded that the board's early discussions of possible program changes were open and fair, and there was ample opportunity for public input. The board made some difficult and bold decisions following these initial discussions, and it deserves much credit for addressing problems with the previous Metro Mobility system.



Metro Mobility Monthly Ridership
January 1986 - September 1987^a

The public had more opportunity to advise RTB on the Metro Mobility program's overall design than on specific program details.

However, once the board outlined broad program changes in late 1985:

- The RTB did not effectively involve Metro Mobility user representatives and providers, and some key issues were unresolved at the time program changes were made.

As required by law, the RTB established an advisory committee for Metro Mobility, representing transit providers, the disabled, and social service agen-

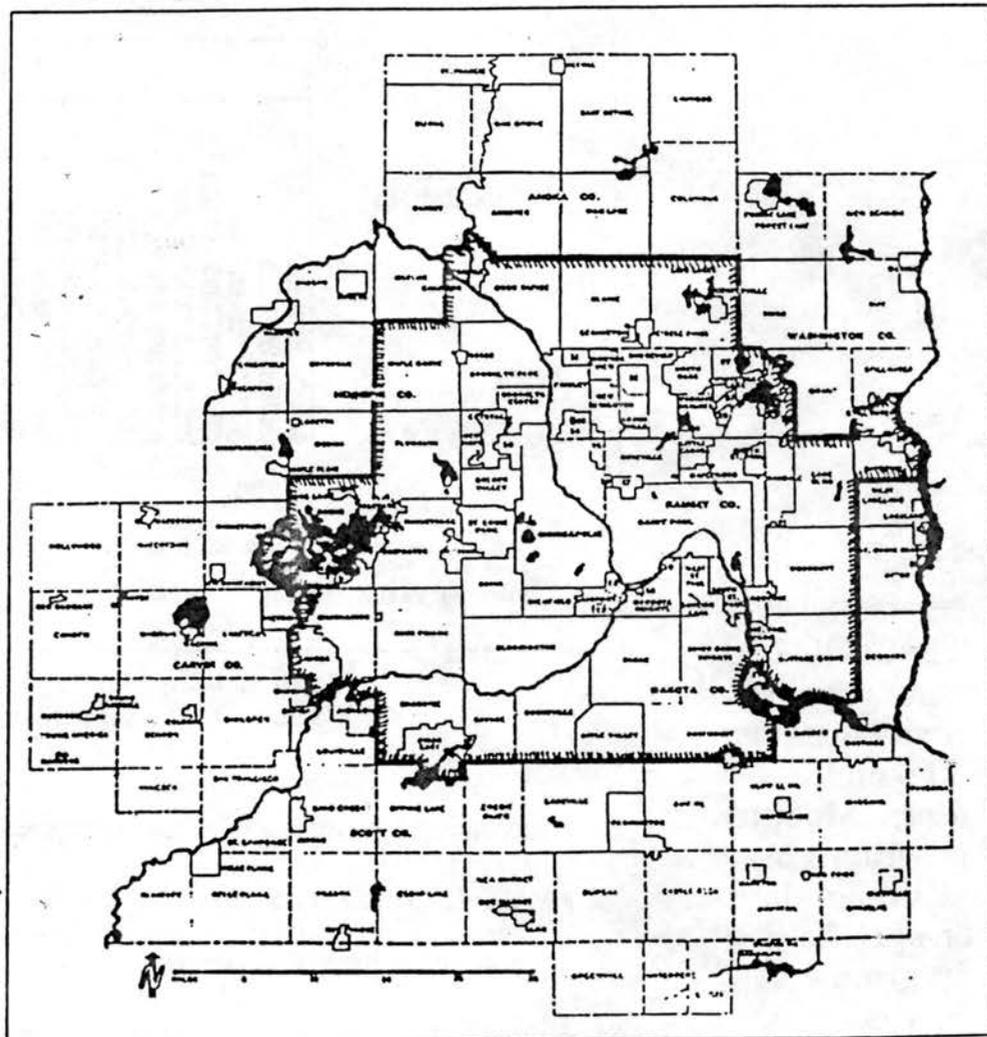
LOCAL INVOLVEMENT IN TRANSIT PLANNING

The 1984 Legislative Commission on Metropolitan Transit concluded that service planning needed to be more responsive to local needs and that local governments should play a greater role in planning. We found that:

- The formal mechanisms for involving local governments in transit planning are still weak. The RTB's record of involving local governments is mixed and shows considerable room for improvement.

RTB needs stronger links to local governments.

The RTB has no ongoing advisory committee of local officials, and it rarely uses the Metropolitan Council's local advisory committee. The RTB effectively involved local officials in the development of the Transit Service Needs Assessment, but did not solicit enough local input for the Implementation and Financial Plan. About 53 percent of the region's cities with over 10,000 population reported at least one contact between RTB staff and city officials in the past year.



Metropolitan Transit Taxing District (outlined)

In particular, the council's proposed policies: (1) include corresponding strategies and performance measures, (2) outline necessary elements of the RTB's Implementation and Financial Plan, and (3) more closely integrate transit and highway decision making. However, the council's policies do not adequately address means by which the council may affect local land use, which strongly influences the effectiveness of transit.

CONCLUSIONS AND RECOMMENDATIONS

The creation of the RTB in 1984 was a bold legislative initiative, and many national observers point to the Twin Cities' transit structure as a model for other cities. Although it is too early to make final judgements on many of the efforts undertaken in the past few years, we think there has been some progress toward the 1984 Legislature's goals. In particular, the RTB improved the region's transit service planning and took some steps toward making the transit system more cost-effective. However, we concluded that:

Although RTB's overall track record is mixed, it is premature to alter the transit planning structure now.

- **The RTB has not yet proved itself to be an effective problem solver, and it is unclear whether the Legislature's restructuring of transit planning has been a success.**

The Legislature should reassess the situation in two or three years to see if further progress has been made and RTB's performance has improved. We will be prepared to help the Legislature with such a reassessment.

The RTB plans to develop some new transit services in 1988, and we think it should have an opportunity to implement these and other programs before the Legislature determines whether to maintain a separate planning agency "between" the Metropolitan Council and transit operators.

In the meantime, the RTB needs to (1) do better implementation planning, (2) be a forum for ideas, (3) innovate, (4) be more accountable to the Metropolitan Council, (5) improve its internal oversight, and (6) formalize its relationships with other agencies on key responsibilities.

We recommend that the Legislature take the following actions:

- **Authorize the Metropolitan Council to approve or disapprove the plans of regional rail authorities, based on their consistency with council plans and policies. The council already has this authority over county and municipal plans.**
- **Authorize the RTB to: (1) participate in light rail planning throughout the region by repealing the portion of Minn. Stat. §473.398 that limits the RTB's LRT planning to the corridor between downtown Minneapolis and St. Paul, and (2) set regional LRT standards, with the assistance of an advisory team of local and regional officials.**

Legislature a brief summary of trends in its Transportation Policy Plan performance measures.

- **Within one week of adopting policies or policy statements, the RTB should formally notify the Metropolitan Council's transit liaison. If there is any question about the consistency of RTB policy with council policy, the liaison should bring the matter to the council for its consideration.**
- **The RTB should take the lead role in clarifying responsibility for emergency services planning, transit station site planning, and quality assurance monitoring. It should also clarify the responsibilities of its advisory committees.**
- **As part of its new Transportation Policy Plan, the Metropolitan Council should clarify agency responsibilities for regional ridesharing and the encouragement of transportation management organizations. The council should help cities plan future land use development in ways that accommodate transit.**

REGIONAL TRANSIT PLANNING

Executive Summary

The Twin Cities metropolitan area has a complex, multi-tiered structure for planning and implementing public transit improvements. Agencies involved include the Metropolitan Council, the Regional Transit Board (RTB), "opt-out" communities, and the Metropolitan Transit Commission (MTC) and other transit operators. In addition, the area's seven counties are responsible for acquiring right-of-way and planning for new light rail transit lines, and the Minnesota Department of Transportation (Mn/DOT) is involved in planning and constructing highway improvements which may include transit components.

In spite of this level of agency involvement, there have been continuing concerns about transit performance and the adequacy of transit planning. During the 1980s, the Twin Cities area has experienced a substantial decline in bus ridership, growing highway congestion, and only limited suburban transit expansions outside of opt-out communities. In addition, the area has been split by disagreement over the desirability of implementing light rail transit.

This report examines transit planning in the Twin Cities area and addresses the following questions:

- What progress has the Regional Transit Board made in planning for and implementing cost-effective transit service improvements, as well as providing oversight of existing transit operations?
- Has the Metropolitan Council provided adequate long-range planning and policy direction for transit and highway improvements?
- Has the Minnesota Department of Transportation appropriately integrated transit into its highway planning and construction activities?
- Has transit planning become too fragmented and are structural changes needed to improve planning?
- What are the strengths and weaknesses of the Metropolitan Council's new Regional Transit Facilities Plan and the Regional Transit Board's new Vision for Transit?

In general, we found a planning process which has been dominated in recent years by light rail transit to the exclusion of other transit options such as improved bus service and high-occupancy vehicle (HOV) lanes. In addition, the growing costs of Metro Mobility have made it difficult for the Regional Transit Board to expand suburban bus service.

Over the last year, however, the Metropolitan Council has taken steps to reorient the planning process and more vigorously oversee the work of the Regional Transit Board. The Council's new facilities plan and the RTB's new transit vision are steps in the right direction, although many of their details will need to be worked out in the next few years.

REGIONAL TRANSIT BOARD

**RTB's progress
has been slow.**

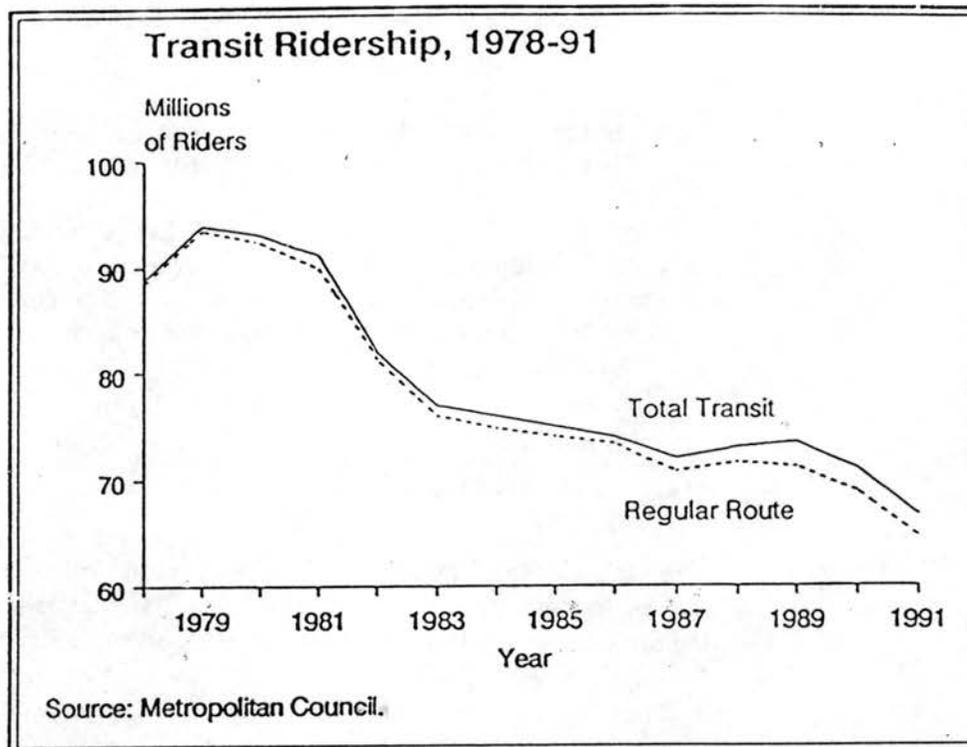
In 1984, the Legislature created the Regional Transit Board to do short- and mid-range transit planning, contract for transit services, and review and approve transit budgets. The Legislature wanted the RTB to control rising transit costs, respond to growing suburban transit needs, improve oversight of the Metropolitan Transit Commission (MTC), and more closely integrate transit into the region's highway planning. In a 1988 evaluation, we concluded that RTB had not yet proven to be an effective problem solver. Now, four years later, we conclude that:

- **Although creation of the Regional Transit Board was a good idea, the Board's progress has not lived up to expectations in several key areas.**
- **Progress in some key areas has been slow and problems remain, but there have been some encouraging signs recently.**

The major problems with RTB's past performance are:

- **There has been little progress in responding to growing suburban transit needs outside of opt-out communities.**
- **RTB has been slow to provide adequate oversight of the Metropolitan Transit Commission despite substantial declines in regular route ridership.**
- **RTB still does not have an adequate policy on competitive bidding of bus service and has allowed MTC to provide a significant amount of peak-hour express service outside MTC's exclusive service area despite significant questions regarding MTC's relative efficiency in providing that service.**
- **RTB has not provided needed leadership from a regional perspective on light rail transit, and has focused too much on expensive transit options and too little on relatively inexpensive solutions.**

**Bus ridership
has declined
significantly.**



In part, these problems have resulted from factors external to RTB. For example, state funding for transit has been relatively constant in recent years while Metro Mobility costs have grown significantly. The increase in costs has limited RTB's ability to fund service improvements for suburban areas and in the existing regular route system. Some of the increase in Metro Mobility costs is the direct result of RTB's decisions to expand and improve service. However, RTB did not anticipate much of the growth in ridership and costs. In addition, the planning process has been dominated by light rail transit (LRT) in recent years. Considerable staff and board time devoted to LRT has taken time and attention away from other issues.

However, factors within RTB's control have been at work as well. These include: 1) the board's promotion of LRT without adequate examination of the alternatives, 2) the board's attitude toward contracting transit services, 3) continuing internal tension due to the agency having both an executive director and a full-time chair, and 4) the board's unwillingness to control Metro Mobility costs, which led to an expenditure cap being imposed by the 1991 Legislature.

On the positive side, we found that:

- RTB recently adopted new plans which attempt to improve suburban transit service and control Metro Mobility expenditures.
- RTB is developing five transit hubs in suburban locations and has experimented with four new suburban services which are either circulators or general purpose dial-a-rides.

