Metropolitan Transit Planning

January 1988

Program Evaluation Division
Office of the Legislative Auditor
State of Minnesota

Program Evaluation Division

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JAMES R. NOBLES, LEGISLATIVE AUDITOR

January 13, 1987

Representative Phillip J. Riveness, Chairman
Legislative Audit Commission

Dear Representative Riveness:

In May 1987 the Legislative Audit Commission directed the Program Evaluation Divison to study metropolitan transit planning in the Twin Cities area. There was legislative concern about the Regional Transit Board's process for restructuring transit services for the disabled and about the RTB's overall performance since the Legislature created it in 1984.

Our study examined the track record of the RTB and progress toward the Legislature's goals in restructuring metropolitan transit agencies. This report focuses on the RTB's decision-making process and on the work that it has completed to date. The report makes recommendations for the Legislature, the RTB, and Metropolitan Council that we hope can resolve problems of coordination, accountability, and communications that we found.

We received the full cooperation of the RTB, Metropolitan Council, and Metropolitan Transit Commission during the course of our study. We also appreciate the cooperation of municipalities and counties in the region, who participated in a survey.

This report was researched and written by Joel Alter (project manager) and David Rafter.

Sincerely yours,

James R. Nobles
Legislative Auditor

Roger A. Brooks
Deputy Legislative Auditor
for Program Evaluation

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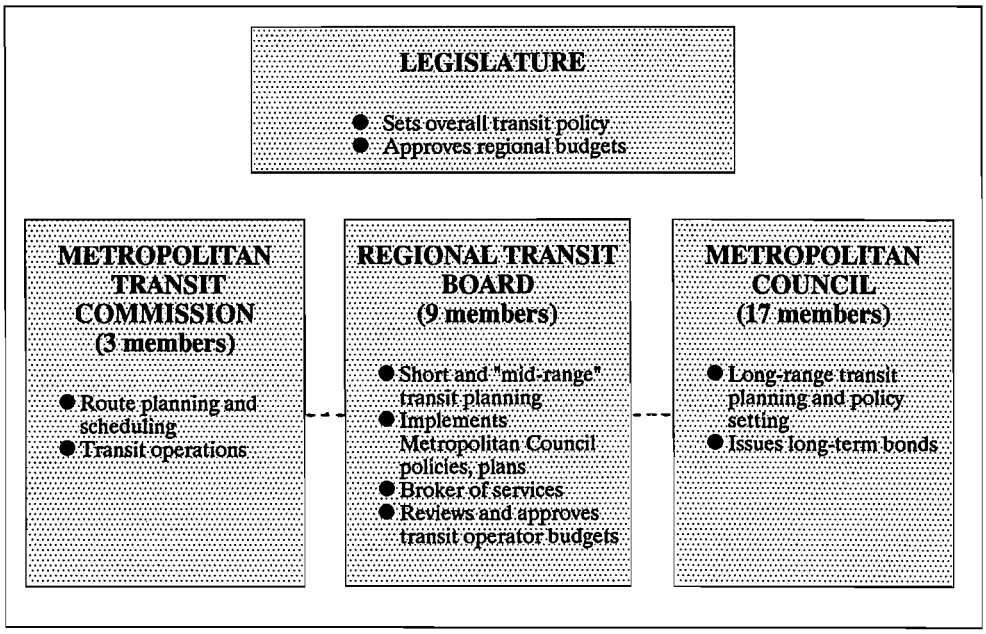
METROPOLITAN TRANSIT PLANNING

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

In spring 1987, the Legislative Audit Commission, reflecting general legislative concerns about how well this transit structure was working, directed the Program Evaluation Division to evaluate metropolitan transit planning and the Regional Transit Board. In our study, we asked:

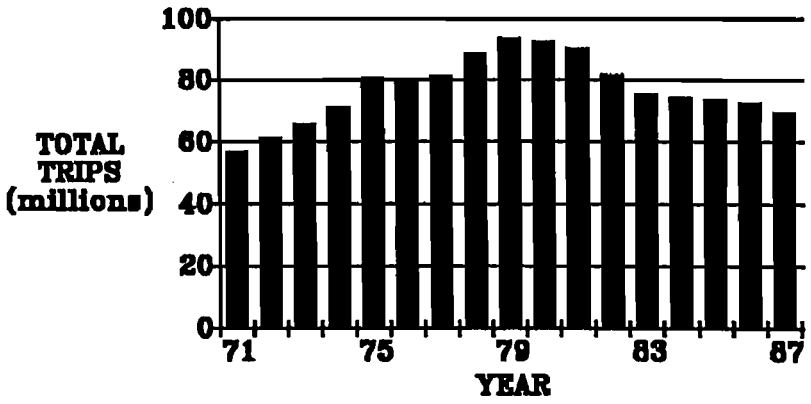
- **Has there been progress toward the 1984 Legislature's transit goals?**
- **How well has the Regional Transit Board performed since 1984?**

Overall, our assessment of the RTB and progress toward legislative goals is mixed. While the 1984 changes improved service planning and increased the attention given to unmet service needs and the transit system's cost-effectiveness, we conclude that the RTB has not yet proven itself to be an effective problem solver.

