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**AN EVALUATION OF THIRD-PARTY COORDINATION AMONG SERVICE PROVIDERS IN THE GREATER HOUSTON AND HARRIS COUNTY AREA**

**By**

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**Research Report SWUTC/03/466010-1**

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## **ABSTRACT**

As the Houston-Galveston urban area strives to attain air quality standards mandated by the Clean Air Act Amendment, acquisition of federal funds remains competitive, and the cost of doing business continues to rise, it will become increasingly more important for third-party service providers to coordinate their services. The purpose of this study is to document the efforts of numerous organizations' activities to improve coordination among third-party service providers in the Greater Houston and Harris County area. The study will provide background information and a literature review of third-party coordination across the country. The study will examine the feasibility and development of a demonstration project aimed at coordinating the service operations of selected third-party providers in the Greater Houston area. Additionally, the study will highlight the findings from a research project conducted by Multisystems aimed at developing a Transportation Coordination Model for Harris County. Next, the study will provide perspectives from the Harris County Transportation Coordinating Council, including the American Red Cross, Houston Galveston Area Council (HGAC) and the Office of Community Transportation Services regarding third-party coordination in Harris County. Finally, the study will provide a summary of current efforts and suggestions on ways to further enhance third-party coordination in Houston and Harris County.

It is hoped that this report will serve as a valuable guide to transportation providers, transportation planners, policy officials, social service agencies and other interested parties.

## EXECUTIVE SUMMARY

During the past 20 years, a great deal of effort has been directed to improving coordination of publicly funded transportation services for the “transportation disadvantaged.” These efforts include transportation for persons with disabilities, clients of human-service agencies, recipients of Medicaid, participants in Headstart programs, and others with special needs who can be described as transportation disadvantaged. The U.S. Department of Transportation (DOT) and the Department of Health and Human Services (DHHS) have worked together for more than a decade to foster increased coordination among the transportation services sponsored by each agency.

Several states have followed suit and are pursuing improved coordination of their transportation services. Florida enacted legislation that mandates coordination of all publicly funded transportation programs in its 67 counties. North Carolina instituted transportation coordination through administrative rather than legislative initiatives. This service coordination involved methods to integrate transportation services among human-service agencies providing transportation to senior citizens and persons with disabilities, as well as integration of general public transportation. The state of Washington established five regional brokers to coordinate Medicaid and human-service transportation. In many instances, these initiatives have reduced costs, improved mobility, and increased administrative efficiency.

Despite the progress that has been made, there are still many more opportunities throughout the United States to improve the local and regional coordination of transportation services for the transportation disadvantaged. There is still duplication of services, insufficient funds, unmet trip demand, numerous regulatory constraints, lack of interagency coordination, and poor service quality. Service area boundaries often preclude trips from being made by publicly funded transportation to important destinations such as medical facilities, jobs, and training. In addition, rapid growth and suburbanization in many communities have made it far more costly and difficult to provide accessibility by publicly funded transportation to many destinations.

For example, in the Harris County, Houston, Texas area, there is a concern that even with coordination, there are still not enough transit resources to meet the demand for service. The need for transportation continues to grow and now has reached a critical demand. Multisystems, a Transportation Consultant firm who was commissioned by the Harris County Transportation Coordination Council to assess the need for transportation services in Houston calculated a conservative estimate of unmet need of 2.5 million trips in 2000, related to agency purposes alone. This estimate does not include social trips or recreational trips and is expected to rise 12 percent over the next 10 years. These are trips that are currently not funded under any existing program. In addition to increasing demand for agency-related transportation, the growth in the senior population in Harris County is expected to further compound demand for accessible transportation services for all trip purposes (Multisystems, 2002).

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# **AN EVALUATION OF THIRD-PARTY COORDINATION AMONG SERVICE PROVIDERS IN THE GREATER HOUSTON AND HARRIS COUNTY AREA**

## **1. INTRODUCTION AND BACKGROUND**

In February 1998, President Clinton wrote a letter to the Nation's Governors highlighting the critical role of transportation and urging them to use existing funds for transportation wherever possible. To encourage each State and community to take full advantage of current resources, the U.S. Departments of Health and Human Services, Labor, and Transportation issued a joint guidance on this issue. The guidance encourages coordination among transportation, workforce development, and social service providers to ensure the most efficient use of Federal funds. Such partnerships are an excellent way to create new, more effective transportation alternatives and to enable businesses to get the workers they need while stimulating local economies. Such partnerships are already underway and are described in a recent publication by the Department of Transportation and the Community Transportation Association of America entitled "Access to Jobs, A Guide to Innovative Practices in Welfare to Work Transportation." This publication is available online at <http://www.ctaa.org/welfare>.

