Washtenaw County: RTA Major Issues Discussion and Options

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Major Issues Discussion and Options

Protect Federal and Pass-Through Funds to Providers

At Issue: The draft outline indicates in two places that the new RTA would have the ability to withhold funds from providers within the region to enforce its coordination directives.

Washtenaw's Interest: AATA is going through a significant expansion effort and needs predictable funding to support its ongoing operations and effectively manage the delivery of services to new constituencies in a way that builds trust and credibility.

Discussion: The strength of an RTA rests in its ability to ensure effective coordination and delivery of services across the region. Duplication of service on key routes and challenges with cross-border service efficiency have arisen regularly region-wide. Control of funding is an effective means for managing subrecipient compliance with regional directives. However, the three major providers in the region already have complex challenges they are working to address, and the reprioritization of federal funds in particular to meet new objectives set by the RTA may inappropriately compromise local plans. It is reasonable to expect that funds generated by and for the RTA should be distributed wholly at the discretion of that body, but a different methodology should be considered for federal funds.

Currently providers receive federal funds in two main ways: DDOT and SMART are funded by FTA through the RTCC with funds distributed by an agreement; AATA receives its funds directly from FTA. These funds are based on a formula which is a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density. A small portion of this funding may be attributable to the RTA but most of it should be the agencies' by right.

A similar issue may arise if the RTA funding source has a local component (e.g. if RTA needs

$20/vehicle but Washtenaw is enabled to raise $30/vehicle including $10 for local services).

Several other issues are tied to the proposal of the RTA as "designated recipient" for Federal formula funding for the entire 4-county area: most significant, and potentially problematic, would be if this were accomplished by changing the Federal urbanized area boundaries--a Census Bureau process that would affect Federal planning and funding requirements reaching far beyond the RTA.

Additionally, several smaller door-to-door agencies in Washtenaw County currently receive passthrough / sub-allocations from MDOT--would this responsibility be taken over by the RTA? The University of Michigan's on-campus transit system ridership is considered in the Federal formula allocation for AATA, due to the close integration of the two systems in moving students, staff, and faculty within Washtenaw County. This would need to be preserved in the RTA to maintain this existing coordination.

Potential Options:

- Remove the right to withhold federal pass-through funds
- Limit "designated recipient" status for federal funding to tri-county urbanized area
- Require a unanimous vote to withhold funds from any agency
- Predicate the withholding of funds on the failure to meet metrics mutually agreed to by the RTA and the subrecipient
- Require MOU's to deliver local service funds to providers
- Ensure smaller door-to-door providers and University ridership-based funding are included in MOUs for pass-throughs of formula funding

Focus RTA on Intercounty Corridors

At Issue: The outline indicates that there is a priority placed on the development of four corridors but also suggests that the RTA will be the primary authority for all transit services in the region.

Washtenaw's Interest: AATA is considered a very-well managed transit provider. Subjugating an excellent system to unproven regional leadership that has a historical tendency to become highly politicized may compromise a program that has built a reputation for excellence. Leadership is keenly interested in fostering intercounty and regional connectivity but not in losing control over local service provision.

Discussion: RTA proposals for SE Michigan over the years have faced many obstacles, most brought about by the complexity of the political environment and economic factors. The initial 2011 proposal to craft an RTA focused on a handful of intercounty corridors conveniently evaded many of the issues that plagued previous iterations. For example, Washtenaw previously declined participation because of a requirement to subjugate route and fare decisions to the regional entity. Although there are current tactical considerations (e.g. the smooth delivery of federal funds) and long-range strategic issues (e.g. realizing a vision of a multicounty integrated system) that indicate a need for some regional authority beyond one that is corridor-focused, success for the system may well be determined by how effective the new entity is at advancing the challenging intergovernmental routes identified in the proposal.

Potential Options:

- Restrict RTA to designated corridors and allow providers to transfer responsibilities for others to RTA at their discretion
- Define process for additional major corridors to be included by RTA in the future, in a mode-neutral fashion (such as the establishment of commuter rail between Ann Arbor and Detroit or Livingston County, as ridership, cost and other factors warrant)

Allow Mode Flexibility for Rail

At Issue: The outline identifies rolling rapid transit as the mode of choice for four corridors and requires unanimous support of the RTA to acquire or operate a passenger rail service.

Washtenaw's Interest: While bus rapid transit is an attractive and substantially less expensive alternative to rail in many situations, it is not clear that it is the preferred alternative along all intercounty routes. With active rail studies in process for the connections between Howell, Ann Arbor and Detroit, Washtenaw prefers to keep regional options open, to be decided by transit professionals using tested practices. These rail studies underway have invested considerable effort in maximizing service value and cost effectiveness by using existing track.