BACKGROUND

The MTC currently provides 99 percent of the region's regular route transit rides. Regular route ridership grew during the 1970s, but it has declined 20 percent since 1979. Highway congestion during peak traffic hours has increased in recent years, and there has been a steady decline in the number of people per private vehicle during peak traffic hours.

Transit ridership has declined more than 20 percent since 1979.



Source: Regional Transit Board.

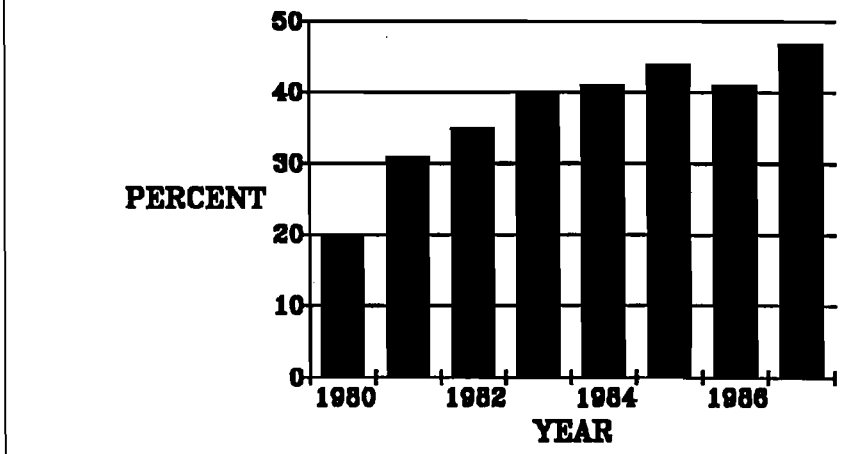
[a]Transfers are counted as separate trips. 1987 ridership is estimated.

Regular Route Transit Ridership 1971-87[a]

Currently, the state funds about 10 percent of regular route transit costs, down from 29 percent in 1980. During the past decade, an increasing portion of the transit system's revenues came from property taxes. The 91

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.



Source: Regional Transit Board.

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.

TRANSIT SERVICE NEEDS ASSESSMENT AND IMPLEMENTATION PLAN

The 1985 Legislature required the RTB to conduct a comprehensive assessment of the region's transit needs. We found that:

- **The RTB's needs assessment was a useful analysis of existing transit routes and potential transit markets, but it contained no aggregate cost estimates for the recommended service strategies and it did not discuss possible funding sources, as required by state law.**

The study found that most parts of the region have good transit service to downtown Minneapolis or St. Paul, and service within the central cities is generally good. But the needs assessment found that services for people travelling to suburbs and within suburbs is often inadequate.

The RTB's transit needs assessment was useful, but it has not resulted in service improvements so far.

Unfortunately, utilization of the study has been limited so far. While the needs assessment was an important step toward better suburban service, we found that:

- **With the exception of Metro Mobility, the board did not make suburban service improvements a priority during its first three years. Contrary to the 1984 Legislature's expectations, the board has not implemented any noteworthy service improvements inside the "transit taxing district" to date.**

The board does plan to "test market" some new suburban services during 1988 and it intends to use the needs assessment to select these services.

In 1986, the RTB and MTC developed cost-effectiveness standards for MTC routes, and this was a step toward more cost-effective service. However, it has taken the RTB longer than originally expected to finalize and implement performance standards for MTC and non-MTC routes.

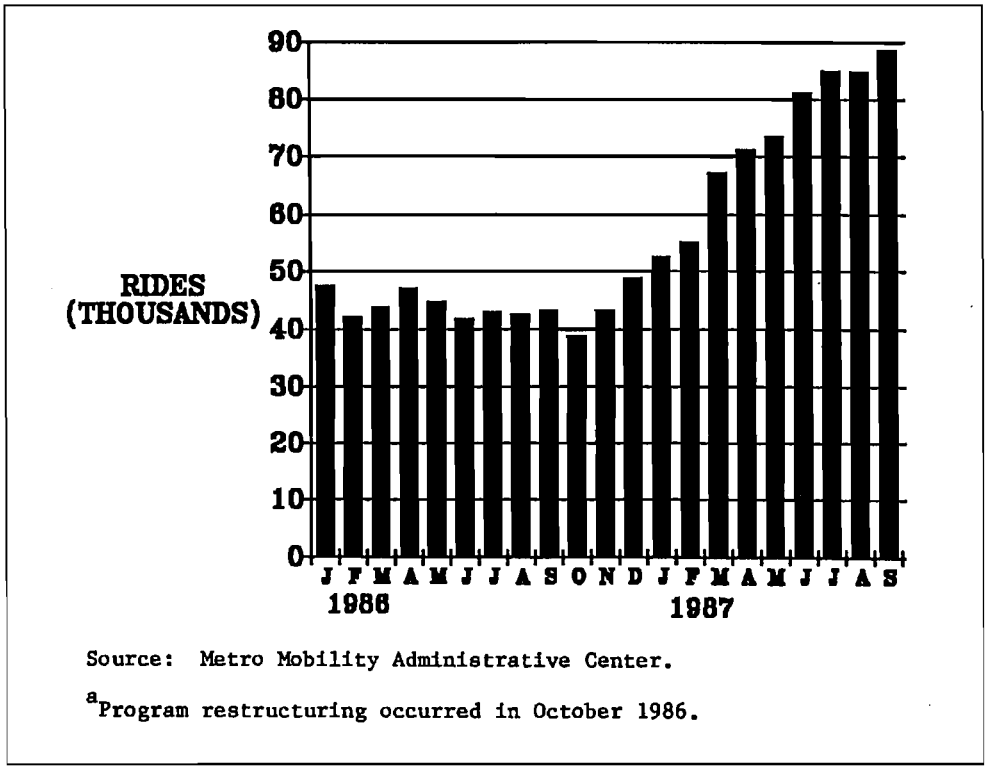
State law required the RTB to develop an Implementation and Financial Plan during 1986 that would show how it intended to implement Metropolitan Council transit policies and plans. Because the RTB's needs assessment took longer to complete than expected, staff had to rush their development of the Implementation and Financial Plan. The draft plan did not meet the Legislature's deadline nor did its contents fully satisfy the Metropolitan Council. We also found that:

- **The board has not used the plan as a key decision-making tool.**

In our view, the plan did not adequately outline: (1) the RTB's expected decision-making process on major issues, (2) justifications for recommended services and capital facilities, and (3) priorities among the recommended services and facilities. In addition, the RTB submitted its implementation plan to the Metropolitan Council in November 1986 without fare policies, which state law required to be part of the plan.

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.



Source: Metro Mobility Administrative Center.

[a]Program restructuring occurred in October 1986.

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-

cies. But the committee was slow in getting organized, and staff did not provide the committee with enough guidance and opportunity for input.

In addition, the RTB did not adequately distinguish its own responsibilities from those of the Metro Mobility Administrative Center. This led to confusion about which agency was responsible for monitoring provider performance. Also, we found that neither the RTB nor Metro Mobility administrative staff developed formal, written specifications for the program's computer system in 1986, so the system put in place in late 1985 lacked some necessary components.

The RTB has made better efforts in recent months to involve users and providers in decision making, although some issues remained unresolved late in 1987.

COMPETITIVE BIDDING FOR TRANSIT SERVICES

During the past two years, the RTB has expressed interest in competitively bidding certain transit routes in order to make the system more cost-effective. The RTB received a $350,000 federal grant in 1986 to pursue competitive transit.

RTB needs to clarify which services are eligible for competitive bidding.

So far the RTB has bid out two former MTC routes, and it is too early to judge the potential cost-effectiveness of competitive transit. However, the RTB bid these routes prior to (1) establishing guidelines for the bidding process, and (2) establishing a means of effectively resolving provider disputes. Subsequently, the Legislature mandated the RTB to establish bidding procedures, and the federal government criticized the lack of an adequate dispute resolution process.

During 1987, the RTB and MTC had a strained relationship, resulting partly from the board's interest in competitive transit. The MTC wanted a clearer indication of which routes the RTB would bid. We concluded that:

- **The RTB's failure to define the limits of competitive bidding has been unnecessary and unproductive.**

We also reviewed the board's process for developing competitive transit guidelines during 1987 and concluded that the board's process for developing guidelines was thorough and open. In contrast to the RTB's implementation planning for Metro Mobility, we think the staff made strong efforts to hear the viewpoints of many parties and present the board with these varying views.