- Despite turnover, RTB has a strong staff which has laid a good foundation for the future with the work it has done on various planning projects and in contract management.
- Since mid-1991, the Board has shown more interest in overseeing MTC as well as assisting it in improving ridership and efficiency.

RTB recently completed a marketing study to determine reasons for the loss in MTC ridership and identify marketing strategies to address that concern. In addition, RTB's budget for 1992 includes funds to conduct management audits of MTC and funds for MTC to perform a comprehensive operations analysis of MTC routes.

METROPOLITAN COUNCIL

The Metropolitan Council is responsible for long-range planning and policy making for both transit and highways in the Twin Cities area and for overseeing the work of the Regional Transit Board. In our 1988 evaluation, we were critical of the Metropolitan Council's relatively weak oversight of RTB and lack of adequate policy direction for transit and highways.

Since 1988, with adoption of a new transportation policy plan, the Council's planning work and policy direction gradually improved and, in the last year, improved dramatically. We found that:

- Until last year, the Metropolitan Council did not provide adequate oversight of the Regional Transit Board.
- Until this year, the Metropolitan Council did not provide sufficient leadership in formulating a long-range vision for transit in the region.

These recent improvements in Council oversight and leadership have come about in two ways:

- The Metropolitan Council and its staff provided significant oversight of RTB through the Council's review of the RTB's Five Year Plan in May 1991.
- The Metropolitan Council and its staff have provided significant leadership for future transit and highway improvements with the recent adoption of its Regional Transit Facilities Plan.

The plan is significant in that it recommends an even-handed approach to transit planning. While LRT has dominated planning in recent years, the Council's plan calls for service improvements, minor capital improvements, and major capital projects according to their effectiveness in solving transit and highway problems in various parts of the region.

The Metropolitan Council has begun to provide stronger leadership.

The plan's specific recommendations for transit improvements should not, however, be viewed as definitive. In developing the plan, staff have not been able to analyze in detail all of the transit options in each highway corridor. For example, staff did not have time to fully analyze the benefits and costs of LRT compared to bus and other options in the Central Corridor between St. Paul and Minneapolis. However, the plan recommends a process -- an alternatives analysis -- through which this important consideration will be examined.

MINNESOTA DEPARTMENT OF TRANSPORTATION

Mn/DOT has
cooperated
with transit
planning
agencies.

The Minnesota Department of Transportation (Mn/DOT) plays an indirect, but important, role in transit planning. Many transit services and car pools utilize the highways which Mn/DOT is responsible for planning and constructing. As a result, Mn/DOT's cooperation with transit planning agencies is vital in helping them achieve their goals.

We found that:

- Mn/DOT has been receptive to transit issues and has incorporated various transit options into its highway plans.

Mn/DOT has worked with the Metropolitan Council in providing bus and car pool bypass ramps at freeway exits as called for in the Council's 1988 Transportation Policy Plan. Mn/DOT is currently working with MTC on MTC's "Team Transit" project to provide lane and ramp improvements which could help buses reduce their travel time and potentially increase their ridership. Finally, Mn/DOT has constructed high-occupancy vehicle lanes, park-and-ride lots, and transit stations in the I-394 corridor west of downtown Minneapolis and is analyzing HOV lanes, as well as light rail transit, in its planning process for improvements to I-35W from downtown Minneapolis south to the Minnesota River.

RECOMMENDATIONS

Legislature

We have five types of legislative recommendations, which address: 1) internal RTB structural problems, 2) LRT funding and governance, 3) financial disincentives for automobile use, 4) funding for transit improvements, and 5) the need for oversight of RTB. Regarding RTB's internal structure, we recommend that:

RTB needs consistent internal direction.

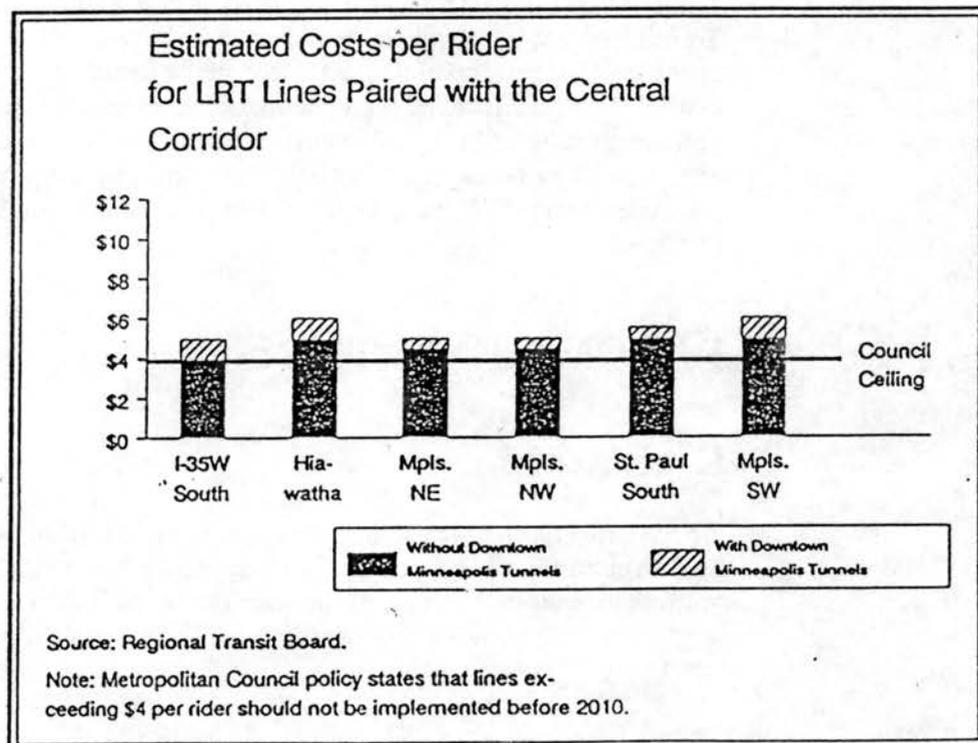
- The Legislature should either make the position of RTB chair a part-time one or permit the chair to select the executive director with the board's approval.

Since its inception, there has been internal tension at RTB because the agency essentially has two heads: an executive director and a full-time chair. This situation is not a viable one for an agency as small as RTB. It will continue to struggle to meet expectations unless it goes forward under strong and consistent leadership.

Second, we recommend that:

- The Legislature should not fund construction of LRT in the Central Corridor until a satisfactory alternatives analysis has been prepared.
- The Legislature should change the governance structure for light rail transit planning to provide for more regional control of the process while continuing to involve county railroad authorities in a meaningful way.

The Metropolitan Council's facilities plan shows that, within the next 20 years, only two LRT lines – the Central Corridor and the I-35W South lines – have the potential to be cost-effective under reasonable assumptions. Recent studies show that these two lines have a combined projected cost of just under \$4.00 per rider – the maximum permitted by Metropolitan Council policy in order for a line to be considered for implementation before the year 2010.



Alternatives to LRT have not been adequately studied.

Furthermore, it has yet to be determined how the benefits and costs of a Central Corridor LRT line -- the Council's highest LRT priority -- compare to those for all-bus and other alternatives. As a result, it is important that an alternatives analysis be conducted before more design work continues or construction work begins. An alternatives analysis will also improve the region's chances of maximizing the amount of federal "new start" money which can be received and used to reduce the region's costs of building the line.

The current governance structure for light rail transit planning is dominated by the region's counties and their rail authorities. Their only transit mission is to plan for light rail transit. Considering the new cost per rider estimates for LRT, the need for objective analysis of alternatives, and the need to use regional or state funding to implement LRT -- there is a need to reorient the governance structure to ensure that regional goals are met and that spending on additional lines is not continued. We are generally supportive of the Metropolitan Council's proposed governance structure. That proposal would place RTB in charge of the alternatives analysis, Mn/DOT in charge of design and construction, and MTC in charge of operations. However, given the counties' leadership on LRT issues, the Legislature should consider ways in which the counties can be given a meaningful role in the design and construction of LRT, while assuring regional control over important decisions.

We also recommend that:

- **The Legislature should examine options for increasing automobile user costs to better reflect the costs to the region of automobile travel.**

A modest increase in automobile user costs through additional gasoline taxes or other taxes or fees may help to limit future growth in automobile travel and would better reflect some of the regional costs of automobile use. It would also make sense to use a portion of any tax or fee increase to help fund transit improvements or relieve some of the current burden on property taxes. However, Constitutional limitations and budgetary constraints will affect the options available to the Legislature.

The details of new transit plans have not been worked out.

If transit programs are allotted funds from a new funding source, it is essential that the Legislature retain control over transit funding and not provide transit agencies with an unlimited source of dedicated funding. Many of the recommendations in the Council's new facilities plan and RTB's new vision are conceptual and lack ridership estimates and other details which would help in determining their cost-effectiveness. Legislative oversight of these agencies' recommendations is needed before transit funding is substantially increased. The Legislature should take an incremental approach and fund some improvements while requiring the agencies to report back on their progress in developing more detailed plans and ridership estimates. We recommend that:

- **The Legislature should be generally supportive of the concepts contained in the Metropolitan Council's facilities plan.**

- However, the Legislature should require RTB and the Council to provide information on the potential cost-effectiveness of the recommended service improvements and transit hub projects.

The Council's oversight authority over RTB needs to be strengthened.

We also recommend that the Legislature strengthen oversight of RTB in the following ways:

- The Legislature should require RTB to prepare an annual performance report for existing transit services and submit the report to the Metropolitan Council for its review and comment.
- The Legislature should require RTB to report at least annually on its progress in implementing its five-year plan and submit the report to the Metropolitan Council for its review and comment.
- The Legislature should give the Metropolitan Council authority to review and approve RTB's annual capital budget and review and comment on RTB's annual operating budget.

Metropolitan Council

We recommend that:

- The Metropolitan Council continue the strong oversight and leadership it has shown over the last year.

In addition, even without specific legislative authorization, we recommend that:

- The Metropolitan Council should consider requiring RTB to prepare: 1) an annual transit performance report, 2) an annual progress report on plan implementation, and 3) cost per rider estimates for the new services and other mass transit improvements recommended in the Council's new plan and RTB's new vision.

Also, in formulating regional policy on highway and transit development, the Council should consider the extent to which automobile users are not directly paying the full costs of automobile use. We recommend that the Metropolitan Council: 1) determine the extent to which automobile users do not directly pay for the costs imposed on the region from automobile use, 2) examine the potential effect on automobile and transit use from raising automobile ownership and operation costs through additional taxes or other methods, and 3) study the impact which such action might have on future development patterns.

Regional Transit Board

The Regional Transit Board has made only slow progress in achieving the goals envisioned when it was established. Improvement has been made since mid-1991, but it remains to be seen whether such improvement will be sustained. The RTB's Vision for Transit has conceptual appeal, but lacks important details. It is unclear at this point how much of the vision should be implemented. It is also unclear how the results of needs assessments and MTC's comprehensive operations analysis will affect the vision.

RTB needs to make progress in some key areas.

Despite reservations, we believe RTB should continue to exist in its current form. The separation of planning and operations has had some desirable effects and remains a good concept. However, RTB needs to continue the progress of the last eight months and demonstrate to the Legislature that RTB can be an effective problem solver. RTB can best develop this trust by being a fair and objective planning agency. Advocacy on behalf of transit is best based on sound and thoughtful analysis.

Specifically, we recommend that:

- **RTB should adopt a competitive bidding policy which adequately addresses the costing method MTC should use when bidding to provide transit services outside its exclusive service area.**
- **RTB should undertake the proposed management audits of MTC and review the comprehensive operations analysis of MTC when completed. RTB should ultimately identify any resources which can be freed up to provide needed service improvements.**
- **RTB should examine the need for and potential cost-effectiveness of the service improvements and hubs recommended in the Metropolitan Council's facilities plan. Not all of the hubs and accompanying circulator and express routes may be cost-effective.**
- **RTB should prepare an annual performance report which provides performance statistics for each route and type of service funded by RTB.**
- **RTB should continue its recent efforts to work cooperatively with the opt-out providers and assist them in competitively bidding out transit services when their current contracts end.**
- **RTB should work with MTC to strengthen the region's efforts to encourage ridesharing or consider moving Minnesota Rideshare to the Minnesota Department of Transportation.**

INTRODUCTION

The 1970s saw an expansion of bus service in the Twin Cities metropolitan area along with a corresponding increase in transit ridership. However, transit costs also increased at a rate far exceeding the combined effect of inflation and service expansion. In addition to rising costs, the Legislature perceived a lack of responsiveness to growing suburban transit needs, a need to improve oversight of the Metropolitan Transit Commission, a need to separate transit operations from planning, and a need to more closely integrate transit into the region's highway planning.

As a result, in 1984, the Legislature created the Regional Transit Board (RTB) to do short- and mid-range transit planning, contract for transit services, and review and approve transit budgets. The creation of RTB gave the region a three-tier transit planning structure that was more complicated than the one- or two- tier systems used in other major metropolitan areas.

Despite RTB's creation, there have been continuing concerns about transit performance and the adequacy of transit planning. The 1980s have seen a substantial decline in bus ridership, growing highway congestion, limited suburban transit service expansions, and a fragmentation of planning responsibilities in some areas. In addition, the transit community, as well as the broader metropolitan community, has been split by disagreement over the desirability of implementing light rail transit.

Consequently, the Legislative Audit Commission directed our office to conduct a study of transit planning in the Twin Cities metropolitan area. This report updates and expands upon an earlier evaluation of RTB which we completed in 1988. The report addresses the following questions:

- What progress has the Regional Transit Board made in planning for and implementing cost-effective transit service improvements, as well as providing oversight of existing transit operations?
- Has the Metropolitan Council provided adequate long-range planning and policy direction for transit and highway improvements?
- Has the Minnesota Department of Transportation appropriately integrated transit into its highway planning and construction activities?