Similarly, in recent years, the number of transportation programs provided by social service agencies for a wide array of special clients has increased tremendously. Numerous federal programs have expended money on transportation services for the elderly and disadvantaged. These significant increases in transportation programs coupled with limited staff availability and attention to critical priorities resulted in attempts to coordinate the transportation services of multiple providers. Additionally, as the population continues to age and more individuals and families find themselves below the poverty line, the demand for social services will continue to grow. As such, the need for transportation to social services will also continue to increase. For example, a 1995 survey conducted by Lewis and Goodwin revealed that many Houston area social service agencies have added transportation to their array of services. These services are now a part of the agency's responsibility due to insufficient or inefficient options to meet the travel needs of their client base. Some typical problems that these agencies are confronted with when considering regular public transit are long walks for clients with special mobility needs or travel routes that are not conducive to frequent servicing. Many agencies subsequently lease or purchase small vans to provide door-to-door service for their clients.

Moreover, as the Houston-Galveston urban area strives to attain air quality standards mandated by the Clean Air Act Amendments, the blending of the routes and schedules of third-party service providers would lower miles and hours of travel, thereby reducing emissions. In addition, aggregate levels of fuel consumption will be reduced and the clients may experience a benefit in service through coordination. Similarly, the streamlining of routing and scheduling would assist social service agencies in

containing costs. The basic question that needs to be resolved is to what extent can independent providers of social service agency based transportation be coordinated and what are the economic and environmental benefits to be gained by that coordination. In 1996, Texas' Office of Community Transportation Services (OCTS) provided funding for a demonstration project aimed at increasing coordination among third-party service providers in the Greater Houston and Harris County area. The Houston Chapter of the American Red Cross received the grant and lead responsibility for determining the most appropriate method to coordinate for this area. There were two important outcomes of this project. First, the American Red Cross spurred organization of the Harris County Transportation Coordinating Council (HCTCC). This advisory group consisted of the largest users and providers of transportation along with the agencies responsible for the planning of transportation services in Harris County.

Also included as part of the HCTCC were local governmental organizations responsible for policy-making in the delivery of transportation services. Many transportation professionals in the region credit HCTCC as instrumental in the effort to bring together diverse organizations to work for better local transportation coordination. The second outcome is the commission of Multisystems, a Transportation Consulting Firm, to conduct a comprehensive study to improve transportation coordination in Harris County.

Although the study was not completed prior to the termination of the OCTS grant, it started during the latter years of the grant. The following section provides a summary of the literature review and offers numerous examples of successful third-party coordination programs across the country.

## **2. SUMMARY OF THE LITERATURE REVIEW**

Many states and agencies across the nation operate their social service transportation sharing either management or scheduling elements or coordinating actual operation. For example, the Ohio Elderly and Disabled Transit Fare Assistance Program provides an excellent example of agency partnerships and coordination. This program provides funds to public entities to assist in the coordination of transportation providers. The primary goal of the program is to enhance and expand transportation coordination in the Ohio counties that have no formal public transportation systems. Under this program, local transit systems are allowed to offer reduced fares to older adults and people with disabilities and are compensated for a portion of the revenues lost in reducing fares. In order to participate in this program, a transit system's public transportation fares for the older adults and people with disabilities cannot exceed one-half of the fare charged to general public riders. In the meantime, the Ohio DOT's Office of Public Transportation took the lead in establishing a Statewide Transportation Coordination Task Force to address transportation coordination issues at the State level. Working in concert with the Ohio DOT were the Ohio Departments of Aging, Human Services and Mental Retardation/Developmental Disabilities, and the Governor's Family and Children First Initiative. After the initial start-up of the Task Force, seven additional State agency members were added including the Departments of Development, Mental Health, Education, the Ohio Bureau of Employment Services, the Ohio Rehabilitation Services Commission, the Ohio Head Start Collaboration Project, and the Governor's Council on People with Disabilities. The Task Force is committed to improving and increasing access to State agency programs and services and the quality of life for its citizens. To achieve this, the Task Force has taken on the challenge of eliminating duplicative State programs and services; eliminating conflicting State requirements and regulations; and working to use local, state, and federal resources, more efficiently (Ohio DOT, 1998).