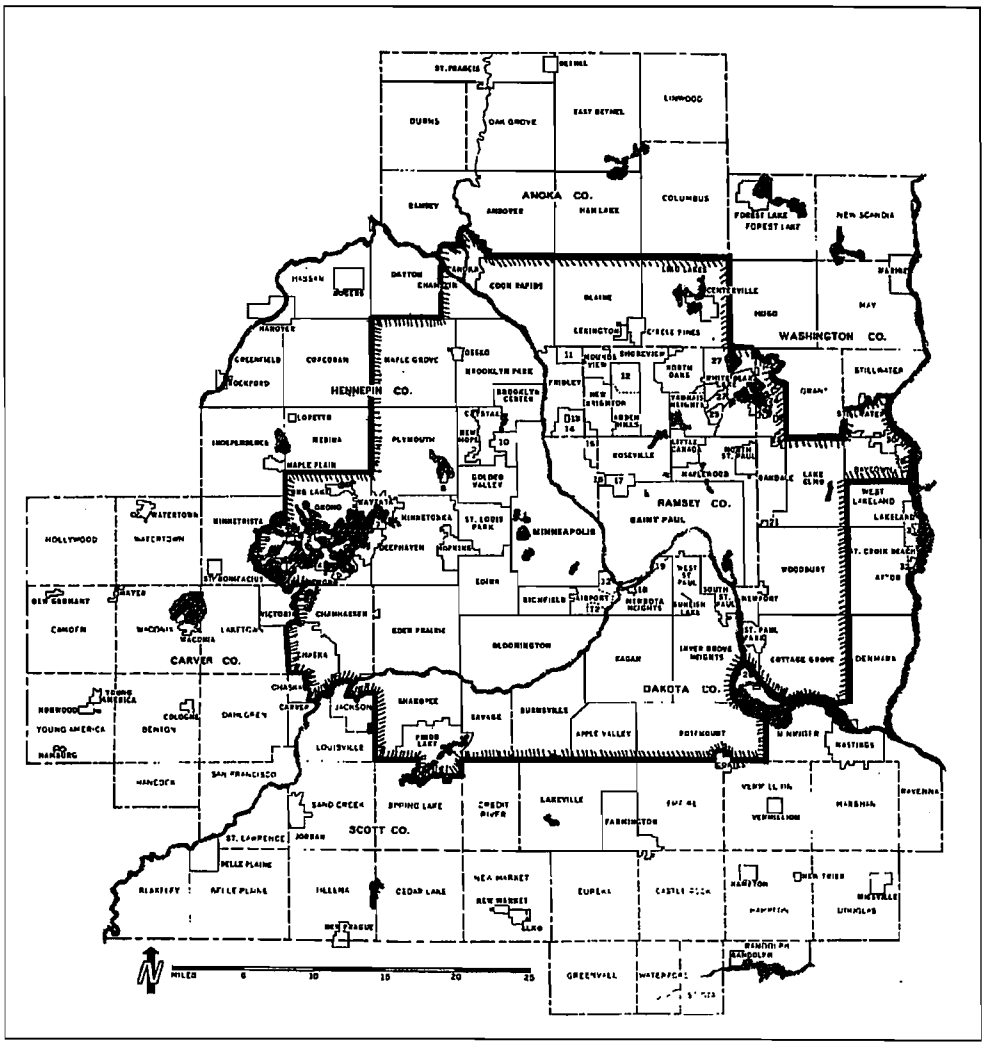
LOCAL INVOLVEMENT IN TRANSIT PLANNING

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 our survey of city officials in the transit taxing district, we found that:

- **A slight majority of city officials believe that their city's transit service is adequate. However, officials in cities with populations over 10,000 are more dissatisfied with service.**

- **While some city officials report that their involvement in the transit planning process increased since 1984, most believe their level of involvement remains unchanged.**

When asked which one type of service would most help their cities, local officials from larger cities preferred bus service that helps residents circulate within the city or travel to adjacent suburbs. In contrast, officials in smaller cities prefer improved service to the central cities.

COORDINATION AND ACCOUNTABILITY

The Legislature should give the Metropolitan Council and RTB greater roles in the development of light rail.

The 1984 Legislature tried to clarify the division of responsibilities among the transit planning agencies, but we found that:

- **Responsibility for some transit issues and functions remains unclear.**

One problem requiring the Legislature's attention is the lack of adequate regional involvement in the planning and coordination of light rail transit (LRT). The 1987 Legislature gave primary responsibility for initiating and developing LRT to county regional rail authorities, partly because of Hennepin County's willingness to proceed quickly and with county financing. Meanwhile, state law only allows the RTB to do detailed LRT planning between downtown Minneapolis and St. Paul, and the Metropolitan Council's existing authority to plan and coordinate LRT is probably very limited. Although the counties and regional agencies have expressed willingness to coordinate future LRT development, we think that regional LRT coordination is too important to leave solely to the good intentions of these parties. It makes sense to vest final authority for coordination with the Metropolitan Council, as assisted by the RTB.

Even if the Legislature further clarifies this and other planning responsibilities (as recommended), we concluded that some lack of clarity may be inherent in the current planning structure. For example, it is difficult for the RTB to separate itself from operational concerns when it administers more than 40 transit contracts and is responsible for the implementation of new or restructured programs.

We reviewed the RTB's accountability to the Metropolitan Council, since one of the board's main functions is to implement Metropolitan Council policies and plans. We found that:

- **The council's oversight of the RTB during the past three years was relatively weak, but its newly-proposed long-range transit plans provide better guidance than the existing plan.**

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.**

- **Clarify whether the RTB has authority to: (1) initiate fare changes, (2) enforce sanctions against transit operators, (3) delegate responsibility to the MTC to broker certain services.**

- **Amend the "tax feathering" statute in accordance with the 1984 Legislature's intent, by setting the *percentage* tax reduction that feathered cities will receive.**

- **Consider reinstating the opportunity for cities to initiate "opt-out" service, perhaps effective in 1991. Although we are concerned that this could fragment regional transit service, coordination should be possible if the Legislature clarifies the RTB's authority to apply regional standards to opt-out cities.**

We also recommend the following actions by the transit planning agencies:

- **To improve its decision making, the RTB should: (1) limit retreats to internal matters, not policy issues, (2) establish ad hoc committees to work with staff on special projects, (3) compare the current year's actual and planned staff expenditures before approving the next year's workplan, and (4) periodically assemble members' information requests for staff. In general, the board and chair should strive for more open communication and consensus building.**

The Metropolitan Council should hold RTB more accountable.