- **Has transit planning become too fragmented and are structural changes needed to improve planning?**
- **What are the strengths and weaknesses of the Metropolitan Council's new Regional Transit Facilities Plan and the Regional Transit Board's new Vision for Transit?**

To answer these questions, we conducted extensive interviews with people involved with transit and highway planning, operations, and policy direction. We reviewed a significant number and variety of local planning documents and studies, and also reviewed relevant literature available nationwide.

Chapter 1 of this report provides an overview of the transit and highway planning structure in the metropolitan area, reviews the region's transit budget and programs, highlights the challenges and problems faced by planners, and discusses the demographic trends which have created these challenges. Chapter 2 examines the adequacy of transit planning in the region. This chapter reviews the performance of the Regional Transit Board, the Metropolitan Council, and the Minnesota Department of Transportation. Chapter 2 also considers the need for structural changes in regional transit planning and examines the strengths and weaknesses of the new plans developed by the Metropolitan Council and the Regional Transit Board. Chapter 3 presents our recommendations for legislative and agency action.

**KEY REGIONAL TRANSIT BOARD
ACCOMPLISHMENTS
1984-1992**

1984

Overview: Formation of agency and initial hiring of staff.

1985

Overview: This was the RTB's first full year of operation. Major efforts focused on meeting legislative requirements, assuming responsibility for provider contracts, taking an active role in both light rail transit and Metro Mobility, projects which were both at key decision points, and initiating the Transit Service Needs Assessment.

Accomplishments Included:

- Interim Implementation Plan
- Position on transit improvements in the University Avenue, Hiawatha Avenue and Southwest Corridor (light rail transit)
- Metro Mobility policy analysis and development
- Establishment of Rideshare, Transportation Handicapped, and Taxicab Advisory Committees
- Adopted amended Metro Mobility eligibility criteria
- Endorsed restructuring Metro Mobility to allow riders to contact providers directly to request rides
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

1986

Overview: The RTB completed the Transit Service Needs Assessment (TSNA) and developed the Implementation and Financial Plan (IFP), which became the basis for future board activities. A major focus was placed on restructuring the Metro Mobility program.

Accomplishments Included:

- Completed Transit Service Needs Assessment
- Developed Implementation and Financial Plan
- Restructured Metro Mobility program
- I-394 transit planning and implementation
- Developed interim performance/financial standards for regular route transit
- Participated in the Metropolitan Council's Long Range Transit Study and Highway System Evaluation
- Held a two-day workshop to learn about programs in other cities that are similar to how Metro Mobility would be under the proposed changes
- Formally adopted the Metro Mobility Implementation Plan
- Significantly reduced Metro Mobility costs once changes are implemented while number of trips increased by 23 percent
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

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1987 Accomplishments

1987

Overview: The RTB began to implement strategies recommended as a result of the Transit Service Needs Assessment and part of the Implementation and Financial Plan, including evaluation of the restructuring of Metro Mobility, active involvement in major transportation corridor studies, and improved management of existing transit services.

Accomplishments Included:

- Received federal grant to study competitive contracting of service
- Southwest Metro Transit began providing service
- Competitive bidding of high-subsidy routes 25 and 39
- 504 Compliance Plan for the Twin Cities metropolitan area
- Fare policies and procedures for the Twin Cities metropolitan area
- Participated in I-35W and I-494 corridor studies
- Conducted planning for Anoka County transit improvements
- Conducted planning for transit improvements in Oakdale, North St. Paul and Maplewood
- Transit planning for I-94 reconstruction
- Completed Comprehensive Review and Evaluation of Metro Mobility
- Expanded Jobseekers Program
- Participated in Transportation Policy Plan update
- Expanded Metro Mobility service to include northern and western Hennepin County, Southern Anoka County and Northern Ramsey County
- Initiated formal Metro Mobility study to review the program and determine how well the goals for implementing the changes to the program had been met
- Began accessible bus demonstration project on Minneapolis routes 16 and 19
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

1988

Overview: The RTB began to aggressively implement new services to serve unmet needs and refine Metro Mobility service to better meet needs of users. The agency also continued to be involved in corridor studies and activities associated with Travel Demand Management programs.

Accomplishments Included:

- Adopted standards, procedures and guidelines for competitive procurement of public transit services
- Developed RTB Capital Plan
- Participated in light rail transit planning activities for the Midway Corridor
- Planned and implemented new transit services in
 - North St. Paul, Oakdale and Maplewood (NEST)
 - Anoka
 - Roseville Area
 - Forest Lake
- Northtown transit hub improvements
- Metro Mobility service expanded to include the entire transit taxing district

1988 Accomplishments - Continued

- Completed the first legislative report on Metro Mobility customer service
- Commissioned a comprehensive evaluation of the Metro Mobility program
- Initiated development of Travel Demand Management (TDM) Programs in the I-494 and I-35W corridors
- Evaluated regional Rideshare program
- Conducted energy emergency contingency planning
- Conducted planning for St. Louis Park transit improvements
- Developed new transit services marketing program
- Held a Suburban Mobility Initiatives workshop
- Entrepreneurial grant solicitation and technical assistance
- Participated in corridor studies on I-35W, I-94 and I-494
- Held LRT expert panel and provided technical assistance to counties
- Conducted Highway 96 study
- Completed Maple Grove Transit Needs Assessment
- Completed Cities of Apple Valley, Eagan, Savage, Rosemount, Prior Lake and Burnsville Transit Needs Assessment
- Completed Metro Mobility providers maintenance performance evaluation
- Completed Metro Mobility recertification
- Initiated Metro Mobility customer enhancement project
- Metro Mobility human service agency transportation
- Initiated Rideshare Task Force
- Co-Sponsored third National HOV Facilities Conference
- Initiated update of Implementation Plan
- Implemented MTC service changes
- Evaluated MTC's fare changes
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

1989

Overview: Continued implementation of new services, increased local involvement in RTB activities, continued involvement of RTB as regional partner in solving transportation issues and provision of transit service through better information management.

Accomplishments:

- Evaluated Anoka, NEST, Forest Lake
- Developed Six Cities of Apple Valley, Eagan, Savage, Rosemount, Prior Lake and Burnsville Transit Needs Assessment
Recommendations/Implementation: these cities formed Minnesota Valley Transit Authority and started planning opt-out service for their communities
- Initiated Roseville Area Circulator demonstration project
- ABC Weekender begins service
- Awarded Entrepreneurial Grant for reverse commute to Eden Prairie

1989 Accomplishments - Continued

- Implemented MTC service enhancements
- Directed MTC to buy all lift-equipped vehicles; new accessible buses make 75 percent of fleet accessible
- Implemented small urban and rural program enhancements
- Expanded North Suburban Lines service
- Began planning for Anoka County Traveler service
- Added Southwest Metro Transit dial-a-ride service
- Developed competitive transit policies that define circumstances and rules under which transit services are specifically bid
- Obtained input on RTB activities by appointing community representatives to RTB advisory and special committees
- Established Community Grant program; gave grants to Brooklyn Park, Maple Grove, Crystal and Osseo; City of Minneapolis, Improve 494 and City of Bloomington
- Implemented TDM strategies in I-494 and I-35W Corridors
- Completed LRT Regional Development and Financial Plan
- Applied financial and performance standards
- Improved data collection and analytical capabilities to identify trends and issues early so appropriate action can be prescribed
- Began publishing The RTB Messenger newsletter and the Chair's Advisory
- Developed Jobseekers Policies and Procedures Handbook
- Developed Light rail information kit
- Developed Ridership Task Force Recommendations/Implementation
- Implemented transit disadvantaged program
- Coordinated implementation of fare changes for all regular route providers
- Participated in Travel Behavior Inventory
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

1990

Overview: The RTB worked at planning ways to implement the anticipated Americans with Disabilities Act, continued implementation of new services, increased local involvement in RTB activities, continued its involvement as a regional partner in solving transportation issues and provision of transit service through better information management.

Accomplishments Included:

- Developed Five-Year Transit Plan
- Developed new regular route fare structure to be implemented in 1991
- New City of Maple Grove express bus service to Minneapolis began
- Began Anoka County Traveler service, the first accessible, county-wide dial-a-ride service in the region
- Implemented Roseville Area Circulator service improvements
- Funded new accessible service in Lakeville for seniors and people with disabilities

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1990 Accomplishments - Continued

- Developed strong new performance and evaluation standards to assure maximum efficiency
- Restructured routes in Golden Valley and New Hope and increased ridership by 12 percent
- Funded capital improvement projects, including 78 accessible MTC buses
- Worked on developing transit hub facilities at the Rosedale Center, the Mall of America, and two Mn/DOT facilities along I-394
- Awarded two community transit planning grants totalling \$80,000 to the City of Minneapolis and Washington County
- Implemented Trip Assurance Program for the Metro Mobility program
- Developed Ambassador Program as part of overall plan to implement accessible bus service. The RTB also directed the MTC to provide driver sensitivity training
- Developed travel skills training program for people with disabilities
- Developed a program to recover federal dollars for persons being transported on Metro Mobility to day training and habilitation services
- Presented The Regional Light Rail Transit Development and Financial Plan to the Legislature
- Completed the Regional Light Rail Transit Coordination Plan
- Conducted LRT peer review panel to analyze successful North American LRT systems
- Produced information pieces on LRT, including a brochure and video
- Hired a consulting firm to conduct a consumer research study on the Metro Mobility program
- Conducted a study of methods to improve Metro Mobility service
- Developed a vulnerable adults work program to ensure Metro Mobility riders' safety
- Developed Travel Demand Management programs for the University of Minnesota, the I-494 corridor and the I-35W corridor
- Formed a Marketing Committee to assist the board with marketing the region's transit system
- Formed a Local Officials Advisory Committee to increase local participation in the RTB's decision-making process
- Worked with each community in the region to have transit liaisons designated to communicate RTB news back to communities
- Held public meetings to review the RTB budget by line item for the first time
- Developed the Audit Advisory Committee to assist the RTB with contract and compliance matters
- Developed a program of comprehensive auditing procedures to ensure providers comply with their contracts
- Worked with the University of Minnesota's Center for Transportation Studies to fund research projects that examine alternative fuels and conducted the first regional Alternative Fuels Forum
- Expanded the Jobseekers program to Carver and Scott counties to make the program available in all seven metropolitan area counties
- Studied ways to improve transit options to suburban employment sites

- Provided technical assistance and funding for transit planning for the 1990 U.S. Olympic Festival
- Funded transportation planning for the International Special Olympics
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

1991

Overview: The RTB developed a concept for a comprehensive regional system that will meet the area's needs now and in the future. The agency also conducted a market research study to increase ridership. The RTB continued implementation of new services, increased local involvement in RTB activities, continued involvement of RTB as regional partner in solving transportation issues and provision of transit service through better information management.

Accomplishments Included:

- Developed the Vision for Transit, a comprehensive approach to public transportation that advocates using many modes of transit anchored by a series of transit hubs
- Conducted a market research study to uncover the reasons for declining bus ridership and identify ways to attract and retain riders
- Raised fares for regular route bus service and the Metro Mobility program to offset decreased funding while still meeting state and federal requirements
- Worked to increase levels of accessible service called for under ADA by developing plans for implementing new accessible routes and providing training to drivers and passengers
- Selected a team of medical and rehabilitation specialists to develop new Metro Mobility eligibility criteria and certification processes
- Minnesota Valley Transit Authority begins operating with commuter express service from Dakota County communities to the two downtown central business districts
- Began Bloomington-Edina BE Line community circulator service
- Added the Roseville Area Circulator to the regular route system
- Developed performance standards for paratransit, dial-a-ride and for volunteer driver services
- Worked with the Metropolitan Council and Mn/DOT to develop a Regional Transit Facilities Plan to be presented to the Legislature
- Developed the ADA Paratransit Plan, which describes how and when the complementary paratransit requirement of ADA will be met in the metro area
- Doubled ridership on the Columbia Heights shared ride taxi program through a service expansion
- Developed fare and service changes for the Anoka County Traveler based on an on-board survey of passengers
- Updated the regional plan for LRT, which now calls for two lines to be built initially in the I-35W and Central Corridors
- Added lift-equipped buses on more routes, making seven MTC routes accessible

1991 Accomplishments - Continued

- Approved a promotional program that will allow certified Metro Mobility riders to ride the bus for free for a temporary period starting in 1992
- Participated in a Paratransit Advisory Committee formed to study coordinating and consolidating Metro Mobility and Medical Assistance special transportation services
- Initiated legislation aimed at protecting vulnerable adults
- Worked with the City of Plymouth to develop TDM plans for the city's largest employers
- Implemented the second phase of the University of Minnesota's TDM plan
- Co-sponsored the Association for Commuter Transportation annual conference
- Implemented a new computerized car pool matching system for Minnesota Rideshare
- Increased outreach efforts to groups or people involved with transit
- Produced "Shaping Our Future: The Facts About Light Rail," a brochure designed to educate policy-makers about LRT
- Held a substance abuse workshop for all RTB providers and a TDM workshop for providers and communities
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

1992

Overview: Gaining support among policy-makers and opinion leaders for the "Vision for Transit" concept, implementing the improvements spelled out in the "Vision for Transit", dealing with the on-going need to work within established budgets for programs while meeting state and federal requirements for service.

