

Chapter 7. Findings & Recommendations for Service Coordination

INTRODUCTION

The following pages summarize input received from the Project Advisory Committee and individual providers on options for service coordination, and outline recommendations for service coordination.

FINDINGS FROM PROVIDER INTERVIEWS ON SERVICE COORDINATION

- ◆ Preference for housing a brokerage/call center with an existing agency. A majority of providers interviewed favored housing a brokerage/call center with an existing agency that already provides transportation services rather than establish and staff a new organization to fill the broker/call center role.
- ◆ Provider concerns regarding service standards. While all of the providers interviewed recognize the need for expanded transit service in the region, many are also hesitant about involvement in a coordinated system out of concern that they could lose control of funding, and potentially control of how their clients are served and prioritized. Several providers also expressed concern about the level of service that their current clients would receive under a coordinated system. These providers believe that it will be difficult for a brokered system to offer the same sort of personalized service that they currently offer their clients. It is true that a new reservations agent at a brokerage will not initially have the same rapport with an elderly client as does a program administrator at a small provider agency. However, that rapport can be built, and operating standards can ensure that all clients are treated courteously and appropriate efforts are made to meet their needs.

Equally important to keep in mind is that the current level of service in the region is not fully meeting the needs of the region, and that expanding to meet those needs will require some change. Coordination will allow an expansion of the number of people served in the community, and an increase in the level of service to existing clients.

- ◆ Service Priority. A key condition of participation for several providers is that they be able to give priority to their existing clients with their existing vehicles. Additional clients may be added to existing runs so long as current clients are not refused service or made to wait an inordinately long time. Additional efficiency may be gained by serving new clients at times when vans are not currently in use, as described below. Agencies with concerns about adding any new riders to their existing runs may participate by simply allowing the coordinated system to use their vehicles during periods when they are currently idle.
- ◆ Liability. Liability coverage is a significant concern and area of uncertainty for most providers. Providers often have coverage through insurance carriers that specialize in specific client populations (i.e. elderly or disabled individuals), such that expanding to carry other populations may require coverage changes. The most cost effective approach to liability coverage for a coordinated system will likely be having each provider maintain its current insurance carrier, while adding the broker as an additionally insured. The addition of another insured party on a policy is typically not expensive. The broker and providers

will need to develop agreements specifying the circumstances under which each party will be responsible when vehicles are being shared. Many providers are not aware of their insurance costs, as these costs are covered by towns or are rolled into broader coverage plans. Pinpointing these costs and comparing them to costs for joint purchase of insurance will be a key task in implementation. Providers have agreed to provide information on current insurance coverage levels and carriers.

- ◆ Concerns of volunteer-based agencies. Incorporating existing volunteer drivers into a coordinated system poses challenges. To the extent that volunteers and the provider organizations with which they work are willing to shift scheduling over to the broker, volunteers can be a tremendous resource to the system. They can be especially helpful in providing rides such as shopping trips for which Medicaid or TANF reimbursement are not available. Some volunteers may only want to assist if there is no funding source that will pay for the ride.

The broker can maintain a list of volunteers including the times that they are available to give rides in private vehicles, and the types of clients they would like to serve, and schedule rides accordingly. Such an arrangement is likely with the American Cancer Society. In other cases volunteers may have a strong loyalty to a single provider, and either the volunteer or the provider may prefer that scheduling not be done directly by the brokerage. For example, the Caregiver organizations in Derry and Salem indicated that they could not commit to regular availability of drivers with whom the broker could schedule trips. In this case these providers could be involved in the coordinated system as an option of last resort, such that if the broker is unable to place a rider elsewhere, it may contact one of these providers and ask if a volunteer can be scheduled.

SYSTEM DEVELOPMENT RECOMMENDATIONS

1. **Establish a Regional Transit Brokerage & Pursue Limited Service Consolidation.** The most appropriate coordination model for the region appears to be Brokerage, together with limited consolidation of service delivery. As described in Chapter 4, the Brokerage will centralize the intake, reservations, scheduling, dispatching, and billing functions of the coordinated. Several provider agencies have similarly expressed an interest in contracting with STS to provide all or part of their transportation services, thus allowing the agency to focus on its primary human service mission.

The Project Advisory Committee first considered initiating coordination with a Simplified Call Center model that would not involve payment for rides assigned to providers by the call center/broker. However, the key problem with this approach is that it offers transportation provider agencies no resources to provide additional service. Given limited budgets, most of the provider agencies were reluctant to commit to providing additional rides in the absence of funding to cover associated costs. Implementing the Brokerage model means committing to securing funding sooner rather than later to pay for rides assigned to participating providers. Projected annual cost to staff and equip the call center is estimated at \$105,000.