Similarly, the Temporary Assistance for Needy Families (TANF) program as described in section 401 of the Social Security Act (ACT) provides considerable flexibility to help States and communities provide transportation to individuals transitioning from welfare to work. Some ways in which TANF funds provide necessary transportation services to TANF eligible families include, but are not limited to:

- Reimbursement in whole or part to TANF eligible individuals for work-related transportation expenses (e.g., mileage, gas, public transit fare, auto repairs/insurance, or a basic cash allowance for transportation needs);
- A contract for shuttles, buses, car pools, or other transportation services for TANF eligible individuals;
- The purchase of vans/shuttles/minibuses by State or local governments for the provision of transportation services to TANF eligible individuals;

- The purchase of ride “slots,” “passes,” or vouchers on a public or private transit system; and
- The transfer of TANF funds to the Social Services Block Grant (SSBG) to address the lack of transportation infrastructure in many rural and inner city areas; SSBG may be used to serve families and children up to 200 percent of the poverty level, allowing States to address the needs of the disadvantaged population with a blend of transportation services (Temporary Assistance for Needy Program Policy Announcement, May 4, 1998.)

In another example, the Central Oregon Intergovernmental Council (COIC) is spearheading a new project aimed at meeting the needs of all individuals who face transportation challenges — young, old, poor, disabled, and those making the transition from welfare to work. Trying to address both inter and intra city needs, the project takes advantage of existing public transportation services and is designed to increase efficiency and effectiveness by working together and providing better coordination of services. The group also formed a Stakeholder Advisory Committee (SAC) made up of twelve community representatives. Members were chosen to represent four different categories of people having a stake in the success of the project including users and advocates, business and industry, government, and transportation providers. SAC members work closely with COIC staff, transportation experts, and other stakeholders to identify public transportation needs, resources, and service gaps. This information is used to develop an action plan for coordinating existing services that better meet the needs of the constituents. SAC members also serve as a conduit for other stakeholders’ issues and questions and are a valuable source of information for its citizenry (COIC Website – Public Transportation Coordination Project).

Similarly, in February 1999, the Chicago Regional Offices of the US DOT Federal Transit Administration (FTA) and the Department of Health and Human Services (DHHS) co-sponsored a workshop on coordinated transportation and human service delivery. Representatives of the Departments’ of Transportation, Aging, Mental Retardation and Developmental Disabilities, and Human Services traveled to Chicago for the conference. After a general presentation by each of the Federal agencies present, participants were asked to develop an action plan that could be brought back to each of their respective states and used as a tool for developing a coordinated transportation network among state agencies (OHIO DOT Statewide Transportation Coordination Task Force).

For example, the state of Ohio’s plan consisted of a number of action steps that involved the formation of a state agency task force. In addition to developing an interagency agreement, this group was also responsible for addressing interagency barriers, holding a state transportation coordination conference, and developing a demonstration project to address local issues of state agency’s barriers and coordination. Some of the issues identified as barriers to the success of various state agencies were the issues of conflicting or duplicative record keeping and reporting requirements. As a result of these local coordinating project efforts, the Ohio DOT funded a study entitled, “Standard Transportation Program Reporting and

Reimbursement Requirements.” The study was finalized in late 2001 and implementation of the recommendations was scheduled to continue through 2002.

The state of New Jersey provides another fine prototype of agency’s partnerships and coordination. Beginning In July 1997, each county in New Jersey established an interagency transportation steering committee for the purpose of developing a Community Transportation Plan. This Plan would identify locally oriented strategies for meeting the mobility needs of Work First New Jersey (WFNJ) participants, who were either low-income individuals or other transit-dependent persons. During the planning phase, staff from human service, transportation, planning, employment and service agencies, non-profit organizations, and other stakeholders would come together. This effort encouraged participants to move away from categorical transportation programs in order to create more coordinated community transportation systems. All 21 counties completed their plans and submitted them to the New Jersey Department of Transportation, the Department of Human Services and the New Jersey Transit Authority. Each plan consisted of four key parts:

1. An introduction to the planning process and review of local demographic data;
2. An inventory of local transportation resources;
3. A list of gaps in the provision of local transportation services; and
4. Locally oriented strategies for addressing the transportation gaps (New Jersey DOT Community Transportation Initiatives)

Some of the strategies included the expansion of existing transit service, expansion of paratransit or dial-a-ride service, implementation of feeder services to connect rural and suburban areas to existing transit service, establishment of transportation brokerages, and development of better local transportation information and marketing tools. The plans also identified opportunities to enhance the coordination of existing transportation programs to maximize resources and improve service delivery.