- **The RTB's next Implementation and Financial Plan should more clearly outline: (1) the expected decision-making process for major issues, (2) justifications for recommended services and capital facilities, (3) priorities among recommended services and facilities.**

- **The Metropolitan Council's Systems Committee should review major RTB work products, such as the needs assessment and fare policies report, even in cases where the review is not legislatively mandated.**

- **The RTB should obtain more input from local government staff and the council's Transportation Advisory Board. The RTB should devote more staff time to working with local governments.**

- **The RTB should encourage cities to develop formal proposals for local transit improvements and establish criteria for selecting proposals.**

- **The RTB should immediately establish a policy stating which transit services will be eligible to be bid out.**

- **Every six months, the RTB should prepare for the Metropolitan Council a brief summary of progress in implementing council policies. Each biennium, the council should prepare for the**

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.**

BACKGROUND

Chapter 1

This chapter provides an overview of recent transit trends in the Twin Cities metropolitan area and legislative actions affecting the region's transit system.

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

The Twin Cities region's transit planning structure is unique among large metropolitan areas in the U.S. Most cities have transit systems that are "one-tiered" (with the operating agency doing all system planning) or "two-tiered" (with one agency that does long-range planning and another that operates the system). The Twin Cities have a "third tier" in their transit system: a Regional Transit Board (RTB) that follows the lead of the long-range planning agency (the Metropolitan Council) but has no operational responsibilities. Figure 1.1 shows the region's transit planning system.

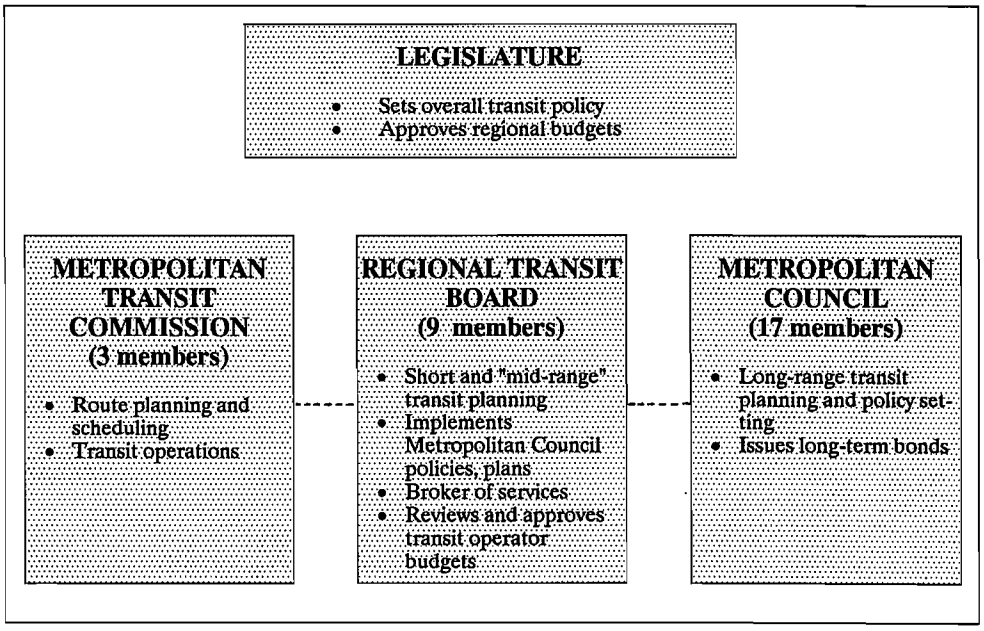


Figure 1.1: Twin Cities Regional Transit Planning Structure

Although some other large metropolitan areas have separate agencies for regional transit planning, the Twin Cities system has more distinct lines between operations and planning. For example, San Diego's regional transit planning board owns the assets of the area's two largest operators. In

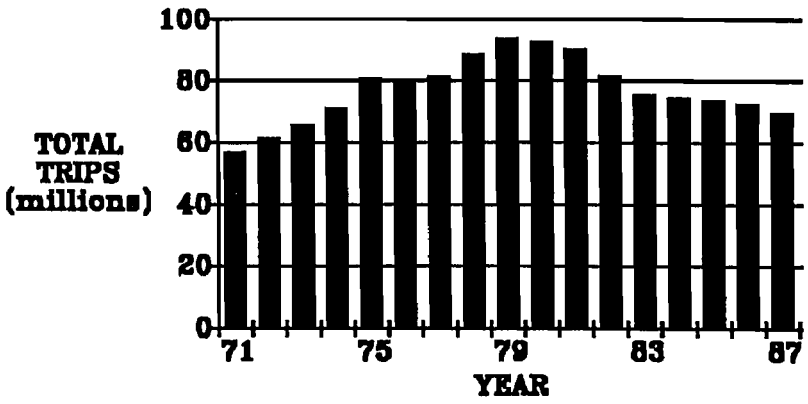
Chicago, the regional transit board controls the budgets of transit operators, but the operators initiate much of the region's transit planning.

TRANSIT RIDERSHIP AND COSTS

Twenty years ago, a private transit operator (Twin City Lines) provided 95 percent of the region's bus service. Due to this company's declining ridership, service levels, and profitability, the 1970 Legislature created the publicly-owned Metropolitan Transit Commission (MTC), which purchased Twin City Lines. Today, the MTC provides 99 percent of the region's regular route transit rides.