Accomplishments Included:

- Developed the "Regional Transit Service and Capital Plan: 1993-1997," which is the blueprint for making the improvements outlined in the agency's "Vision for Transit"
- Established six transit hubs at Rosedale Center, Mall of America, downtown St. Paul, Plymouth Road, Louisiana Avenue and downtown Minneapolis Leamington station, and added or enhanced service feeding into the hubs
- Planned and implemented transit components for Mall of America, including transit hub and MTC, BE Line, University of Minnesota and Southwest Metro transit service
- Worked with the Department of Transportation and the MTC to expand service and complete new transit stations and park-and-ride lots along I-394
- Developed plans to make the Metro Mobility program more convenient and efficient based on input from riders and national paratransit experts
- Funded a route-by-route examination of the MTC's bus system
- Restructured the entire University of Minnesota Route 52 transit system to provide better coverage of the metropolitan service area

1992 Accomplishments - Continued

- Conducted transit needs assessments in St. Paul, Plymouth, Dakota County and Washington County
- Secured federal funding to conduct a study that will determine the best transit alternative for the Central Corridor between Minneapolis and St. Paul
- Investigated ways to use technology to enhance the transit system, including, including funding a computer dispatching system for the Anoka County Traveler
- Enhanced suburban service in the Roseville, Bloomington, Burnsville and Eden Prairie areas and restructured service to enhance successful routes and eliminate routes with a high subsidy
- Developed specially tailored program for major employers to encourage employees to take the bus or car pool, reducing congestion around their work sites
- Established a Bicycle Advisory Task Force, which is looking at ways to make biking a more viable way to get around the Twin Cities
- Developed, with the MTC, the Americans with Disabilities Act (ADA) Paratransit Plan and increased accessibility on all transit services to meet ADA requirements
- Implemented service and fare changes for the Roseville Area Circulator, including new lift-equipped vehicles with bike racks and electronic fareboxes and a fare demonstration project
- Participated in planning transit service for the Super Bowl
- Instituted a demonstration policy calling for RTB capital funding for the opt-out programs through 1996
- Developed a 3-Wheeler Task Force to find ways to transport 3-wheeled mobility devices in accordance with ADA regulations
- Conducted research on implementing "smart card" technology into the Metro Mobility program
- Worked with transit providers to develop a regional logo
- Funded, with the City of St. Paul, the Access to Transit Study that focuses on bus routes in St. Paul and its first-ring suburbs
- Issued an RFP for Metro Mobility operations planning
- Worked with downtown St. Paul to develop and implement a downtown shuttle system that will link visitor attractions and historic sites within the city's Cultural Corridor
- Conducted a management audit of the MTC
- Provided regional coordination and public information services
- Conducted annual negotiations of provider contracts
- Monitored monthly operating reports and fund requests
- Provided technical assistance

Regional Transit Board Accomplishments 1984 -- 1992

FIVE-YEAR TRANSIT PLAN

- In 1985, the agency developed the Interim Implementation Plan, which was the overall plan for regional transit service and a forerunner of the Five-Year Transit Plan.
- In 1986, the agency developed the Implementation and Financial Plan, which was then revised and updated in 1987.
- In 1988, the agency initiated an update of the Implementation and Financial Plan.
- In 1989, the agency updated the Implementation and Financial Plan and renamed it the Five-Year Transit Plan. The Five-Year Transit Plan sets the vision for metropolitan area transit for the next five years and is updated biennially. The Five-Year Transit Plan is developed with cooperation from local governments, transit providers, legislators and the public.
- The agency developed a new Five-Year Transit Plan in 1992 and renamed it the "Regional Transit Service and Capital Plan: 1993 - 1997." This plan is the blueprint for making the improvements outlined in the agency's "Vision for Transit."

LOCAL COMMUNITY PROGRAMS

Anoka County Traveler

- Conducted planning for Anoka County transit service improvements in 1987.
- ABC Weekender begins providing service in 1989 to replace high-subsidy MTC routes.
- The first county-wide, general public dial-a-ride in the region, the Anoka County Traveler, started in 1990 and replaced the ABC Weekender.
- This fully accessible service meets the needs of seniors and people with disabilities.
- The RTB conducted an on-board survey of passengers in 1991, which was used to develop fare and service changes.
- In 1992, the RTB funded a computer dispatching system for the Traveler as part of the agency's work to investigate ways to use technology to enhance the transit system.

Roseville Area Circulator

- Initiated as demonstration project in 1989.
- First community circulator service, entered regular route system in 1991.
- Serves Roseville, Shoreview, Falcon Heights, Little Canada, Arden Hills and St. Anthony.
- Features bike racks on buses.
- In 1989, the RTB implemented MTC service enhancements to tie in with the Roseville Circulator and provide better service to Rosedale.
- Fare and service changes implemented in 1992 include larger service area, expanded service hours, lift-equipped vehicles, electronic fareboxes, and a reduced fare demonstration project.

(Local Community Programs, continued)

Minnesota Valley Transit Authority

- Completed Six Cities Needs Assessment of Apple Valley, Burnsville, Eagan, Prior Lake, Rosemount, and Savage in 1989.
- Six Cities form Minnesota Valley Transit Authority, (MVTA) begin providing commuter express service into Minneapolis and St. Paul in 1991.
- The RTB funded and jointly conducted with MVTA a park-and-ride study for all six communities served by MVTA.
- Midday service to Mall of America starting in August 1992.
- Worked with the City of Apple Valley and MVTA in 1992 to plan a mixed-use park-and-ride lot that would combine retail, housing and transit uses.

Southwest Metro Transit Commission

- Needs assessment conducted, service begins in 1987.
- Opt-out program added dial-a-ride service in 1989.
- In 1991 and 1992, the RTB provided technical assistance in reviewing performance of existing service and developed a service plan with new park-and-rides being constructed in the area.
- Service expanded to Mall of America in summer 1992.
- Reverse-commute service started in November 1992

Northern St. Paul Suburban Service

- Conducted planning for transit improvements in Oakdale, North St. Paul and Maplewood in 1987.
- NEST (Northeast Suburban Transit) begins providing service for North St. Paul, Oakdale and Maplewood. The RTB planned and implemented this service.

St. Louis Park

- In 1988, the RTB conducted planning for transit service improvements in St. Louis Park, including a community-wide transit survey.
- The City of St. Louis Park was unable to provide the local share of funding for a community-based program because of budget constraints.

Lakeville Service

- In 1990, RTB funded new accessible service in Lakeville for seniors and people with disabilities.

Bloomington-Edina BE Line

- Three high-subsidy MTC routes were consolidated in 1991 and replaced with the Bloomington-Edina BE Line circulator program, provided by Medicine Lake Lines.
- The BE Line is fully accessible and is the first regional program to feature electronic fareboxes.
- In 1992, the BE Line service was expanded to serve the Mall of America.

Columbia Heights

- By expanding service, the RTB doubled ridership on the Columbia Heights shared ride taxi program in 1991.

(Local Community Programs, continued)

Maple Grove

- The RTB completed the Maple Grove Transit Needs Assessment in 1988, which provided the guidelines for establishing the City of Maple Grove's opt-out service.
- In 1990, working with the Cities of Plymouth and Maple Grove, the RTB developed a service plan and RFP for providers to bid on the service.
- City of Maple Grove express bus service to Minneapolis began in 1990.

Opt-Out Funding

- Replacement, or "opt-out" programs were created by 1980 legislation that permitted communities to replace their existing MTC service with one more suited to local needs.
- Opt-out communities use locally generated funds to provide local service rather than contributing them to the regional fund.
- Five opt-out programs exist in the metro area: Maple Grove, Minnesota Valley Transit Authority (MVTA), Plymouth, Shakopee and Southwest Metro.
- In 1992, the RTB instituted a demonstration policy calling for RTB capital funding for the opt-out programs through 1996.

Community Grant Program

- Developed community transit planning grant program in 1989.
- Awarded grant to Brooklyn Park, Maple Grove, Crystal and Osseo in 1990.
- Awarded grant to City of Minneapolis in 1990.
- Awarded grant to Improve-494 and the City of Bloomington in 1990.
- Awarded grant to Washington County in 1990.
- The state's budget shortfall brought an end to the program in 1991.

IMPROVING BUS SERVICE

Transit Service Needs Assessment

- In 1985, the agency examined existing transit service, travel patterns and census data as part of the Transit Service Needs Assessment, a legislatively mandated region-wide look at how to improve transit service.
- In 1986, the agency completed the two-year Transit Service Needs Assessment, which was the first use of a market-based approach to examining transit service needs in the metro area.

U of M Route 52

- In 1992, the RTB worked with the University of Minnesota Office of Transit staff to restructure and improve Route 52 service starting in the fall of 1992. Highlights include extending route 52A to the Mall of America, new route 52R service from the Rosedale transit hub to the U of M, and minor modifications to the 10 other Route 52 routes.

Long-range Transit Study and Highway System Evaluation

- In 1986, the RTB participated in the Metropolitan Council's Long-range Transit Study and Highway System Evaluation.

(Improving Bus Service, continued)

Vision for Transit

- The RTB developed the Vision for Transit, a comprehensive approach to public transportation that advocates using many modes of transit anchored by a series of transit hubs.
- The Vision for Transit was adopted as part of the Metropolitan Council's Regional Transit Facilities Plan, which was presented to the Legislature in 1992.
- Developed transit hubs at Rosedale Center, the Mall of America, downtown St. Paul, Plymouth Road, Louisiana Avenue and downtown Minneapolis at the Leamington station in 1992. The RTB also added or enhanced transit service feeding into the hubs.

Mall of America Service

- The RTB planned route extensions and new bus service to the Mall of America in 1992.
- Regional transit services serving the Mall include: the MTC, the BE Line, Southwest Metro, MVTA and the University of Minnesota.

Comprehensive Operations Analysis

- In 1992, the RTB funded and participated in the MTC's Comprehensive Operations Analysis, which examined each route to determine if changes are needed.

Access to Transit Study

- The RTB funded, with the City of St. Paul and the MTC, the Access to Transit Study that focuses on bus routes in St. Paul and its first-ring suburbs.

Cultural Corridor Service Planning

- Working with the City of St. Paul, the RTB is developing a downtown shuttle system that will link visitor attractions and historic sites within the city's cultural corridor.

MTC Management Audit

- The RTB issued an RFP for a management audit of the MTC in 1992. The audit showed that transit service is being provided efficiently and is making the most of limited transit funding.

MAKING THE SYSTEM ACCESSIBLE

Accessible Buses

- In 1987, the RTB and MTC began an accessible bus demonstration project on Minneapolis routes 16 and 19.
- In 1990, the RTB directed the MTC to buy 78 new lift-equipped buses.
- The RTB and MTC, working with TAAC and other advisory committees, developed the Mainline Accessible Bus Implementation Plan in 1990, which outlines the schedule for implementation of regular route service from now until the entire system is completely accessible.
- Currently, accessible buses run on 10 MTC routes, making approximately 30 percent of midday service accessible.
- The RTB expects the transit system to be fully accessible by 2002.
- The RTB is creating a network of accessible community circulators and dial-a-rides, including the Roseville Area Circulator, the BE Line and the Anoka County Traveler.

(Making the System Accessible, continued)

Ambassador Program

- The RTB developed the program in 1990 to ensure accessible buses meet the needs of persons with disabilities.
- People with disabilities were recruited to ride the new lift-equipped buses and report their experiences back to the RTB.

Travel Skills Training for Persons with Developmental Disabilities

- The RTB developed training for people to use the MTC and Roseville Area Circulator buses.
- Seven day training and habilitation agencies work with the RTB to administer the program.

Metro Mobility

- In 1985, the RTB adopted amended eligibility criteria and endorsed restructuring Metro Mobility to allow riders to contact providers directly to request rides.
- In 1986, the RTB held a two-day workshop to learn about programs in other cities that are similar to how Metro Mobility would be under proposed changes.
- In 1986, the RTB restructured Metro Mobility and adopted the Metro Mobility Implementation Plan. Multiple providers begin to provide service and riders now schedule trips directly with providers.
- After the restructuring, Metro Mobility costs are significantly reduced while the number of trips increased by 23 percent.
- In 1987, the RTB completed the Comprehensive Review and Evaluation of Metro Mobility.
- Metro Mobility service was expanded to include northern and western Hennepin County, southern Anoka County and northern Ramsey County in 1987.
- Initiated a formal Metro Mobility study to review the program and determine how well the goals for implementing the changes to the program had been met in 1987.
- In 1988, Metro Mobility service was expanded to include the entire transit taxing district.
- The first legislative report on Metro Mobility customer service was completed in 1988.
- The RTB commissioned a comprehensive evaluation of the Metro Mobility program in 1988.
- Completed the Metro Mobility providers maintenance performance evaluation and the recertification process in 1988.
- In 1988, the RTB initiated the Metro Mobility customer service enhancement project.
- The RTB hired Ilium Associates to conduct a consumer research study on the Metro Mobility program in 1990. Results from the study were used to improve service and plan accessible bus implementation.
- Developed a vulnerable adults work program in 1990 to ensure Metro Mobility riders' safety.
- In 1991, Metro Mobility provided more than 1.5 million rides to 19,000 certified riders.
- In 1991, the Trip Assurance Program was instituted so that everyone who requested a Metro Mobility ride would receive one.

(Making the System Accessible, continued)

- The RTB selected a team of medical and rehabilitation specialists to develop new eligibility criteria and certification processes.
- In 1992, the RTB developed a new service concept for Metro Mobility to meet both federal requirements and state budget limitations.
- The Board approved a promotional program that will allow certified Metro Mobility riders to ride the bus for free for a temporary period starting in 1992.
- The RTB participated in a Paratransit Advisory Committee formed to study coordinating and consolidating Metro Mobility and Medical Assistance special transportation services.
- During the 1992 legislative session, the RTB initiated legislation aimed at protecting vulnerable adults.
- The RTB issued an RFP for Metro Mobility operations planning in 1992 and developed a new centralized service concept to be presented for public comment.
- In August, 1992, the RTB held a peer review with national paratransit experts to receive feedback on the new Metro Mobility service concept

ADA Forum

- In 1991, the RTB held an ADA Forum featuring national, state and local experts on the transit regulations under the federal ADA.
- The Forum was held to educate legislators, regional policy-makers, transit providers and members of RTB advisory committees on the intent of the ADA regulations.

ADA Paratransit Plan

- In 1991, the RTB developed the ADA Paratransit Plan, which describes how and when the complementary paratransit requirement of ADA will be met in the metro area.

Partnership with the Department of Human Services (DHS)

- Working with DHS, the RTB was able to recover federal dollars for persons being transported to day training and habilitation services.

3-Wheeler Task Force

- The RTB in 1992 developed a 3-Wheeler Task force to find ways to transport 3-wheeled mobility devices in accordance with ADA regulations.

"Smart Cards"

- In 1992, the RTB issues an RFP for research on implementing "smart card" technology into the Metro Mobility program.
- Smart cards look like a credit card and have a small computer chip on them that enables the card to act as a portable data carrier. The information on the card can be updated each time the card is used. For the Metro Mobility program, cards could be used to gather information on boardings and on-time performance and possibly could automate fare collection.