Another interesting partnership is the Eastgate Regional Council of Governments and the Western Reserve Transit Authority (WRTA). They have been working with transportation groups in Mahoning and Trumbull Counties of Ohio to coordinate transportation services between the WRTA, social service agencies, and the public and private sectors. Eastgate was already providing technical assistance to the transportation groups in Mahoning and Trumbull Counties and had also introduced the concept of regional coordination of transportation services into the planning arena during the early 1970’s. In the late 1980’s and early 1990’s, Eastgate continued to promote the concept of coordinated transportation services. As federal funds began to decline, agencies providing transportation were more willing to join together to find effective ways to coordinate transportation services (Eastgate Regional Council of Governments Commuter Plan).

There is a long history supporting the need for a systematic and coordinated client transportation system. In a series of articles written by Scott Bogren, he showed that innovative coordination is being implemented throughout the country. Bogren

(1991) reported on the New Jersey Transit Cooperation, which created a management information system to automate routing, scheduling, manage of client records, vehicle operations and maintenance. Similarly, Heath (1993) reported on a 1989 project in Sweetwater County, Wyoming that consisted of the formulation of six human service agencies' and their coordination of transportation for the elderly. Since the program's inception, the Sweetwater Transit Authority Resources (STAR) have been instrumental in creating jobs and increasing elderly transportation services.

Furthermore, in 1986, the Federal Department of Health and Human Services (DHHS) and the U.S. Department of Transportation (USDOT) agreed on the need for a systematic and coordinated effort to ensure that federal requirements and policies promoted the most cost-efficient and effective use of federal transportation funding.

Similarly, the passage of ISTEA in 1991 mandated that states and metropolitan planning organizations make every effort to coordinate their transportation services in order to avoid duplication and increase service coverage. At both the local and state level, coordination efforts have proven to offer the advantages of increased service efficiency, cost-effectiveness and greater reliability.

### **3. DEVELOPMENT OF A THIRD-PARTY DEMONSTRATION PROJECT IN THE GREATER HOUSTON AREA**

There is a long recognized need to coordinate transportation services provided by social service agencies and other quasi-public entities in the Houston area. A 1995 study by Goodwin and Lewis showed more than 30 social service agencies in the Houston area provided transportation services or assistance to their clients. A survey of these agencies indicated that 90 percent would be willing to participate in a coordination project if it lowered cost and increased efficiency. A previous solicitation by Houston Galveston Area Council (HGAC) showed many more providers when the boundary is expanded to the 12 counties proximate to Harris County. The office of the Harris County Judge (the highest ranking county elected official) established an Ad Hoc Advisory Council to address the matter of coordination for the greater metropolitan area. Almost simultaneously, the Office of Client Services for the state of Texas issued a request for proposals (RFP) of demonstration coordination projects to be conducted in Texas. The Greater Houston Chapter of the American Red Cross responded to the RFP and was successful in obtaining the grant to develop a model of transportation coordination. The Houston Galveston Area Council (HGAC) commissioned and co-funded the work, along with the City of Houston, Harris County, the Houston Metropolitan Transit Authority and the Greater Houston Area American Red Cross. Their programmatic goals and those of the Harris County Ad Hoc Committee are described below.

#### **Harris County Transportation Coordinating Council (HCTCC)**

The Harris County Transportation Coordinating Council (HCTCC) began its work in 1996 to develop a coordinated program to reach low income, senior and disabled populations throughout Harris County with transportation services. The HCTCC complemented a grant from the State of Texas to pursue coordination of transportation services. The members of the Ad Hoc Council represent 14 member agencies, which are listed in Appendix A. The goal of the Council was to educate stakeholders, including community leaders, government officials and all transportation providers, in understanding benefits that could be derived from a coordinated transit system for Harris County. The HCTCC members were interested first in quantifying unmet transportation needs throughout the county and, then, identifying transportation resources and determining the best approach for developing a coordinated transportation program.