Figure 7.1 Estimated Staffing & Equipment Budget for Brokerage

Line Item	First Year Budget		Three Year Budget **	
	Unit	Cost	Unit	Cost
Personnel				
Manager		In-Kind		In-Kind
Dispatcher	1.0 FTE	\$25,000	1.0 FTE	\$77,273
Scheduler	0.5 FTE	\$10,000	0.5 FTE	\$30,909
Reservation/Customer Service Agent	0.5 FTE	\$10,000	0.5 FTE	\$30,909
Admin Asst/Billing Clerk	0.5 FTE	\$10,000	0.5 FTE	\$30,909
Direct Labor Subtotal	2.5 FTE	\$55,000	2.5 FTE	\$170,000
Administrative Overhead (32%)		\$17,600		\$54,400
Total On-site Personnel *		\$72,600		\$224,399
Office Expenses				
Office Space Rental (In-Kind) *		\$0		\$0
Telephone		\$1,860		\$5,749
Telephone Equipment		\$175		\$541
Furniture (In-Kind)		\$0		\$0
Postage		\$120		\$371
Office Supplies		\$1,080		\$3,338
Printing/Advertising		\$1,200		\$3,709
Travel		\$915		\$2,828
Total Office Expenses *		\$5,350		\$16,536
Hardware & Software				
Hardware (2 work stations)		\$3,000		\$3,000
Software (Route Match web-based software)	5 concurrent user licenses and training	\$24,680		\$74,040
Total Hardware/Software		\$27,680		\$77,040
Total Call Center Expense		\$105,630		\$317,976

* Assumes office expense estimates and salary ranges from Merrimack County brokerage study, and that office space and furniture will be provided by the broker agency.

** Personnel costs for years two and three grown out at 3%/year

2. **Establish Special Transit Service, Inc., in the Broker role.** The agency best prepared to take on the broker role appears to be Special Transit Service, Inc. There was agreement among the bulk of providers that housing a brokerage with an agency that already had a structure in place for scheduling and dispatching was preferable to creating and staffing an entirely

new organization. The two agencies in the region that currently have the staff in place for scheduling and dispatching are STS and Lamprey Health Care. While either could likely take on the role, a number of factors point to STS as a preferable candidate. These include STS's more extensive presence in the region currently; the existing contractual relationship with RTC, and their in-house maintenance capability, which can potentially be used to coordinate maintenance service for all vehicles in a combined system. STS is already implementing scheduling software, and generally appears best prepared to expand into a regional broker role.

3. **Establish Operating and Service Agreements with Interested Parties.** Decisions by providers whether or not to take part in the coordinated system will depend in large part on the specific provisions of the Draft Memorandum of Understanding (MOU) found in Appendix A. The MOU outlines the responsibilities of both broker and provider agencies, and sets out detailed operating standards for customer service, driver qualifications and training, vehicle maintenance, and other risk management procedures. The operating standards will need to be agreed to by all participating parties. Details of available vehicle time, geographic restrictions on vehicle use, billing rates, and how exactly trips are scheduled will likely vary from provider to provider, and will be negotiated directly between the broker and provider.

As of December 2002, the following providers remain at the table and are interested in pursuing some level of coordination: Lamprey Health Care, CLM Behavioral Health, the Pelham Senior Center, the American Cancer Society the Salem Senior Center, the Rockingham Nutrition Meals on Wheels program, and the Rockingham Adult Medical Daycare program. The Salem Senior Center, the Meals on Wheels program, and the Salem Housing Authority are exploring the option to contract with STS to provide their transportation service. The Upper Room family resource center has indicated a willingness to let their van be used by the coordinated system when it is not in use by their Youth in Action after school program.

The draft version of the MOU included with this report incorporates model language developed by CTAA for use in brokerage systems elsewhere in the country. It has been reviewed by the Project Advisory Committee, and adapted to reflect the concerns of the committee members. However, it is not ready to be signed. We expect that finalizing the operating standards and other aspects of the MOU will require several more months, and include presentations to the boards of directors of the participating providers.

Developing these agreements has taken the stakeholders in the Concord Area Brokerage System (CABS) more than a year and a half since the completion of their original report by ATC Paratransit. The RTC will apply for a second round of funding to underwrite this ongoing planning and initial implementation work, including ongoing consulting services from CTAA or another contractor. Staff time from the Regional Planning Commissions is available to support this effort as well, though extensive involvement of planning commission staff is beyond the scope of their FTA funded transit planning work program, and will likely require additional funding.

4. **Establish an Oversight/Advisory Committee.** An Oversight/Advisory Committee is key to ensuring the efficient running of the coordinated system. The role of the committee is to monitor the performance of the broker/call center and provider agencies, and together with the broker to guide the development of the coordinated system. System development decisions to be made jointly by the oversight committee and the broker include service expansion initiatives, funding sources to pursue, coordinated regional applications to the state for FTA Section 5310 funding for vans, etc.

