



August 6, 2008

To: Metropolitan Policy Committee
From: Susan Payne
Subject: Item 5.e: Amendments to FY2008-11 Metropolitan Transportation Improvement Program (MTIP)

Action Recommended: Approve Resolution 2008-04 programming FTA 5307 formula funds for RideSource operations and amending existing Radio Improvements and ITS projects.

Background

Due to economic conditions and fuel prices, Lane Transit District (LTD) is experiencing substantial stress on its operations budget. The LTD Board is currently in discussions as to how to address the funding shortfall including cutting fixed-route service hours. One of the financial options being considered is the use of LTD's federal formula funds to substitute for general fund monies where permitted by Federal Transit Administration (FTA), namely, for complementary paratransit services.

Federal law, through the Americans with Disabilities Act, mandates that LTD provide paratransit operations as a complement to all fixed-route service. LTD's "RideSource" provides services for the elderly and for people with disabilities or conditions that prevent them from using fixed-route public transportation. While federally mandated, this program receives no federal funds. It is partially funded through a state cigarette tax. However, these resources have been flat or declining for many years and LTD currently uses more than \$2 million in general funds to meet the need. The ADA sets the paratransit fares at not more than 2 times the fixed-route cash fare. Thus, while the cost to LTD for a one-way RideSource trip is about \$23.50, the maximum one-way fare paid by a customer is currently \$3.00. Further, the ADA requires that districts maintain a non-denial policy, and thus LTD must meet the increasing demand despite the cost or the funding situation.

LTD is the designated direct recipient of FTA 5307 formula funds for the Eugene-Springfield urbanized area and receives approximately \$4.5 million per year under this program. These funds are primarily designated for transit capital improvements and cannot ordinarily be used for operating assistance. However, FTA regulations do permit the use of these funds specifically for complementary paratransit services with a 50% local match. LTD is considering availing itself of this option and using \$1

million of its 5307 funds in each of FFY08 and FFY09 for RideSource (see Exhibit A to Attachment 1 for full details).

To be able to take up this option, the project must be included in the Metropolitan Transportation Improvement Program (MTIP) since all expenditures of federal funds must first be programmed in the MTIP and then reflected in the Statewide Transportation Improvement Program (STIP). Amendments to the MTIP must not impact air quality conformity. Fiscal constraint must also be maintained. Funds for the first two years of the MTIP must be available and committed; funds for the last two years must be reasonably expected to be available.

Discussion

On July 24, the MPO's Transportation Planning Committee (TPC) reviewed LTD's proposal to use 5307 funds for RideSource. While the proposal met the guidelines adopted in the MTIP for an administrative amendment available to TPC, it was decided that this proposal was of a scale and importance appropriate to an MPC decision. In light of LTD's current fiscal situation and with the understanding that the use of funds for this purpose would reduce the pool of 5307 funds for transit capital improvements, TPC unanimously recommended the MTIP amendment to MPC.

The addition of this project to the MTIP does not affect air quality conformity. However, subsequent to July 24, it was determined that the addition of this project needed to be balanced by the removal of 5307 funds from other programmed projects in order for the MTIP to remain fiscally constrained.

Upon request of MPO staff, LTD examined their MTIP project list and selected several existing projects for amendment to remove funds – “Radio Infrastructure Improvements” and “Intelligent Transportation System upgrades”. The removal of funds from these projects is consistent with LTD's currently adopted CIP and budget. The scope in the MTIP is reduced, but there is no effect on air quality and the necessary fiscal constraint of the MTIP is preserved. Further, LTD has indicated that these changes do not affect the delivery of the on-going EmX projects.

Due to the timing, TPC has not reviewed the changes to the “Radio Infrastructure Improvements” and the “ITS Transportation System upgrades”. The next opportunity to develop a recommendation for MPC on the full package would be at the next TPC meeting on August 28. Under FTA rules, federal funds cannot be used to reimburse expenses incurred before addition of the project into the STIP. Thus, the earlier the project is added into the MTIP/STIP, the earlier LTD will be able to use 5307 funds for RideSource operations, and the less stress on the general fund. Thus, this item has been brought to MPC for consideration at this time.

Requested action

LTD has requested an MTIP amendment to add a project that programs \$1 million of 5307 funds in both FFY08 and FFY09 for complementary paratransit support. This project is consistent with the RTP Transportation System Improvement Transit Policy #1 which states “*Improve transit service and facilities to increase the system's*

accessibility, attractiveness, and convenience for all users, including the transportation disadvantaged population.”

In order to maintain fiscal constraint, LTD has also requested that two existing projects in the MTIP be amended. The details of these changes are described in Exhibit A to Attachment 1.

Recommendation

Based on the need for LTD to be able to speedily utilize its 5307 funds for paratransit support in place of general funds, MPO staff recommends that MPC approve Resolution 2008-04 at this meeting.

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Attachment 1 – Resolution 2008-04 with Exhibit A