Over the more than 5 years that the Council met, a number of important lessons were learned. The member agencies knew coordination would lower cost, increase service, and lead to greater system efficiency. Despite that core belief and a “pro-coordination” membership, the Council found coordination extremely difficult to achieve. Key obstacles are policy and financing restrictions that prohibit consolidation of funds. Also, some funding agencies will not allow shared rides, although seats may be empty and routing paths similar. Another important lesson learned is that seed money must be available or significant staff time donated to perform the coordination functions.

Coordination is unlikely to be effectuated as a “volunteer” based initiative relying on a small number of key individuals to donate a few hours per week. Successful coordination requires at least one full time, compensated advocate. As a result of discussions, the HCTCC along with numerous other agencies commissioned Multisystems to develop a Transportation Coordination Model for Harris County. Project oversight and primary funding occurred under the auspices of the Metropolitan Planning Organization, HGAC, although Harris County, the City of Houston, American Red Cross and the Metropolitan Transit Authority contributed matching funds for the project. In addition to spearheading the needs assessment and development of the coordination model, the Coordinating Council served as the impetus for several contractual coordination elements. Specifically, the MHMRA of Harris County and the Harris County Hospital District received service for a portion of their clients via the American Red Cross non-emergency transportation vehicles.

### **American Red Cross**

In 1996, the American Red Cross received a grant from the Developmentally Disabled Council (DDC) through the Office of Community Transportation Services (OCTS). The purpose of this grant was to develop and implement a demonstration project that would address coordinated transportation in the Greater Houston area. The grant funds, however, only allowed for the support of one (1) staff position to act as project coordinator/liaison for the council. Other funds were made available for printing, mailing, and other incidentals to support the project. The current Harris County Transportation Coordinating Council was also established as a result of the support obtained through this grant.

While the DDC was complimentary of the progress made in Harris County, they stated that it was not known if additional funding would be available for the continuance of this project. The funding for the demonstration project was scheduled to end May 31, 2000, and at the time, it appeared that the funding would not be renewed. In response to this dilemma, the American Red Cross recommended that an Action Plan be developed for the continuance of this community effort toward a local coordinated transportation system. This Action Plan, was to be endorsed by the Harris County Transportation Coordinating Council (HCTCC), and would increase the likelihood of success in sustaining this project through its completion.

#### **4. MULTISYSTEMS DEVELOPMENT OF A TRANSPORTATION COORDINATION MODEL FOR HARRIS COUNTY**

Multisystems began their research efforts by reviewing the demographic characteristics of Harris County and identifying characteristics that indicate high potential for transportation needs. This information was matched with the transportation service information that was also gathered. The project team used 1990 census data and verified the results with the experiences of transportation providers in Harris County. Areas of need were identified as scattered throughout the County, primarily within the city of Houston, Pasadena, Baytown, Tomball and Humble. Areas of moderate need were identified in the eastern, far north, northwest, and southwest parts of the County.

##### **Profile of Existing Services**

Multisystems also identified the existing transportation services offered in Harris County and prepared an inventory. The inventory identified the level of services available, customers being served, and agencies with resources, vehicles, or both that may be willing to assist as part of a coordinated transportation program. The results of this analysis indicated that most of the transportation programs are working hard to meet the needs of their clients and customers. In total, approximately \$25,000,000 is spent annually on the administration and provision of nearly 2.2 million agency and paratransit trips. Of these trips, METROLift provides more than half. The Medical Transportation Program (MTP), which funds non-emergency medical transportation service throughout the County for qualifying low-income individuals and uses METRO at a fare of \$1.00 or METROLift at a fare of \$1.15 to provide service. The MTP program does not cover the full cost to METRO for providing these trips. MTP trips that are outside of the METRO service area, but within Harris County are provided at a flat rate of \$17.80 (in 1999\$'s) by United Cab. The MTP program provided 336,864 trips in 1999. The third largest provider of transportation services in the Houston/Harris County area is the Area Agency on Aging (AAA). AAA funds provide transportation primarily to senior centers for nutrition, recreation, and other purposes. AAA provided approximately 200,000 trips with a budget of \$934,000 in 1999. This level of efficiency was achieved by limiting the distance people traveled to senior centers and grouping trips together. Yellow Cab Company provides AAA trips under contract. These three programs combined represented 79 percent of all trips and 70 percent of the administration and operation expenses reported in 1999. This indicates that these programs are already efficient in their operation, which means that their benefit from coordination would be minimal for any trips identified above.