One option for creating the committee is to reconstitute the Greater Derry-Greater Salem Regional Transportation Council (RTC) board of directors to fill this role. The RTC Board currently consists of nine members, but can be expanded to accommodate representatives from each of the towns in the service area, each of the providers that chooses to participate in the coordinated system, NHDOT, NHDHHS, and any other funding agencies.

5. **Secure resources to fund brokerage operations.** In a traditional brokerage system, the cost of maintaining the brokerage office is covered through administrative fees allowable under Medicaid and other transportation funding programs. In the long term, a shift by NHDHHS to channel Medicaid transportation funding through regional brokerages should allow stable funding both to purchase rides and to maintain a brokerage office. The most likely funding approach in the short term is a combination of private foundation support and JobLinks funding from the Community Transportation Association of America.
6. **Secure resources to put underutilized vans on the road.** A key opportunity to expand service in the region by building on existing resources is to fully utilize the vehicles that are currently in the system but have idle time due to lack of funding for driver time or other factors. The survey identified at least seven vehicles that have large, predictable blocks of time during which they are not in use, totaling as much as 120 hours per week. Securing funding to get these vehicles on the road full time should be a priority. Assuming an hourly operating cost of \$25.80 that incorporates driver time, fuel and oil, maintenance, administrative overhead, and vehicle depreciation, the annual cost to fully utilize these vans is estimated at \$155,000. Using these vans for straight demand response service, such as is provided by the two STS vans currently, with efficiencies achieved through coordinated scheduling these vans should be able to provide approximately 1.8 trips/hour, or an additional 216 trips/week. This would represent approximately a 20% increase in the current number of trips offered in the region. If van time is used for group trips these numbers will be higher. Options for running vans the additional hours include securing funding to hire additional part time drivers to be employed by STS, expanding existing driver positions from part time to full time, or potentially using volunteers.
7. **Expand transit access to low income residents.** The current system offers very little service to the general low-income population of the region. To address this, the coordinated system should pursue federal Job Access Reverse Commute (JARC) funding in the 2003 funding round, as well as the JobLinks funding described above. JARC funding has been awarded in other regions to establish brokerage systems to provide rides to work for TANF clients, and employ TANF clients in transportation system operations. JARC funding could also be used to support commute hour fixed route service between Derry and Salem, given the high number of TANF clients in Derry and the relatively high concentration of jobs in Salem.

JARC funding requires a 50% non-federal match, which is typically provided with TANF funds either directly from the state or from a regional Community Action Program.

8. **Town funding.** Securing additional funding from municipalities will be critical to the development and sustainability of transit in the region. This will particularly be the case in matching FTA funding to establish fixed route transit service in the region, but also applies to development of a coordinated and expanded demand response system. Local matching funding will be necessary for JARC funding, as well as most foundation support. The broker and the advisory committee will need to work with the Regional Planning Commissions to approach the eleven towns in the service area about providing matching funding for expanded service. The approach should present the coordinated system model, including budget needs and ridership estimates; and compare these to current funding and rides provided, as well as typical funding and service levels for other towns around the state.
9. **Advocacy for dedicated state transit funding.** A core problem for transit systems throughout the state is the lack of dedicated state funding available to match federal transit dollars. While better coordination between NHDOT and NHDHHS will improve access to human service funding for coordinated systems, ultimately there is a need for more state funding for transit to serve all groups in the community. The broker and participating providers should work with the New Hampshire Transit Association to advocate for a dedicated source of state funding for transit services.
10. **Establish fixed route transit service in the region.** Extensive fixed route service is usually not practical in an area with population densities as low, and development as dispersed, as much of the Greater Derry-Salem region. However, this sort of service may well be effective in the population centers of Derry and Salem, and to provide connections to employment, retail, and service centers outside of the study area such as Manchester and Methuen. Fixed route service will be key to expanding transit access for transit dependent populations that are not eligible for funding programs such as Medicaid.

Phase I - Chapter 5 recommends a two-phase approach to establishing fixed route service, discussed on page 5-10. Phase I includes a five trip/day, six day/week schedule connecting Derry and Salem, with circulator loops in each town. Also included in the service proposal are operating and capital funds to support required ADA complementary paratransit service, and capital funds for a backup bus. Total annual operating cost is estimated at approximately \$182,000, split evenly between FTA funds and the local match.

Phase II - This second phase expands service to include regional connections to Manchester, and Methuen Massachusetts; as well as several one day per week deviated fixed route services connecting the rural communities of the region with Derry and Salem. Total annual operating cost is estimated at approximately \$400,000, split evenly between FTA funds and local match. Potential management structures for fixed route service are discussed in Chapter 6 - Funding, and include establishment of a new regional transit district, or channeling FTA funds to an existing transit system such as Manchester or Nashua. Adequate FTA funds will likely be available for either of these route options. Securing adequate non-federal matching funding will be the challenge.