Transit Accessibility Advisory Committee

- The Transit Accessibility Advisory Committee assists the RTB with policy direction for services for seniors and persons with disabilities.

LIGHT RAIL TRANSIT PLANNING MOVES FORWARD **Regional Light Rail Transit Development and Financial Plan**

- In February 1990, the RTB presented the LRT Development and Financial Plan to the Legislature.
- The plan presents basic decisions about where LRT will go and how it will be financed.

Regional Light Rail Transit Coordination Plan

- In early 1991, the RTB presented the LRT Coordination Plan to the Legislature.
- The plan addresses institutional issues including: construction, implementation, budget, financing alternatives, design standards, performance criteria, and station area land use coordination.

Updated Light Rail Plan

- In November 1991, the RTB updated its regional light rail transit plan.
- The updated plan calls for two corridors initially: the Central Corridor between Minneapolis and St. Paul, and a second corridor from Minneapolis south along I-35W.

Joint Light Rail Transit Advisory Committee

- The Joint LRT Advisory Committee is made up of metropolitan area county commissioners and representatives from MN/DOT and the MTC.
- The committee develops and forwards recommendations for plans to the RTB.

Light Rail Transit Peer Review Panels

- The RTB held two LRT Peer Review Panels in 1990 so that experts from successful North American LRT systems could review both LRT plans.

Bus Feeder Route Planning

- The RTB, working with the County Regional Railroad Authorities and the MTC, has been developing specific feeder bus route networks for potential LRT corridors.

Alternatives Analysis/Draft Environmental Impact Statement

- In 1992, the RTB secured federal funding for this study, which will determine the best transit alternative for the central Corridor between Minneapolis and St. Paul.

MARKETING TRANSIT

Regional Coordination

- In early 1989, the RTB completed a legislatively mandated regional coordination study that examined the marketing and promotional practices of transit providers. The goal was to build a consensus among providers regarding a regional identity.
- The RTB developed a regional coordination plan in 1992 and worked with the MTC to enhance the transit information center to provide regional transit information.

Marketing Committee

- In 1990, the RTB established a marketing committee to assist the board with marketing issues including: ridership, marketing tools, safety, promotional materials and advertising.

(Marketing Transit, continued)

Market Research Study

- In 1991, the RTB commissioned a transit market research study to uncover the reasons for declining bus ridership and identify ways to attract and retain riders.

Regional Identity

- In 1992, the RTB developed a regional identity program that will unite the more than 40 different service providers and identify them as part of the comprehensive regional transit system.

TRAVEL DEMAND MANAGEMENT ACTIVITIES

I-394

- The RTB has been involved with planning and implementing the transit components of the restructured I-394. Major improvements and restructuring began in 1985.
- The RTB has periodically restructured transit service as new sections of the freeway and surrounding roadways are developed.
- Transit service is essential to making the system function as it was designed to, by providing additional people-carrying capacity within the legislatively mandated lane limitations.

University of Minnesota Travel Demand Management

- The RTB and the U of M developed measures to discourage solo driving in and around campus in the Travel Demand Management Plan.
- A guaranteed ride home program was instituted for faculty and staff. The program gives transit users and car poolers a guaranteed ride if they must leave for an emergency or stay to work late.

I-494 Travel Demand Management

- The RTB worked with Improve 494, a travel management organization, to reduce traffic along the I-494 corridor.
- A guaranteed ride home program was instituted in this corridor in 1990.

I-35W Travel Demand Management

- The RTB developed a plan for the I-35W corridor that includes: working with the MTC to increase service levels; Minnesota Rideshare to market car and van pools; and Mn/DOT to locate areas for new park-and-ride lots.

Highway Planning Participation

- In 1988, the RTB participated in corridor studies on I-35W, I-94 and I-494 in 1988. The RTB worked with Mn/DOT to identify transit options to help move people efficiently during construction.
- The RTB, in conjunction with Mn/DOT, conducted the Highway 96 Study to analyze transit options within the roadway improvement alternatives for Highway 96 between Arden Hills and White Bear Lake.

Rideshare Evaluation

- In 1988, the RTB completed an evaluation of the regional Rideshare program.

(Travel Demand Management Activities, continued)

National HOV Conference

- In 1988, the RTB co-sponsored the third National HOV Facilities Conference.

ACT Conference

- The RTB co-sponsored the Association for Commuter Transportation annual conference in 1991.

Computerized Car Pool Matching

- In 1991, the RTB implemented a new computerized car pool matching system for Minnesota Rideshare.

Plymouth Travel Demand Management

- Working with the City of Plymouth, the RTB in 1992 surveyed the community's 16 largest employers and developed tailored plans to help employees commute more efficiently.

Rideshare Advisory Committee

- The Rideshare Advisory Committee (RAC), established in 1985, provides input to the RTB in developing Travel Demand Management and rideshare strategies.
- RAC is made up of service providers, employers and rideshare participants.

TDM Workshop

- The RTB held a Travel Demand Management (TDM) workshop for providers and communities in 1991.

Bicycle Advisory Task Force

- In 1992, the RTB established a Bicycle Advisory Task Force, which is looking at ways to make biking a more viable way to get around the Twin Cities.
- In December 1992, the RTB held a Bicycle Forum to educate people on what public and private organizations are doing to promote bicycling as an effective form of transportation.

COMMUNITY OUTREACH

Community Relations

- The Community Relations Coordinator position is created in 1989; the coordinator meets annually with local community staff to discuss transit needs.

Transit Liaisons

- In 1990, the RTB asked every municipality in the metro area to designate a transit liaison, who communicates news from the RTB to his or her community.

(Community Outreach, continued)

Chair's Outreach

- Since taking office, RTB Chair Michael J. Ehrlichmann has met with hundreds of people about transit-related issues.
- Each year, Ehrlichmann holds a series of breakfast meetings where he meets with local officials and community leaders to discuss transit issues.
- Ehrlichmann also regularly attends city council and community group meetings throughout the metro area to discuss RTB programs and answer questions.
- Ehrlichmann regularly appears on local media to discuss current transit issues and initiatives.

Suburban Outreach

- In 1988, the RTB held a Suburban Mobility Initiatives workshop.

Local Officials Advisory Committee

- The RTB developed the Local Officials Advisory Committee in 1990 with the help of the Association of Metropolitan Municipalities.
- The committee increases local participation in the RTB's decision-making process.

OPENING CHANNELS OF COMMUNICATION

Communication Vehicles

- The RTB instituted a variety of new communication vehicles to increase awareness of the RTB and its programs, including:
 - The RTB Messenger, a quarterly newsletter,
 - The Chair's Advisory, a monthly message from the chair detailing a single transit issue,
 - Information Folder, quick overview of basic RTB information,
 - Fact Sheets, detailed information about RTB projects and programs,
 - Media kit on light rail, in-depth background on LRT in the region,
 - LRT video, a visual summary of how LRT could benefit the region,
 - Information Guide on LRT, a brochure about LRT development in the region,
 - Cable television shows, produced to show the benefits of transit,
 - "Shaping Our Future: The Facts About Light Rail," a brochure to educate policymakers about LRT,
 - "Vision for Transit: Capital and Service Improvements 1992-1996," a report that explains the RTB's plans to create a comprehensive, multi-modal transit system for the metro area.

Annual Conference

- Each year the RTB conference informs legislators, local elected officials, transit providers and the public about timely transit issues.

ENSURING FISCAL RESPONSIBILITY

Competitive Bidding Guidelines

- In 1988, the RTB adopted standards, procedures and guidelines for competitive procurement of public transit services.

Performance Standards

- The RTB instituted strong performance evaluation standards to ensure contract compliance.
- In 1990, the RTB updated the regular route performance standards.
- In 1991, the RTB developed performance standards for paratransit, dial-a-ride and volunteer driver services.

Audit Advisory Committee

- The Audit Advisory Committee assists the RTB with contract and compliance matters.
- Outside financial professionals, RTB members and RTB executive director comprise the committee.

Audits

- The RTB developed a program of comprehensive auditing procedures to ensure providers comply with their contracts.

Competitive Transit Policies

- In 1989 the RTB developed competitive transit policies that define circumstances and rules under which transit services are specifically bid.

RTB Budget Meetings

- The RTB holds public meetings to review the agency's budget by line item.

Fare Structures

- In 1989, the RTB coordinated implementation of fare changes for all regular route providers.
- Developed new regular route fare structure that was implemented in 1991.

Managing High-Subsidy Routes

- On an on-going basis, the RTB monitors and identifies high-subsidy routes and determines what action to take to ensure service is provided efficiently.
- The RTB decides whether high-subsidy routes will be restructured, bid out to a different provider, eliminated or monitored further.

MTC Management Audit

- The RTB participated in the MTC Management Audit, which evaluated various functions within the MTC to identify areas that are performing well and to provide guidelines for those areas needing improvement. The audit showed that public funding is being used efficiently to provide transit service.

(Ensuring Fiscal Responsibility, continued)

Provider Advisory Committee (PAC)

- The Provider Advisory Committee was formed in 1988 to ensure that transit providers have the opportunity for early participation in the transit planning process.
- The PAC also helps resolve disputes filed due to competitive bidding.
- PAC is made up of regional transit providers.

HELPING PEOPLE HELP THEMSELVES

Jobseekers

- The RTB's Jobseekers program assists people who are looking for employment.
- The RTB pays 75 percent of the cost of a convenience fare and the jobseeker pays the remaining 25 percent.
- In 1990, the Jobseekers program was expanded to Carver and Scott counties to make the program available in all seven metropolitan area counties.
- In 1991, 42 participating agencies worked with the RTB to distribute nearly 17,000 vouchers for subsidized bus passes.

EXAMINING ALTERNATIVE SOURCES OF FUELS

Alternative Fuels Forum

- The RTB held an Alternative Fuels Forum in 1990 to introduce the many fuel possibilities.

Funding Alternative Fuel Studies

- The RTB is funding alternative fuel studies through the University of Minnesota's Center for Transportation Studies.

MTC Demonstration Project

- In the fall of 1992, the MTC began conducting an alternatives fuel demonstration project, which compares the use of four alternative fuels or technologies in 20 transit buses.

SPECIAL EVENTS TRANSIT PLANNING

U.S. Olympic Festival

- The RTB provided technical assistance and transit funding for the 1990 U.S. Olympic Festival.

International Special Olympics

- The RTB funded transportation planning for the International Special Olympic Games in 1991.

1992 Super Bowl

- The RTB worked with the Transportation and Logistics Committee for Super Bowl XXVI.

1992 State Fair

- The MTC provided special event express bus service to the 1992 State Fair as a demonstration project to see how successful this type of special event marketing can be.

TRANSIT FUNCTIONS

- PLANNING
- PROGRAMMING
- CONTRACT ADMINISTRATION
- FINANCIAL MANAGEMENT
- OPERATIONS

TRANSIT ISSUES

- SERVICE PLANNING
- SERVICE EVALUATION
- CAPITAL PLANNING
- FINANCIAL/BUDGETARY OVERSIGHT
- COMMUNICATIONS
- SPECIAL SERVICES
- MARKETING
- IMPLEMENTING VISION FOR TRANSIT
- SPECIAL EVENTS
- COMPETITIVE CONTRACTING
- LEGISLATIVE PROGRAM

TRANSIT OPTIONS

A. STRENGTHEN EXISTING STRUCTURE

- FINE TUNE (WITHOUT LEGISLATION)
- MODIFY WITH LEGISLATION

B. OVERHAUL EXISTING STRUCTURE

RTB

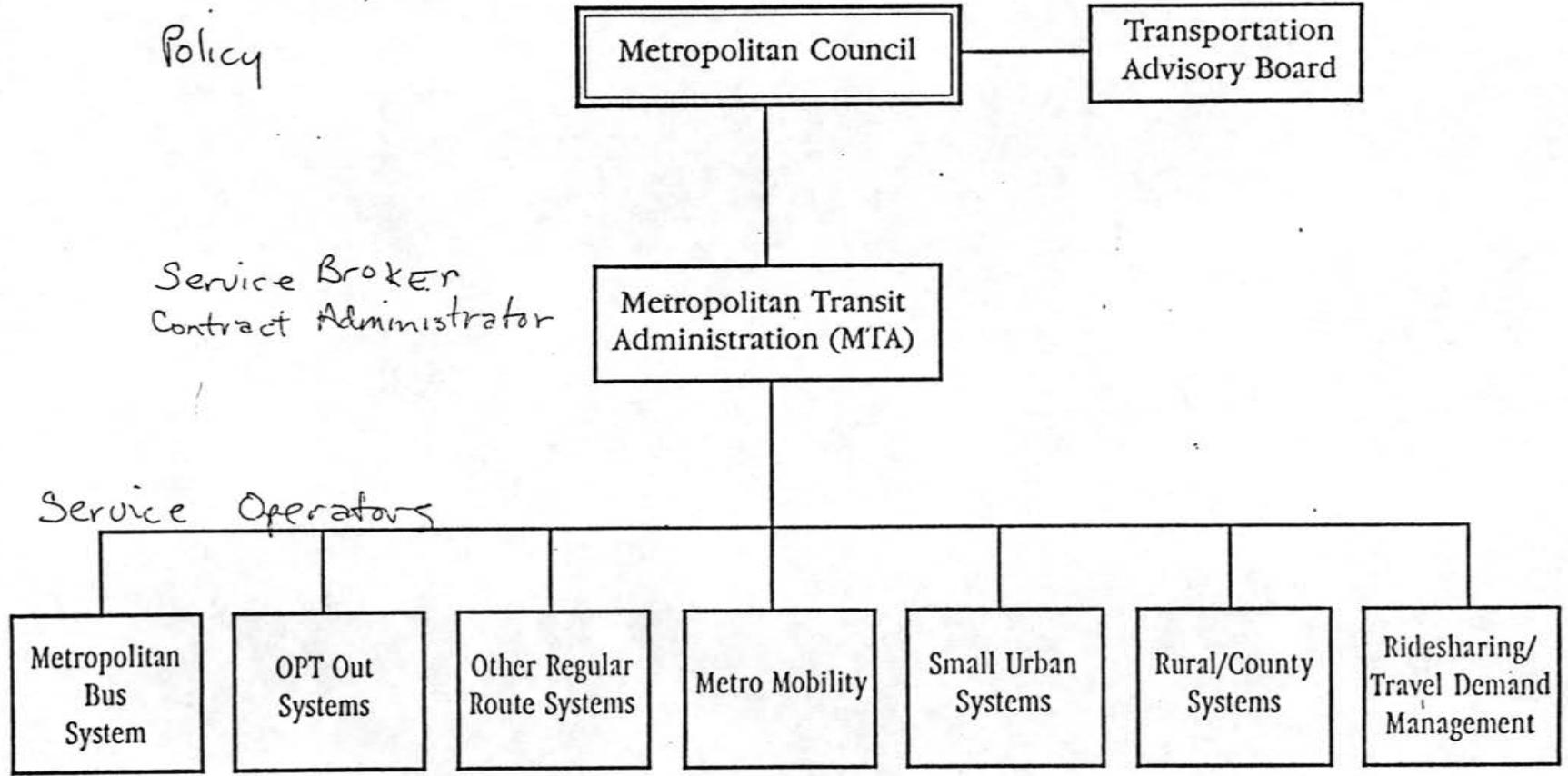
- AGENCY OF THE COUNCIL
- MN/DOT
- HYBRID
- RTB/MTC COMBINATION

MTC

- NO BOARD
- SMALL BOARD
- SAME BOARD

MET Council

Transit Governance Proposal



Dottie Rietow
Metropolitan Council Chair
Statement on Transit Structure
Feb. 15, 1993

Mass transit is an essential component of transportation in the Metropolitan Area. It is transportation which links our activities, our homes, jobs, our lives.