Transit ridership has declined more than 20 percent since 1979.

Following the MTC's creation, regular route transit ridership grew until 1979, but has since declined more than 20 percent (as shown in Figure 1.2). Also, single occupant vehicles today account for an increasing percentage of peak hour traffic. As Figure 1.3 shows, the average number of people per private vehicle declined during the past several years, both in the central business districts and suburbs. In 1987, the metropolitan area averaged 1.16 people per vehicle during morning rush hours, meaning that only one of every six cars has a passenger. Meanwhile, there is growing congestion on the region's 550-mile system of freeways and expressways. The Metropolitan Council estimates that 72 of these miles were congested for at least two hours a day in 1984; 125 miles will be congested in 2000.[1]

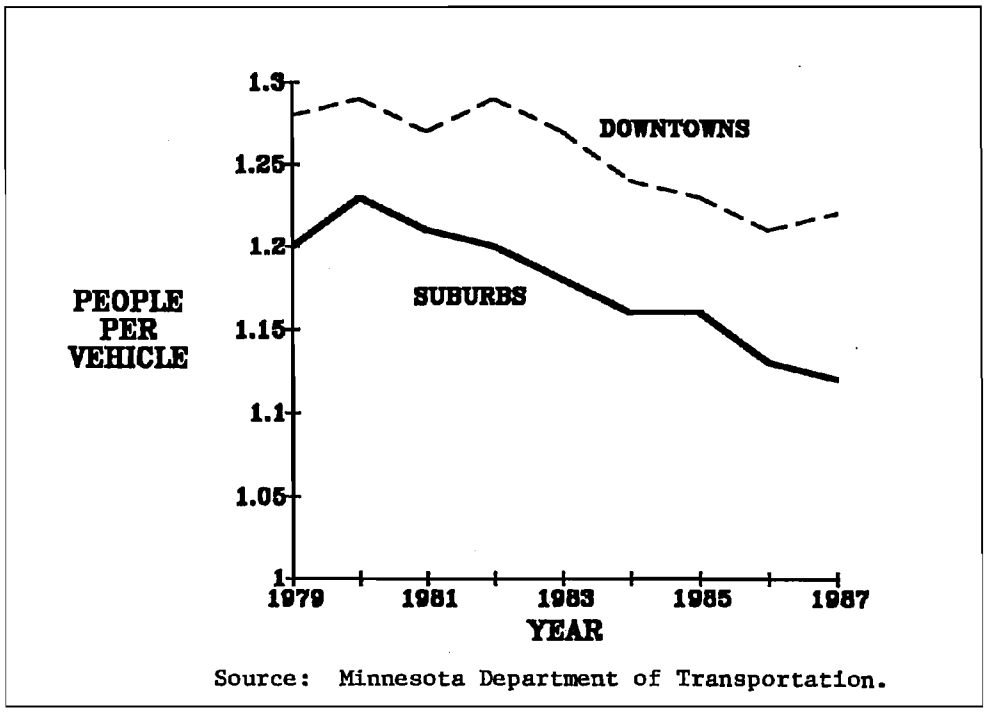


Source: Regional Transit Board.

[a]Transfers are counted as separate trips. 1987 ridership is estimated.

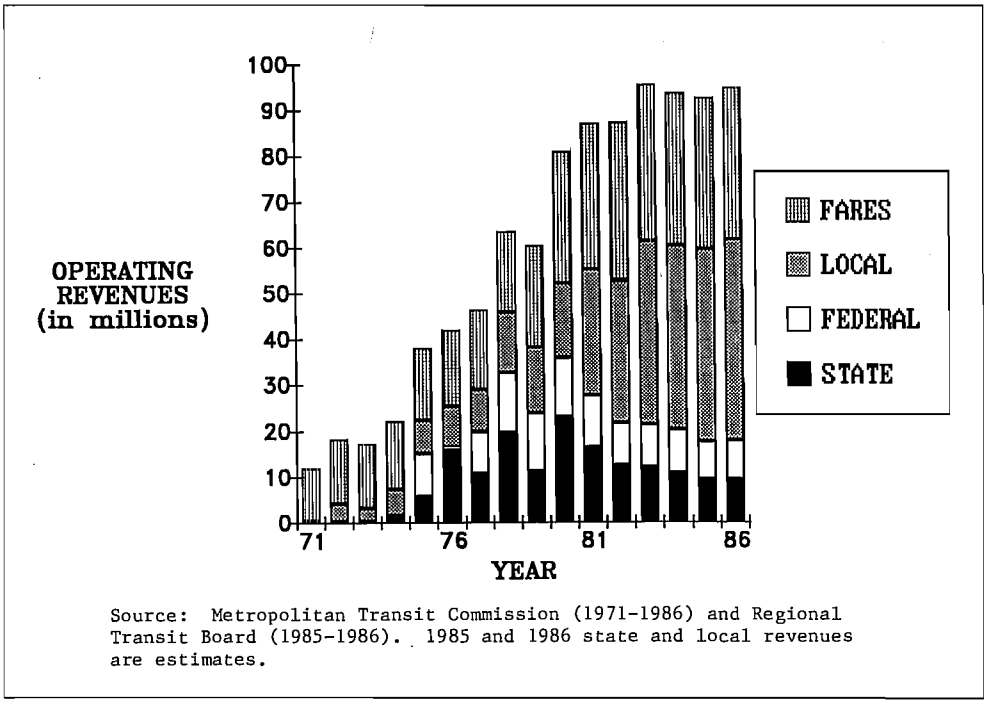
Figure 1.2: Regular Route Transit Ridership 1971-87[a]

1 Metropolitan Council, *A Study of Potential Transit Capital Investments in Twin Cities Corridors: Long Range Transit Analysis*, December 1986.