##### **Customer and Agency Surveys**

Multisystems conducted an extensive survey effort to gather information about the transportation needs of customers being served by existing programs and to identify those in the county who were not being reached by current services. In total, 4,000

surveys were distributed through 11 agencies, including 1,500 mailed directly to targeted households identified through HGAC as having low-incomes. The survey revealed that 53 percent of respondents did not have a driver's license, and 77 percent did not have access to a working automobile. Over half of the respondents (53 percent) used a mobility aid such as a walker or a wheelchair to get around. Respondents were allowed multiple responses to describe how they usually travel. Most (59 percent) either drive or ride with someone, 23 percent use METRO or METROLift, and only nine percent indicated that they receive transportation through an agency. Most trips are being made for essential purposes such as medical appointments and grocery shopping. Trips identified as desired but not being made were also for essential purposes. This also indicates that the existing level of service is not meeting basic needs.

## **Study Findings**

Multisystems project team calculated a conservative estimate of unmet need of 2.5 million trips in 2,000, related to agency purposes alone. This estimate does not include social trips or recreational trips and is expected to rise 12 percent over the next 10 years. These are trips that are currently not funded under any existing program. In addition to increasing demand for agency-related transportation, the growth in the senior population in Harris County is expected to further compound demand for accessible transportation services for all trip purposes.

Overall, the project team concluded that the demand for transportation services already exceeds the existing supply by such a significant margin (2.5 million trips or 112 percent), that any effort to further coordinate services might result in small gains for small agencies, but potential disincentives for large agencies. A new program would be needed if the unmet needs of the unserved areas were to be addressed. With the understanding that there are limited existing resources, the following recommendations were made to address the transportation needs in Harris County and to move toward coordination of transportation services in the future.

Formalized Coordinating Council Structure. In order to make decisions and recommendations regarding provisions of transportation in Harris County, it was recommended that the Harris County Transportation Coordinating Council formalize its structure, with an elected executive board (chair, vice chair, secretary). An updated memoranda of understanding, based on the goal of developing a program to truly coordinate (integrate) transportation services that meet the needs of these services should be signed by all members. With such a structure, the council would be better able to guide the direction of transportation coordination in the County and the region, working with TxDOT, H-GAC, METRO and other member agencies in a more democratic process.

Pursue Short-term Cooperative Strategies. The Greater Houston Area Chapter of the American Red Cross has been working toward a level of cooperation between agencies through purchase of service agreements and through assisting with TxDOT vehicle

grants applications. These efforts should continue along with consideration of the following:

- Joint training programs for defensive driving, first aid and CPR, and passenger assistance should be broadened to include drivers from other member agencies. METRO may be able to provide some information about FTA requirements such as ADA and Random Drug Testing, so that drivers may be better prepared to serve a variety of customers in the future. The Red Cross should lead this effort.
- Joint purchase agreements for equipment and services.
- Assistance with improving the scheduling of transportation services provided by other agencies. METRO and the Red Cross use automated scheduling packages to help maximize their scheduling process. This can be used to model other agencies' trips and make suggestions for improving their productivity without compromising service quality. The Red Cross should use its maintenance contract with Trapeze Software Group to maximize staff understanding and use of the program.
- The Red Cross, Harris County, METRO, or a combination could provide information and referral services. With knowledge of the transportation programs in the region, and ongoing working relationships with TxDOT and other agencies, the Red Cross would be the logical starting point for providing the personal contact between customers, case workers and the transportation network. An alternative would be HGAC to integrate this function with Job Access and Commute Solutions programs that are being provided. The information and referral service function would be to provide trip-planning services in conjunction with METRO and other service providers.