In order to achieve effective, cost-efficient transit services, we need a clear planning and decision making structure with clear accountability, one which encourages competition. We need to put this new structure in place as soon as possible.

Here's the structure we propose to do this:

Reduce the number of players. Specifically, the proposal would eliminate the 11-member Regional Transit Board and chair, and eliminate the five-member Metropolitan Transit Commission.

Increase accountability. In their place, I would appoint a single administrator for each entity. One administrator would direct the functions of a newly created Metropolitan Transit Authority, which would broker transit services. Most importantly, it would encourage public and private competition to provide the services. The other administrator would lead the newly created transit services organization. Both administrators would be directly accountable to the Metropolitan Council chair.

Assume responsibility for light rail transit. The final element of our proposal would make the Council responsible for setting policy for light rail transit in the region. The Minnesota Department of Transportation would be solely responsible for engineering and constructing all major transit facilities, such as transit hubs and/or light rail transit.

In closing, I would like to note that through this proposal the public will continue to participate in shaping transportation plans and programs through the existing Transportation Advisory Board-- which would be enhanced under our proposal. The public also could give input through the public participation process at the Metropolitan Transit Authority.

The bottom line is that the changes we are proposing will allow the Council to make transportation decisions that incorporate a regional land-use perspective. It should result in more efficient and, hopefully, less costly transit service.

I'll take your questions now.

MEMORANDUM

DATE: November 10, 1992

TO: Members of the Regional Transit Board and the Metropolitan Transit Commission

FROM: Andrews, Auld, Hollander, Johnson

SUBJECT: Proposed Process for Discussion and Resolution of Outstanding Organizational Issues between the RTB and MTC

In an effort to better understand and resolve some of the outstanding issues between our two agencies, we, offer for your consideration a process to identify and resolve our differences. This memorandum is a preliminary effort toward accomplishing that. We look forward to the opportunity to jointly present this memorandum to you at Wednesday night's meeting and hope that you will find it helpful in your discussions.

PROCESS

We have briefly discussed the process for carrying out this effort.

1. Make a commitment to resolve differences in order to create a more productive working environment and to ensure that transit funding is the topic that gets the focus during the upcoming legislative session.
2. Identify issues including "gray" areas of roles and responsibilities, activities where there have been disappointed expectations, and areas where we understand roles and responsibilities but feel that there may be a "better way."
3. Prioritize issues in recognition that we are not able to deal with everything at once.
4. Work closely with members of our respective boards both in agency work sessions, but also jointly. Report back regularly and bring key items for approval.
5. Set up regular meetings of senior staff and other knowledgeable and affected staff members.
6. Establish timetable and maintain it to the best of our ability.

PRELIMINARY IDENTIFICATION OF ISSUES

We have made a preliminary effort to identify some of the issues that regularly create conflict between the two agencies. These are not listed in any particular order of priority. Priorities are yet to be established. Input from the two boards would be helpful in establishing these priorities.

1. Capital Planning and Implementation

There has been some questions about respective roles and responsibilities for capital planning and implementation, e.g. decisions about size of buses to purchase, who should construct transit hubs, development of the transit facilities plan.

2. Service Planning

Legislation prohibits the RTB itself from conducting service planning (i.e., determination of specific routing and timing of transit services), but requires the board to contract with the MTC or others to perform this function. While the RTB has made an effort to focus on the broader function of "establishing service specifications," there have been times when our efforts may have exceeded our authority. On the other hand, the MTC has not had the resources during the past several years to conduct this work. Furthermore, it also needs to be determined if it is appropriate for the MTC to perform service planning for other providers with whom it may compete and/or who do not have an ongoing relationship with them.

3. Service Evaluation

Issues relating to service evaluation include the establishment of performance standards and the process for dealing with high subsidy routes. Concerns have been expressed about whether or not standards are imposed for non-MTC providers and which agency should make the recommendations regarding high-subsidy service.

4. Financial/Budgetary Oversight

MTC have felt that the RTB exercises inappropriate oversight over their financial matters, i.e., instead of dealing with specific operational items, the RTB should focus its attention on policy matters. RTB, on the other hand, has felt that the MTC have not always made decisions that were financially consistent with RTB policies. MTC has also raised issues about the appropriate uses of regular route transit funds.

5. Communications

Generally, there have not been well established lines of communications between the two agencies. Even though a number of efforts have been made (including Executive Director/Chief Administrator meetings, monthly RTB/MTC staff meetings, joint board/commission meetings), there seems to be a difference in opinion and/or expectation regarding the important items to discuss and/or obtain approvals and/or the level of detail about which to communicate.

6. Special Services

The MTC contracts with the RTB to provide both Metro Mobility Administrative Center and Minnesota Rideshare services. The RTB has the legislative mandate to set policy direction for these programs and the MTC has served as contractor.

Currently, there are discussions about restructuring both programs in order to maximize results and better control costs. The MTC and the RTB need to consider the future direction of these programs and the appropriate role of each agency.

7. **Implementing Vision for Transit**

The MTC embraces the concepts set forth in the Vision for Transit, yet urges that their specific role in carrying out the plan be established. Specifically, they have indicated an interest in building transit hubs and operating the service. The RTB is anxious to include the MTC in these efforts, but also feels that there are multiple methods for accomplishing the Vision.

8. **Marketing**

The MTC's marketing strategy and structure has gone through a great deal of transition in the last year. The RTB supports the MTC's efforts in marketing trial use of service. Unfortunately, marketing issues have been confused with other transit policy issues. Greater communication between the MTC, the RTB and other transit providers could result in greater marketing efficiencies. The MTC's Marketing Plan is scheduled to be presented to the RTB's Marketing Committee in December.

9. **Special Events**

Over the past year, there have been several occasions when the MTC and the RTB have had differences in opinion about the level of public subsidy that should be utilized for special events. When the MTC should provide special event service, how it should be paid for, and how fares are determined are some of the issues that need to be resolved and/or acknowledged. A draft policy is now being developed with input from both agencies.

10. **Competitive Contracting**

The RTB has promoted competitive contracting of various services in order to maximize cost-effectiveness of service delivery. In many cases, the MTC has seen this effort to promote competition as threatening the integrity of the MTC system and its long-term viability.

10. **Legislative Program**

Legislative initiatives will include, but are not limited to: establishing a dedicated source of transit revenues; traffic congestion management; priority fuel status for public transit providers; restriction of parking in transit loading/unloading zones to ensure access; and right-of-way for buses to enter flow of traffic.

Organizational Issues
November 10, 1992
Page 4

NEXT STEPS

Following discussion and concurrence from the RTB and MTC at Wednesday evening's meeting, staff will meet on a regular basis (every two weeks) to discuss these matters. In December, we would suggest that another joint RTB/MTC meeting be scheduled so that we can review our progress and get necessary board input.

METROPOLITAN COUNCIL
Mears Park Centre, 230 East Fifth Street, St. Paul, Minnesota 55101
612 291-6359 TDD 612 291-0904

DATE: October 25, 1993
TO: Committee of the Whole
FROM: Lyall A. Schwarzkopf, Director of Intergovernmental Relations
SUBJECT: Report from the Committee of the Whole regarding the Proposal on Metropolitan Governance

BACKGROUND

Attached is a report from the Committee of the Whole which has developed a Council proposal on Metropolitan Governance. The Committee has worked on the proposal since June, 1993. The report identifies the values and principles used by the Committee in developing the report. The proposal is presented in three parts: Appointments, Reporting Process, and Other Related Processes.

Appendix A of the report describes the Appointment Process and Administration Process in chart form. Appendix B is a comparison between the existing structure, the structure created by the Council's legislation introduced in the legislature in early 1993, and the Committee's new proposal.

RECOMMENDATION

That the Metropolitan Council:

1. Adopt the proposal in the Committee of the Whole Report dated October 22, 1993.
2. Direct the Executive Director to develop and carry out a plan to implement the proposal.

LAS:mrd (cw102593.mem)
attachment

**METROPOLITAN COUNCIL
COMMITTEE OF THE WHOLE
PROPOSAL ON
METROPOLITAN GOVERNANCE**

GOAL

To manage the orderly and economic development of the region through the Metropolitan Council's oversight of metropolitan agencies.

OBJECTIVE

To ensure that metropolitan agencies provide or fund services in the most economical manner at the level, location and timing determined by the Council in its adoption of development guides and policy plans.

ISSUES

- Relationship between the Metropolitan Council as a policy making body and the metropolitan agencies as operating bodies.
- Question of accountability due to the appointment process which creates divided loyalty. The chairs of metropolitan agencies are appointed by the Governor and members of the commissions are appointed by the Council.
- A need for more authority by the Council over direct capital expenditures, which will lead to more effective oversight of transit where operating budget determines services.
- A need for more and better accountability and evaluation mechanisms between the Council and the metropolitan agencies.

PROCESS

The Committee of the Whole began meeting in June, 1993, to discuss and bring a recommendation to the full Council on Metropolitan Governance in preparation for the study to be conducted by the State Advisory Council on Metropolitan Governance. In its deliberations, the Committee determined that the following key principles or values should be the bases for the Metropolitan Council's governance proposal.

- **Long-Range Planning/Visionary** - The Council is a long range planning/visionary body, not an operating agency. Its purpose is to provide visionary leadership in the region. The Council's oversight of metropolitan agencies should be handled through accountability and not by day-to-day Council operation of those agencies.
- **Accountability** - The Metropolitan Council must have assurance from metropolitan agencies and local governments that its policies are being implemented in a consistent manner. The Council must also appreciate and understand the needs of metropolitan agencies and local governments and why they implement Council policy in the manner that they do.
- **Streamlining** - The Council will streamline its procedures so that it can move into and out of issues much faster. In addition, the Council will set policies to streamline core staff functions which will then be implemented in conjunction with the Metropolitan Waste Control Commission (MWCC), the Metropolitan Transit Authority (MTA - old RTB) and the Metro Transit (MT - old MTC).
- **Consistency with the MWCC, MTA (old RTB) and MT (old MTC)** - The Council realizes that each of these three metropolitan agencies and any new agency of the future has different functions, yet the Council should create a consistent method of bringing about accountability with each agency.
- **Citizen Input** - The Council values the input of citizen advisory committees, and will continue to look for and provide opportunities for participation.

Although the Council introduced a governance bill providing greater accountability in the RTB and the MTC during the 1993 session, the Committee of the Whole wanted to look at the accountability of all metropolitan agencies. The Committee discussed its relationship to the Parks and Open Space Commission, Metropolitan Waste Control Commission, Regional Transit Board, Metropolitan Transit Commission, Metropolitan Airports Commission and Metropolitan Sports Facilities Commission.

FOCUS

It was determined to focus mainly on the Metropolitan Waste Control Commission, Metropolitan Transit Authority (old RTB) and Metro Transit (old MTC), and the process of providing greater accountability through the appointment and reporting structure of those agencies and the Metropolitan Council. At this time, the Metropolitan Parks and Open Space Commission (MPOSC) operates in a manner consistent with the key principles and values of this governance proposal, and the oversight and accountability of the Metropolitan Airports Commission (MAC) and the Metropolitan Sports Facilities Commission (MSFC) are working well.

Appendix A graphically shows the proposed new appointment process and reporting structure. Appendix B compares in a table format the current processes, the Council's 1993 bill and the new Committee proposal for the appointment process, reporting structure and other processes between the Metropolitan Council and metropolitan agencies.

PROPOSAL

That the Metropolitan Council recommend the following proposal for Metropolitan Governance:

Appointments

- 1) The Council Chair, with the approval of the Council, will appoint the Executive Director of the Metropolitan Council, Administrators of the Metropolitan Waste Control Commission (MWCC); the Metropolitan Transit Authority (MTA); and, in consultation with the Commissioner of MnDot and the Administrator of the MTA, the Administrator of Metro Transit (MT).
- 2) The Executive Director of the Council and the Administrators of the MWCC, MTA and MT will be professional managers.
- 3) Current Boards and Chairs for the MWCC, MTA and MT will no longer exist.
 - The Transportation Advisory Board's (TAB) role will be expanded to become the advisory board to the MTA and the MT.
 - The Council will appoint a staggered-term advisory board for the MWCC.

The Chair of the TAB and the MWCC's advisory board will be appointed by the Metropolitan Council Chair, with approval of the Council, and serve at the pleasure of the Council Chair.