Discussion: Alternatives analysis processes provide a means for fair and open decision-making on modes that takes into account a variety of economic, environmental and social interests. Extensive work has already been done on three routes that may benefit from rail over BRT (or may not, but that hasn't been rationally determined yet). Ignoring that research may limit the ability to provide the most appropriate and effective transit system for some purposes--and placing a preemptive mode bias in the legislation may cloud the alternatives analysis process, making it more difficult to qualify for Federal capital funding.

This issue is of particular interest to Washtenaw because of past work on rail-based commuter systems in the area, but the adopted 2008 Comprehensive Regional Transit Service Plan also includes potential rail-based commuter services extending to Monroe and Port Huron. While these services are not the primary focus of the RTA, the legislation should at least avoid introducing mode selection limits that serve as new barriers or hurdles to the future consideration and coordination of these projects.

Potential Options:

- Remove limitations to mode selection from the legislation
- Clarify that mode selection limits do not apply to services operated by local transit agencies, "mode-specific subsidiary corporations", or by contractual agreement--only to direct ownership and operation by the RTA
- Limit legislative selection of mode to initial corridors, with expectation that future service upgrades, extensions or additional corridors follow Federally-accepted alternatives analysis process

Engage Transit Providers as Advisors

At Issue: The draft creates two advisory committees for citizens and municipalities but provides no formal mechanism for engaging transit providers.

Washtenaw's Interest: With multiple transit modes having terminals in Ann Arbor (local bus, long-haul bus, passenger rail, nonmotorized linear trails, etc.) the determination of station locations and route timing for intercounty lines will have a direct impact on other services and the local communities they serve; those impacts should be articulated as part of the decision-making process to help the RTA and providers be prepared well in advance for those decisions.

Discussion: If the legislation does ultimately envision giving the RTA substantive control over issues that have been the purview of existing agencies, it should also provide a means to effectively and appropriately engage them in decisions that will impact other aspects of the system. This engagement will not only help streamline coordination of efforts amongst the agencies, but also provide the RTA board access to valuable expertise on local operations and coordination with land use plans when addressing regional interests.

Potential Options:

- Create a standing advisory committee comprising representatives from providers in the region

Protect Rights of Transit Providers to Determine Routes, Schedules and Fares

At Issue: The draft gives somewhat unclear authority to the RTA to coordinate routes, schedules and fares across the service area and to withhold funding from providers who do not comply with RTA's coordination directives.

Washtenaw's Interest: There is a two-fold concern here: 1) ensuring local control over local routes and fares and 2) ensuring adequate input from locals on regional routes and fares.

Discussion: Routes, schedules and fares all impact ridership and hence the ability of a local provider to serve its constituents. While there is a compelling shared interest in providing region-wide service integration, which should include cross-border fares and well-timed regional connections, there is an equally strong need for local control. Fares, for example, are just one part of a system's revenue, and providers that have a dedicated millage, like SMART and AATA, have different opportunities to manage fares as part of a comprehensive income package.

Potential Options:

- Exempt local services from RTA control
- Require local agreement with proposed route/schedule/fare obligations that may jeopardize funds
- Retain local agency ability to place funding measures before voters to fund local plans

- Predicate the withholding of funds on the failure to meet metrics mutually agreed to by the RTA and the subrecipient

Permit Funding Options To Support Local Services/Interfaces

At Issue: The legislation states that the RTA would be authorized to levy a regional motor vehicle registration fee of up to $40/vehicle. It's not clear how this would interface with the desire of the local transit providers or individual counties to levy a county-level vehicle registration fee, whether for transit operations or broader transportation investment, as discussed in the Governor's Special Message on infrastructure.

Washtenaw's Interest: AATA and the regional door-to-door providers have recently completed a Countywide Transit Master Plan for Washtenaw, and anticipate using a new local option vehicle registration as one piece of the funding mix for implementation of that plan.

Discussion: The RTA will need a funding source to construct and operate the proposed major corridor services. While this may allow for some modest reductions in local services on these corridors and permit reallocation of local agency resources, the local agencies also need to be able to independently place funding measures before voters in order to implement their local service plans. Giving the RTA exclusive use of funding options will limit other providers' abilities to meet local needs.

Potential Options:

- Clarify ability of individual counties to enact vehicle registration fees (with voter approval), either under a separate cap from the RTA (e.g. $40 for each the RTA and the individual county) or as pieces of a total cap.
- Limit RTA funding to amount needed for regional services, leaving capacity within any legislative cap for locally-determined priorities.
- Allow counties within an RTA service area to stack a separate vehicle registration fee for local transportation needs (i.e. two separate fees, one regional, one local)