Source: Minnesota Department of Transportation.

Figure 1.3: People Per Private Vehicle During Morning Peak Traffic Hours 1979-87



Source: Metropolitan Transit Commission (1971-1986) and Regional Transit Board (1985-1986). 1985 and 1986 state and local revenues are estimates.

Figure 1.4: Source of Metropolitan Transit Commission Revenue 1971-86

The state subsidy for metropolitan transit has declined to less than 10 percent of operating revenues.

Since 1979 (the year that transit ridership peaked), MTC operating costs have increased by about one-third. Labor and fringe benefits represent more than 70 percent of the MTC's operating costs, and the base hourly wage for full-time MTC drivers was $13.84 in 1987. The MTC employs 2,250 people, including about 1,400 bus drivers. Twenty percent of the MTC's drivers work part-time; there were no part-time drivers prior to 1979.

The state first subsidized metropolitan transit operations in 1974, providing the MTC with 6 percent of its $25 million budget. State funding increased during the next several years, reaching 29 percent of the MTC's budget in 1980. However, since that time, the state subsidy has declined to less than 10 percent of operating expenses. Figure 1.4 shows MTC operating subsidies since 1980.

The Twin Cities transit system has become increasingly reliant on property taxes in recent years (see Chapter 7), and property taxes currently represent about half of operating revenues. The 91 municipalities in the region's "transit taxing district" (shown in Figure 1.5) contribute between 1.25 and 2.0 mills for metropolitan transit. As shown in Figure 1.6, the Twin Cities region's reliance on local revenues is about average for comparably-sized transit systems, although the most common local revenue source in other cities is the sales tax, not the property tax.

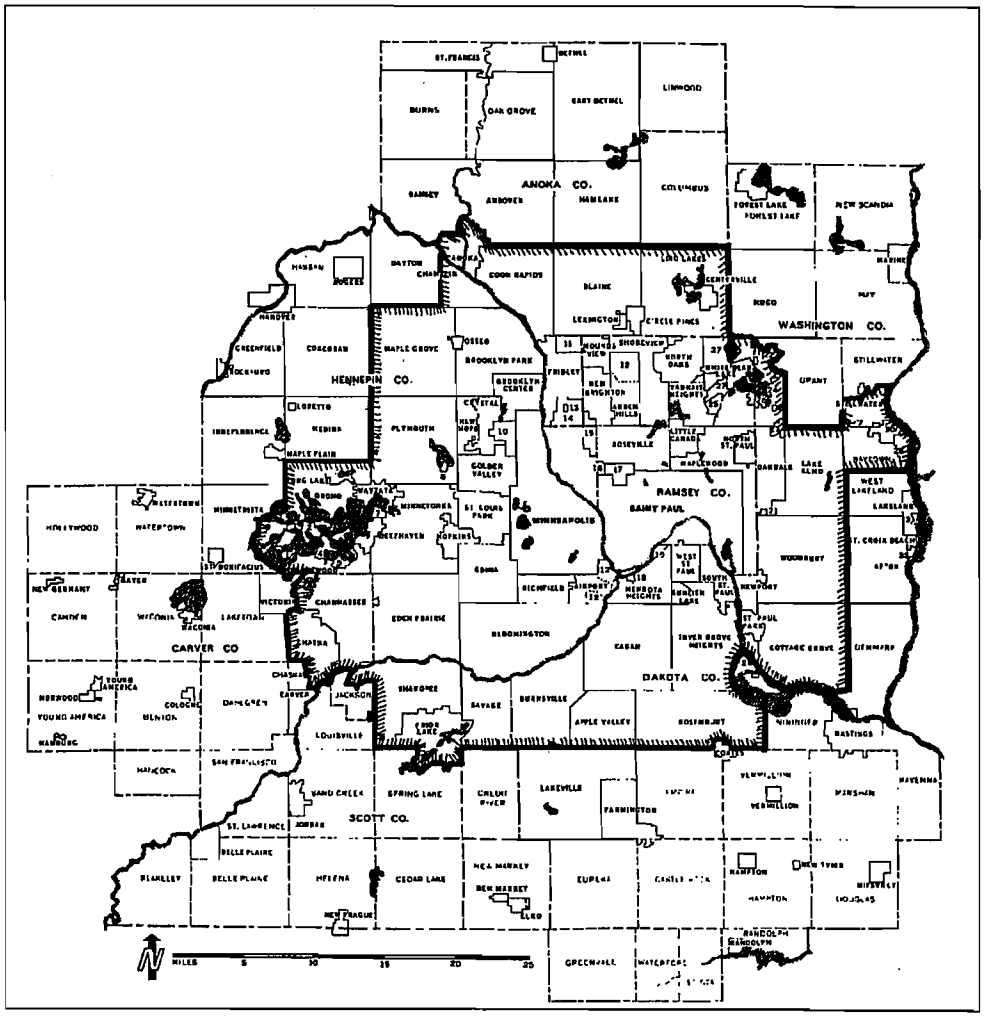


Figure 1.5: Metropolitan Transit Taxing District (outlined)