Reporting Process

- 1) To streamline the efficient and effective use of resources, the Council will develop policies on core staff functions (such as financial, human resources, and affirmative action). These policies will be implemented by the MWCC, MTA and MT. The lobbying function will be centralized and managed by the Chair of the Council.
- 2) The Administrators of the MWCC, MTA and MT will report to the Executive Director of the Council. At least semiannually, the Administrators will meet with the Council.
- 3) The Chair shall review the performance of the Executive Director and the Administrators, and report these results to the Council on an annual basis.
- 4) The Executive Director and the Metropolitan Agency Administrators will serve at the pleasure of the Metropolitan Council Chair.
- 5) It shall be the responsibility of the Administrators of the MWCC, MTA and MT to manage the agency within the policies and plans adopted by the Metropolitan Council. The Administrators shall prepare an implementation plan every two years that fulfills the Council's policies and plans.
- 6) The Council shall approve the implementation plans and any amendments for the MWCC, MTA and MT. In addition, the Council shall approve, in whole or in part, the budgets and capital expenditures of the MWCC, MTA and MT.
- 7) The Executive Director shall be responsible for assuring the Administrators adherence to Council policy plans and to the agencies' individual implementation plans.
- 8) At this time, make no changes to the oversight and accountability relationship between the Council and the Metropolitan Airports Commission, the Metropolitan Sports Facilities Commission and the Metropolitan Parks and Open Space Commission.

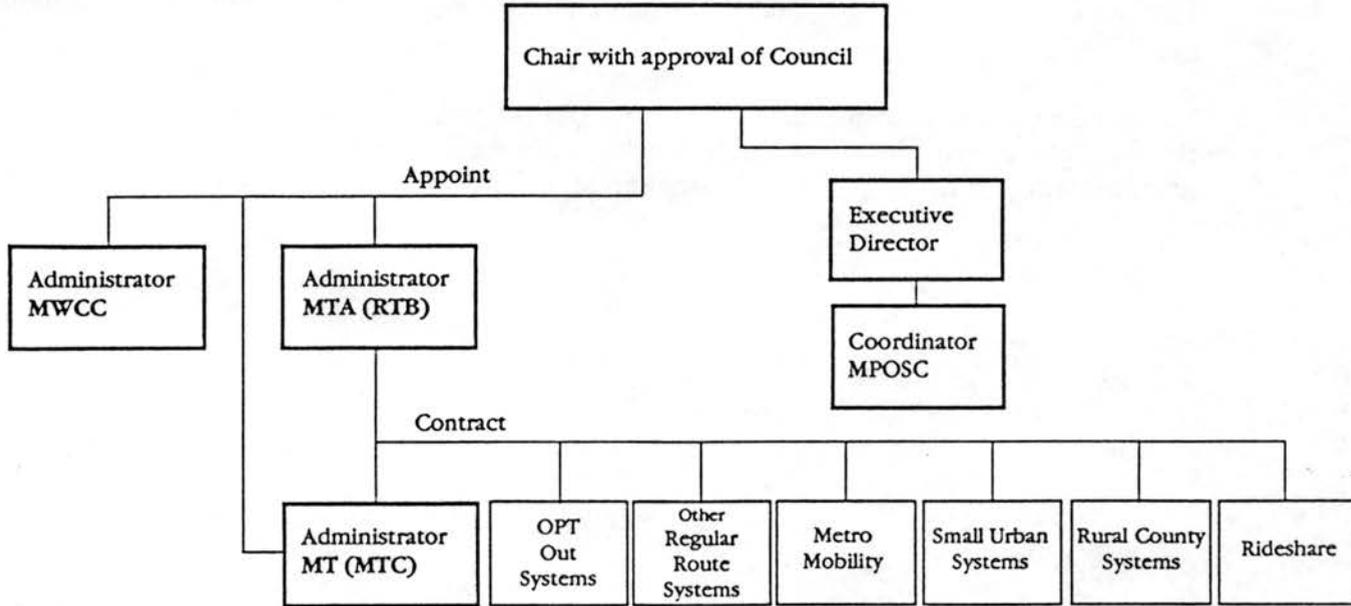
Other Related Processes

- 1) Metropolitan Council members shall be appointed which will continue a metropolitan perspective, will eliminate having another layer of general government, and will eliminate campaign costs associated with an election in a 142,000 person district.
- 2) All Council members and Citizen Advisory Committee members can serve only 10 consecutive years on the Council or Committee.

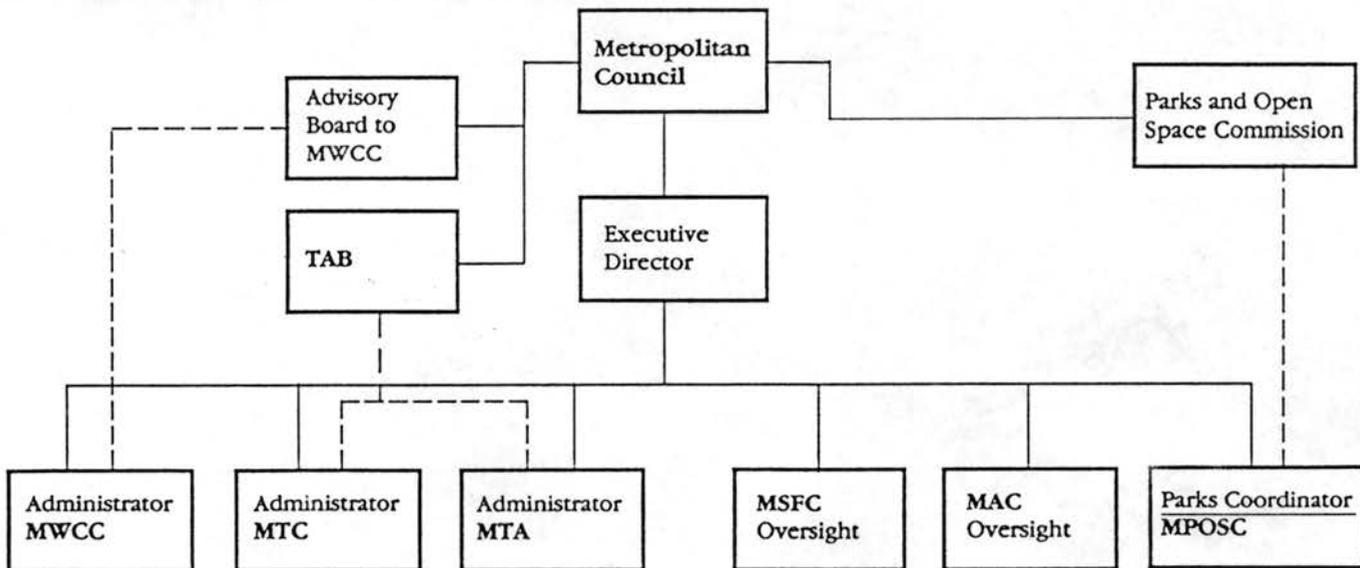
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- 3) The Council will review how professional sports, entertainment and visitors' facilities can be better coordinated, integrated and managed in the metropolitan area.
 - 4) The Council will work cooperatively to solve regional issues with the leadership of the local governments in counties bordering the metropolitan region in the northwestern part of the region and along the St. Croix river.

Proposed New Metropolitan Governance Structure

Appointment Process



Administration Process



Comparison of Appointment Process and Report Structure Between Current, 1993 Proposed Bill and Committee's New Proposal

	Current Structure	1993 H.F. 1188 Proposed Structure	Tentative New Structure
APPOINTMENT PROCESS			
Agency Administrators	The Metropolitan Council Chair, with approval of the Council, appoints the Chair of the TAB. The Governor appoints the Chair of the MWCC and the Chair and 2 members (senior citizen and disabled) of the RTB. The Council appoints the remaining members of both agencies. The RTB appoints all five members of the MTC and those members self-select a Chair. The Council appoints the members of the MPOSC and the Council Chair, with the approval of the Council, appoints the MPOSC Chair.	The Council Chair would appoint the Chief Administrator of the Metropolitan Transit Authority (MTA - old RTB), and in consultation with the Commissioner of MnDot and Chief Administrator of MTA, the Administrator of Metro Transit (MT - old MTC). Each Administrator would serve at the pleasure of the Council Chair. No changes to the MWCC or MPOSC appointments.	Metropolitan Council Chair, with the approval of the Council, would appoint the Administrators of the Metropolitan Waste Control Commission (MWCC); the Metropolitan Transit Authority (MTA - old RTB); and, with the advice of the Administrator of the MTA and the Commissioner of MnDOT, the Administrator of the Metro Transit (MT - old MTC). Each Administrator would serve at the pleasure of the Council Chair.
Advisory Boards	There are currently nine members appointed to the Metropolitan Waste Control Commission, five members to the Metropolitan Transit Commission, and eleven members to the Regional Transit Board.	All Boards and Chairs of the MTA and MT would no longer exist. No changes to MWCC or MPOSC structure.	Current boards and chairs for the MWCC, MTA and MT would no longer exist. The TAB's role would be expanded to become the advisory board to the MTA and the MT. The Council would appoint a staggered-term advisory board for the MWCC. All boards would receive public input about the operating agencies. The chair of the TAB and the MWCC's advisory board would be appointed by and serve at the pleasure of the Chair of the Metropolitan Council.
Executive Directors	The Council's Executive Director is appointed by the Metropolitan Council Chair, with approval of the Council. The MWCC, RTB and MTC Boards appoint their Executive Directors.	The Chair shall appoint the Administrators of the MTA and MT. No changes to the appointments of the Council's Executive Director or MWCC Executive Director.	The Chair shall appoint, and the Council approve, the appointment of the Executive Director of the Council and the Administrators of the MWCC, the MTA and the MT. The Executive Director of the Council and the Administrators of the MWCC, MTA and MT would be professional managers.

	Current Structure	1993 H.F. 1188 Proposed Structure	Tentative New Structure
REPORTING AND ACCOUNTABILITY STRUCTURE			
Performance Reviews	The MWCC Chief Administrator is reviewed by the whole MWCC. The RTB Executive Director is reviewed by the RTB Chair. There is no performance review of either position by the Council. The MTC Chief Administrator is reviewed by the whole MTC with no performance review by either the RTB or the Council.	Same as proposed new structure.	The Chair shall review the performance of the Executive Director and the Administrators and report these results to the Council on an annual basis. The Executive Director or the Administrators may be removed at the pleasure of the Chair.
Core Functions	Each agency develops, administers and maintains its core functions of financial, human resources and affirmative action. Legislative agendas are prepared and presented individually with only informal coordination through the Council's legislative liaison.	Same as proposed new structure.	The Council will develop and implement policies on core staff functions in conjunction with the MWCC, the MTA and the MT in order to streamline the efficient and effective use of resources. Core functions include: financial, human resources, and affirmative action. The lobbying function shall be centralized and managed by the Chair of the Council.
Policy Implementation	The MWCC Chief Administrator carries out policy direction of the Commission (whose responsibility it is to follow Council policy) and reports to the full Commission. The Chair of the MWCC is to help direct and guide the Commissioners in following Council Policy. The RTB Chair is responsible for carrying out the policies of the Council and guiding the other Board members in that endeavor. The RTB Executive Director reports to the RTB Chair, not the full Board. The MTC Chief Administrator carries out the policy direction of the MTC, which is to be consistent with RTB policies, and reports to the full MTC.	The Administrators of the MTA and MT would report to the Metropolitan Council Chair. Annually, the Administrators would submit to the Council a report detailing the agency's activities and finances.	The Administrators of the MWCC, MTA and MT will report to the Executive Director of the Council. The Executive Director shall hold the three agencies' Administrators accountable to the Council's plans, policies and Blueprint and to each of the three agencies' implementation plan. At least semiannually, the Administrators would meet with and discuss their agency's work with the Council. It shall be the responsibility of the Administrators of the MWCC, MTA and MT to manage the agency with the policies and plans adopted by the Metropolitan Council through its Blueprint, policy chapters and resolutions of the Council. The Administrators of the MWCC, MTA and the MT shall prepare an implementation plan every two years to fulfil the Council's policies, plans and Blueprint.

	Current Structure	1993 H.F. 1188 Proposed Structure	Tentative New Structure
Oversight	<p>The Council presently reviews and approves implementation plans for the MWCC and the RTB. Council does not have approval authority over budgets and capital expenditures for these two agencies, with the exception of authority to approve or disapprove implementation plans which set forth future capital expenditures.</p> <p>Ten Council-designated agencies implement the MPOSC/Council regional parks plan using capital and supplemental operations and maintenance grants from the Council. The implementing agencies are required to submit their master plans to the Council for review and final approval.</p> <p>The Metropolitan Council reviews and approves major capital improvement projects contained in the MAC budget--those of more than \$2 million at reliever airports and more than \$5 million at MSP. The Council also approves the MAC's long-term comprehensive plans for airports upon which capital improvements and other MAC operating actions are based.</p> <p>The Metropolitan Council has the authority to review and approve the MSFC's operating and capital budgets, but its oversight is limited to ensuring that revenues are adequate to meet debt service requirements on stadium bonds (issued by the Council in 1979) and to setting the amount that must be raised from the Minneapolis liquor/ lodging/ sales tax. The Council is responsible for issuing any bonds on behalf of the MSFC for acquisition or improvement of its sports facilities.</p>	<p>Same as proposed new structure except this proposal is silent on whether the Council may approve just part of an agency's budget. H.F. 1188 simply talks about approving the budgets.</p>	<p>The Metropolitan Council shall have the responsibility to approve implementation plans and amendments to implementation plans for the MWCC, MTA and MT. In addition, the Council shall approve, in whole or in part, the budgets and capital expenditures of the MWCC, MTA and MT.</p> <p>Keep present review of MAC, MPOSC and MSFC.</p>

	Current Structure	1993 H.F. 1188 Proposed Structure	Tentative New Structure
OTHER RELATED PROCESSES AND STRUCTURES			
Elected or Appointed	Appointed Council. The Governor appoints 16 Council members from districts, and they are confirmed by the Senate. The Chair is appointed by the Governor.	Silent on this issue.	Metropolitan Council members shall be appointed which will continue a metropolitan perspective, will eliminate having another layer of government, and will eliminate campaign costs associated with an election in a 142,000 person district.
Terms	No term limits.	Silent on this issue.	All Council members and Citizen Advisory Committee members can serve only 10 consecutive years on the Council or Committee.
Future Action			<p>The Council will review how professional sports, entertainment, and visitors' facilities can be better coordinated, integrated, and managed in the metropolitan area.</p> <p>The Council will work cooperatively to solve regional issues with the leadership of local governments in counties bordering the metropolitan region in the northwestern part of the region and along the St. Croix river.</p>

MINNESOTA
PUBLIC
TRANSIT
ASSOCIATION



Keeping Minnesota on the MOVE

1994 Legislative Issues

DRAFT

Funding

Secure a source of dedicated revenue to provide adequate and growth oriented funding for all Minnesota Public Transit Systems.