Develop a Countywide User-side Subsidy Program. The most critical finding of the coordination study is the lack of overall transportation service available in Harris County because METRO covers the far-east portion of Harris County. This indicates that there are many individuals who are unable to get to basic services, and who are being overlooked by the existing transportation network. The way to address this level of need is to find ways to create additional services quickly and at the lowest incremental cost. Using existing transportation providers that already have services on the street means that program sponsors are not starting out paying for operating infrastructure such as vehicle and maintenance facilities. A relative quick and low-cost approach is to develop a user-side subsidy program, where customers are subsidized and can make their own transportation arrangements. The project team worked with the HCTCC and met with transportation providers to develop a program that could be tested as a pilot program, with the goal of expanding the sponsors and funding sources to include funding for customers that currently receive no service. A user-side subsidy program, with a lead agency administering the program was developed with the input of the full HCTCC.

Implementation Plan for the Subsidized Transportation Program. The model developed for the pilot relies on the County government to support the role of the Program Administrator. This was viewed as a neutral organization that would most likely have the interest of customers throughout Harris County in mind, and would be most likely to work toward coordinating service with other providers in the County, such as METRO. For a pilot project, the primary focus is to develop a program to help agencies provide transportation services on an incremental basis, as funding became available. The secondary focus is to build a program with a variety of sponsors and secure sustainable funding through the sponsoring programs and grant funds. In order to attract initial sponsors, it will be necessary to build in as much flexibility as possible, and to monitor activity closely, so that any patterns of use of service or subsidy are apparent, and can be used as a basis for refining the program structure. Once the usage patterns of the pilot program are known, the subsidy level can be refined to match trip patterns, and program policies and rules can be standardized to reflect the goals of HCTCC and the community to reach the targeted populations. Switching to a subsidy mechanism where the fare media has either no value (vouchers) or stored value (electronic fare card) was agreed upon as an objective of the program (Multisystems, 2002).

## **5. OTHER ORGANIZATIONS' PERSPECTIVES ON THIRD-PARTY COORDINATION IN HARRIS COUNTY**

### **Planned Subsidy Program: American Red Cross**

Currently, the American Red Cross is the recipient of a Texas Department on Aging grant to provide the final year of planning for the implementation of a User-Side Subsidy Transportation program (the model recommended by the Multisystems study). The American Red Cross houses the staff person assigned to this grant and provides in-kind funding, along with the City of Houston/Harris County Area Agency on Aging. Additionally, the American Red Cross has continued its role as a leader in the implementation of a locally coordinated transit system and acts as the "point" for all HCTCC activities. The American Red Cross, as a transit provider, intends to relinquish its administrative role with HCTCC once the User-side Subsidy Program is implemented. The American Red Cross believes that as a transit provider, it would be more conducive to attract all other transit providers if the American Red Cross had as its only role that of another provider.

Additionally, the American Red Cross is involved in several other third-party coordination activities. First, they lease three (3) vehicles funded through the TxDOT Section 5310 program to other smaller organizations in Harris County that are too small to apply for funds on their own and would not have been funded if they were not partnered with other organizations. The American Red Cross provides the administration necessary to operate the vehicles as well as training and technical assistance to these organizations. The organizations provide the actual operating, maintenance and insurance costs. The American Red Cross also "brokers" passenger trips to other transit providers. Currently, the Red Cross engages five (5) transit organizations through subcontracting. The Red Cross also contracts to provide transportation services to local health/human service organizations then assigns a percentage of the trips out to other providers.

The organizations to which the American Red Cross leases vehicles include: The Village Learning Center, which provides transportation services to developmentally disabled adults in the Kingwood/Humble area; The City of Houston Historic Oaks of Allen Parkway Village, which provides service to people with disabilities and people who live in and around this subsidized housing project; and Vita-Living who provides service to developmentally disabled adults in Harris County. The American Red Cross subcontracts with the following providers: Reliant Transportation Services, Mustard Seed Ministries, Ivie-Lee Transportation, Liberty and United Cab Companies.



## **6. SUMMARY AND CONCLUSIONS**

What are some of the most immediate concerns in meeting the needs of clients in the Greater Houston area? The most immediate concern is that even with coordination, there are not enough transit resources to meet the demand for service. The need for transportation continues to grow and now, is in critical demand. Even coordinating all of the service available will not meet the need simply because there is a lack of transportation resources. In a survey conducted by Multisystems, the project team calculated a conservative estimate of unmet need of 2.5 million trips in 2000, related to agency purposes alone. This estimate does not include social trips or recreational trips and is expected to rise 12 percent over the next 10 years. These are trips that are currently not funded under any existing program. In addition to increasing demand for agency-related transportation, the growth in the senior population in Harris County is expected to further compound demand for accessible transportation services for all trip purposes. Furthermore, the study shows that any effort to further coordinate services might result in a few gains for small agencies but potential disincentives for large agencies. A new program would be needed if the unmet needs of the unserved areas were to be addressed (Multisystems, 2002).