- Priority Funding Options:
 - General Sales Tax on Gasoline
 - 1% increase in MVET
 - Sales Tax on vehicle repair services.
 - Fuel Tax (Constitutionally dedicated)

This funding is needed:

- for current and new services initiatives based on MN/DOT, Regional Development Commissions, and RTB plans for coordinated transit in all Minnesota Counties.
- for statewide paratransit programs serving ADA areas as well as suburban and rural areas.
- to create a Transit Initiative Fund (\$2 million) to implement coordinated transit and new technology demonstrations within the State of Minnesota. Where possible State funds should be used to match Federal monies. No single project may exceed a State cost of \$250,000. MN/DOT to administer the fund.

Policy Initiatives

- Expand the Highway definition to include transit capital.
- Establish liability limits for public transit systems.
- Support DHS, RTB, and MN/DOT Coordination.
- Restore sales tax exemption to public transit providers.

REGIONAL TRANSIT BOARD - CONFERENCE COMMITTEE AGREEMENT
FY 94-95 STATE FUNDING
MAY 13, 1993
(Numbers in Thousands)

	Fiscal 1994			Fiscal 1995			Total Biennium		
	Need to Maintain Existing System	Conference Position	Excess (Shortfall)	Need to Maintain Existing System	Conference Position	(Shortfall)	Need to Maintain Existing System	Conference Position	(Shortfall)
Regular Route									
MTC*	\$14,000	\$14,692	\$692	\$16,910	\$12,307	(\$4,603)	\$30,910	\$26,999	(\$3,911)
Other	800	800	---	890	---	(890)	1,690	800	(890)
Metro Mobility	13,800	13,800	---	15,500	12,974	(2,526)	29,300	26,774	(2,526)
Community-Based and Agency Costs	3,500	3,500	---	4,000	2,610	(1,390)	7,500	6,110	(1,390)
TOTAL	\$32,100	\$32,792	\$692	\$37,300	\$27,891	(\$9,409)	\$69,400	\$60,683	(\$8,717)

* Appropriation rider language specifies amount to fund MTC operations.

TRANSPORTATION AND PUBLIC TRANSIT CONFERENCE COMMITTEE
 1994 - 1995 BUDGET DETERMINATION
 (Numbers in thousands)

05/13/93 FINAL
 11:54 AM

Department - Program - Activity	PAGE	FUND	SENATE ALLOCATIONS			HOUSE ALLOCATIONS			CONFERENCE ALLOCATIONS		
			FY 1994	FY 1995	FY 94-95	FY 1994	FY 1995	FY 94-95	FY 1994	FY 1995	FY 94-95
REGIONAL TRANSIT BOARD D460											
REGULAR ROUTE BASE		GEN	10,500	10,500	21,000	10,500	10,500	21,000	10,500	10,500	21,000
Service Maintenance and Improvements		GEN	1,350	1,350	2,700	4,300	7,300	11,600	4,992	1,807	6,799
Vision for Transit		GEN				3,530	(1,670)	1,860	0	0	0
PROGRAM TOTAL		GEN	11,850	11,850	23,700	18,330	16,130	34,460	15,492	12,307	27,799
METRO MOBILITY BASE LEVEL		GEN	12,670	12,670	25,340	12,670	12,670	25,340	12,670	12,670	25,340
Increase		GEN				1,130	2,830	3,960	1,130	304	1,434
PROGRAM TOTAL		GEN	12,670	12,670	25,340	13,800	15,500	29,300	13,800	12,974	26,774
COMMUNITY BASED AND AGENCY COSTS		GEN	3,960	3,960	7,920	3,960	3,960	7,920	3,960	3,960	7,920
Adjustments		GEN	(1,350)	(1,350)	(2,700)	(460)	40	(420)	(460)	(1,350)	(1,810)
PROGRAM TOTAL		GEN	2,610	2,610	5,220	3,500	4,000	7,500	3,500	2,610	6,110
AGENCY TOTAL		GEN	27,130	27,130	54,260	35,630	35,630	71,260	32,792	27,891	60,683
TRANSPORTATION REGUL. BD. D464											
Agency Plan		THI	720	722	1,442	720	722	1,442	720	722	1,442
Change: Salary Ping Estimate		THI	(15)	(15)	(30)	(15)	(15)	(30)	(15)	(15)	(30)
AGENCY TOTAL		THI	705	707	1,412	705	707	1,412	705	707	1,412
DEPT OF PUBLIC SAFETY D481											
ADMINISTRATION & RELATED SERVICES		THI	310	310	620	310	310	620	310	310	620
Public Education and Media Relations		THI	(7)	(7)	(14)	(7)	(7)	(14)	(7)	(7)	(14)
Change: Salary Ping Estimates		THI									
Activity Total		THI	303	303	606	303	303	606	303	303	606



METROPOLITAN TRANSIT COMMISSION
560-6th Avenue North, Minneapolis, Minnesota 55411-4398 612/349-7400

MEMORANDUM

TO: Attached List

FROM: Tom L. Johnson 
Assistant Chief Administrator for Transit Development

DATE: August 19, 1993

SUBJECT: Transit Funding Information

The attached information will be discussed at the next Transit Terrorist meeting. I assume each of you received the invitation from Senator Pappas regarding the meeting which begins at 5:30 p.m. on August 26 at Wy Spano's house.

Greg Andrews from the Regional Transit Board and I have been working on the charts and graphics necessary for discussion regarding the proposed sales tax on gasoline. It would be helpful if you could review the attached materials prior to the meeting and bring this packet along for discussion. Since this proposal closely follows the legislation introduced last session by Senator Pappas, she will probably be walking us through the packet at the meeting.

Attachment

Senator Linda Berglin
Senator Carol Flynn
Senator Steve Novak
Senator Sandy Pappas
Senator Jane Ranum
Representative Edwina Garcia
Representative Alice Hausman
Representative Carlos Mariani
Representative Myron Orfield
Representative Tom Osthoff
Representative Jean Wagenius
Commissioner Mark Andrews
Commissioner Sandra Hilary
Commissioner Ruby Hunt
Commissioner Peter McLaughlin
Councilmember Steve Cramer
Councilmember Carol Johnson
Duke Addicks
Liz Anderson
Greg Andrews
Bev Auld
Bob Bach
Bill Barnhart
Kathryn DeSpiegelaere
Julian Empson
John Finley
John Herman
Terry Lindeke
Dore Mead
Sherry Munyon
Gary Pagel
John Riley
Tom Sather
Jim Staebler
Ken Stevens
Bob Thompson
Wyman Spano
Ginny Yingling

YEARLY TRANSIT NEEDS
(in millions)

<u>\$ TO BE USED FOR:</u>	<u>CURRENT APPROPRIATIONS FROM GENERAL FUND (FY 94)</u>	<u>NEEDED TRANSIT INVESTMENTS</u>	<u>TOTAL</u>
RTB	\$32.8	\$31.2	\$64.0
Rural Transit	\$10.6	\$8.4	\$19.0 (53% of total budget)
Light Rail *	\$.2	\$20.5	\$20.7
Total	\$43.6	\$60.1	\$103.7

\$103.7	Total Needs
- <u>20.7</u>	Light Rail Debt Service
\$83.0	Transit Needs (operations)
- <u>43.6</u>	Current Available Funding (general fund)
\$39.4	Shortfall -- New transit needs to implement Vision for Transit and statewide transit plan.

* Assumes \$470 million total, 50% Federal participation (we are eligible for up to 80%); 20 year bonds.

**SALES TAX ON GASOLINE
TRANSIT FUNDING PROPOSAL**

- Full 6 1/2% Tax on Gasoline Sales (statewide)
- No Distribution to the Local Government Trust Fund (LGTF)
- Eliminate Current \$43.6 million Transit Appropriation from the General Fund (FY 1994)

REVENUES GENERATED (in millions)

6 1/2% tax	\$180.0
Transit Needs	\$103.7
Other Transportation Needs	\$ 76.3

- Meets full transit, LRT and provides \$76.3 million in new funds for highway needs.

**SALES TAX ON GASOLINE
TRANSIT FUNDING PROPOSAL**

- Full 6 1/2% Tax on Gasoline Sales
- 2% distributed to LGTF* for transit only
- Continue current \$43.6 million Appropriation to Transit from the General Fund

REVENUES GENERATED (in millions)

4 1/2% tax	\$125.0
General Fund	<u>+ 43.6</u>
	\$168.6

Transit Needs \$103.7

\$ 64.9 - remainder

- Meets full transit, LRT and provides \$64.9 million in new funds for highway needs.

* Could direct that the 2% distribution to the LGTF be used towards property tax relief of transit levies.

**SALES TAX ON GASOLINE
TRANSIT FUNDING PROPOSAL**

- Full 6 1/2% Tax on Gasoline Sales
- 2% distributed to LGTF* for Transportation purposes
- Continue current \$43.6 million Appropriation to Transit from the General Fund

REVENUES GENERATED (in millions)

4 1/2% tax	\$125.0
General Fund	<u>+ 43.6</u>
	\$168.6
 Transit Needs	 <u>\$103.7</u>
	\$ 64.9 - remainder
2% Distribution	<u>\$ 55.0</u>
Other Transportation Needs	\$119.9

- Meets full transit, LRT and provides \$119.9 million in new funds for highway needs.

* Could direct that the 2% distribution to the LGTF be used towards property tax relief of transit levies or other transportation purposes.

**SALES TAX ON GASOLINE
TRANSIT FUNDING PROPOSAL**

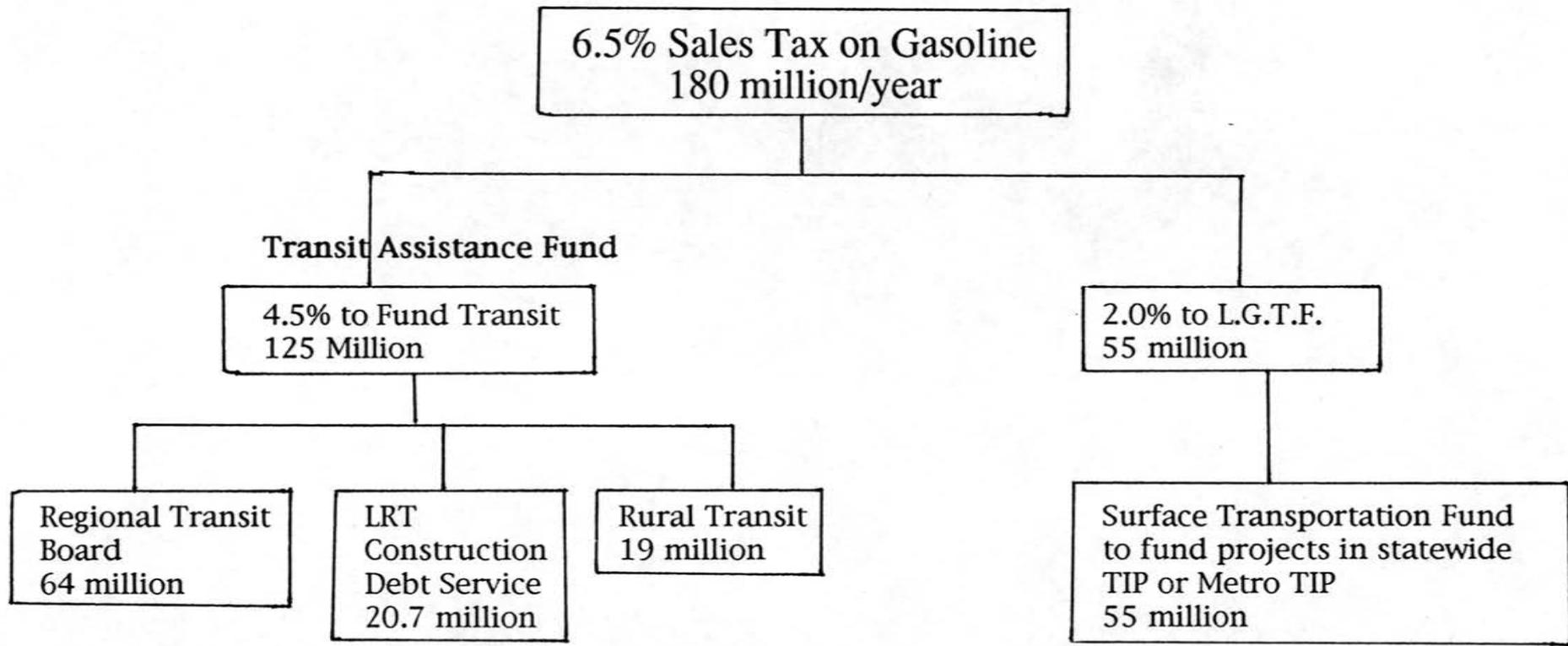
- Full 6 1/2% Tax on Gasoline Sales
- 2% Distribution to LGTF for other Transportation Needs
- Discontinue current \$43.6 million Transit Appropriation from the General Fund

REVENUES GENERATED (in millions)

4 1/2%	\$125.0
Transit Needs	<u>\$103.7</u>
	\$ 21.3
2% Distribution	<u>\$ 55.0</u>
Other Transportation Needs	\$ 76.3

- Meets full transit, LRT and provides \$76.3 million in new funds for highway needs.

6.5% Sales Tax on all Fuels = 6.5% on gasoline + 8.5¢/gal. on diesel fuel.



\$125.0 Million
- 103.7 Needed
\$21.3 Million (balance) *

* Balance may be utilized as follows:
1. Provide property tax relief.
2. Reduction in farebox recovery rate (currently 35%).