The Transportation Research Board initiated a project during the summer of 2002 and the research is underway. The objective of this research project is to develop strategies for initiating or improving coordination of local and regional publicly funded transportation services for the transportation disadvantaged. The results of that research may be used throughout the United States by public transportation agencies, human-resources agencies, transportation brokers, planning organizations, or other organizations and entities seeking methods and concepts that can be used to initiate or improve the local or regional coordination of publicly funded transportation services. It will also serve as a companion to on-going initiatives, such as the one reported in this research in Harris County, as transportation organizations seek to maximize the services that are provided from the available funds (Transit Cooperative Research Program, Project H-30, FY 2002, Strategies to Increase Coordination of Transportation Services for the Transportation Disadvantaged).

On the other hand, Multisystems recommends the following strategies:

- Instituting a formalized structure of decision making by the Harris County Transportation Coordinating Council regarding the provision of transportation in Harris County;
- Pursuing short-term cooperative strategies between agencies such as joint training programs, joint purchase agreements for equipment and services, and information and referral services; and
- Development of a countywide user subsidy program (Multisystems, 2002).

If these concerns are not addressed, then the people who are eligible and are in need will not receive transportation to local health/human service provider's organizations. There are many organizations expressing interest in coordination, both transit providers and those that provide services for people who need access to transportation. Additionally, many social service organizations have expressed an interest in coordination. It may be helpful to designate a central organization as the lead agency in order to reach the goals of a coordinated transportation system in the Greater Houston and Harris County area.

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## **APPENDIX A – Harris County Houston Transportation Council Adhoc Committee Members**

### **The Ad Hoc Harris County Transportation Coordinating Council For Non Emergency Services**

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|--|--|
| 1. Rasheed Aziz (713) 970-7740<br>Mental Health and Mental Retardation Athy.             | 14. Martha Mayes (713) 526-7724<br>American Red Cross                      |
| 2. Richard Bidy (713) 970-7740<br>Mental Health and Mental Retardation<br>Authority      | 15. Suzanne McPherson<br>(713) 731-1102<br>Harris County Precinct 4        |
| 3. Alan Clark (713) 993-4508<br>Houston-Galveston Area Council                           | 16. Surinder Marwaha<br>(713) 993-4508<br>Houston-Galv. Area Council       |
| 4. Paula Clark (512) 424-6590<br>Office of Community Transp. Svcs.                       | 17. Beth Pline (713) 685-2391<br>United Way                                |
| 5. Larry Dawson (713) 794-9238<br>Harris County Precinct 1                               | 18. Darlene Powell<br>(713) 450-3848<br>Harris County                      |
| 6. Mary Ann Dendor (713) 739-6824<br>Houston Metropolitan Transit Authority              | 19. Dr. Sen (713) 779-8728<br>Texas Southern University                    |
| 7. Julie Foy (713) 794-9238<br>American Automobile Association                           | 20. Thomas Thayer<br>(713) 636-5106<br>Hospital District                   |
| 8. Danny Hamlin (281) 893-5589<br>Harris County  | 21. Gayle Walker (409)763-5538<br>Gulf Coast Ideas                         |
| 9. Rose Hernandez (713) 755-8379<br>Office of Judge Robert Eckels                        | 22. Mary Sue Williams<br>(713) 970-7774<br>Mental Health/Retardation Athy. |
| 10. Lucy Lapaglia (713) 802-5894<br>Texas Dept. of Transportation                        | 23. Delores Zobel<br>(713) 974-7953<br>Harris County Precinct 4            |
| 11. Jim Laughlin (713) 758-3132<br>Houston Metropolitan Transit Authority                |  |
| 12. Carol Lewis, Ph.D. (713) 313-7924<br>Center for Transportation Training and Research |  |
| 13. Charlotte Mangum (713) 893-5589<br>Harris County Precinct 2                          |  |