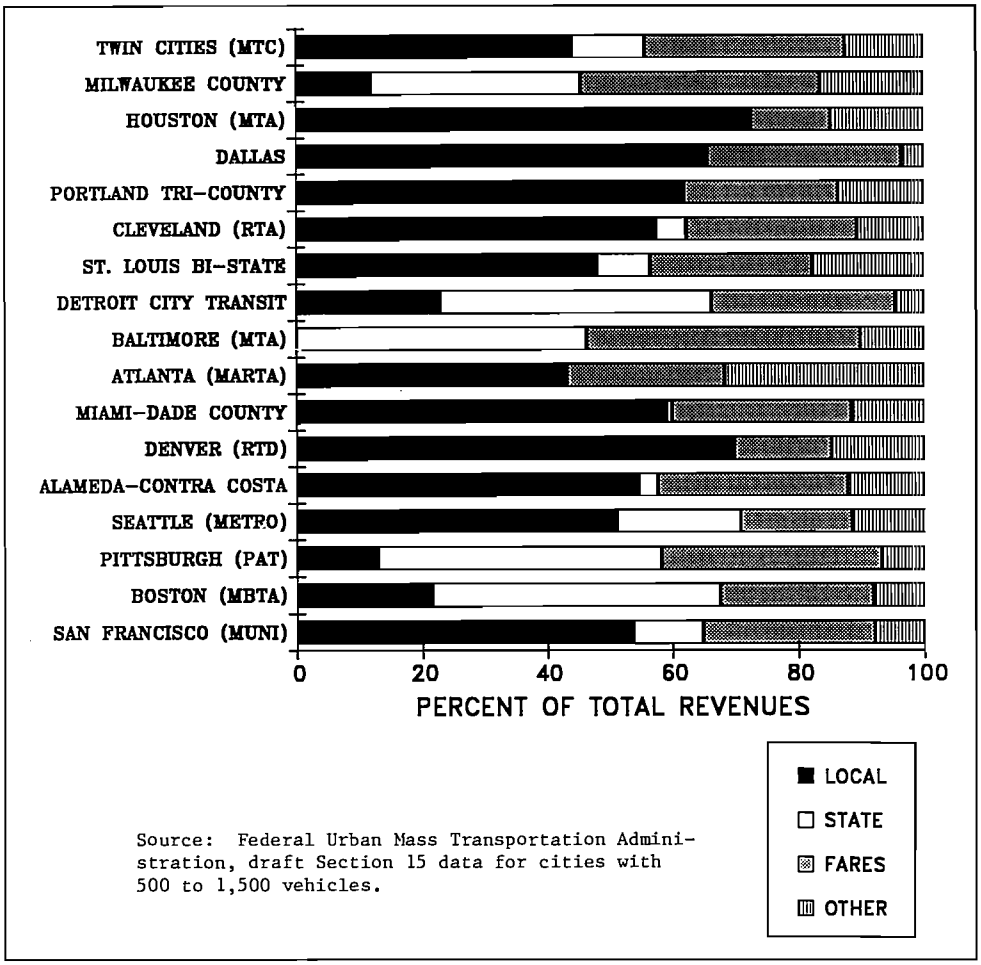


Figure 1.6: Sources of Transit Revenues in Various U.S. Cities (1985)

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

Passenger fares represent 35 to 40 percent of regular route operating revenues. The MTC's base fare within the two central cities has been 60 cents since 1981; it added a 15 cent peak period surcharge in 1982.

The MTC purchased a large part of its 970 bus fleet in the mid-1970's, and these vehicles are nearing the end of their useful life. As a result, the MTC proposes to purchase 125 buses per year in 1988-90. The MTC estimates that it will make capital expenditures of about $39 million in 1988. The federal government will fund about 71 percent of these costs, with bond proceeds financing most of the rest. During 1988, debt service payments will total about $4 million, and debt service on the new bus purchases will begin in 1990.[2]

As shown in Table 1.1, transit programs other than the regular route service also play an important role in the region's transportation system. The Regional Transit Board currently contracts with Anoka, Carver, Dakota, Scott, and Washington Counties for "rural" transit service, mainly for elderly

2 Based on regional agencies' current capital purchasing plans, outstanding debt could be about $55 million in 1990. This would require legislative changes, since metropolitan transit bonding authority is now limited to $18.5 million.

and handicapped people. The state pays 65 percent of the operating costs of these programs. In addition, six cities with populations between 2,500 and 50,000 receive "small urban" transit grants from the RTB; the state subsidizes 60 percent of their operating costs. Another five cities participate in the "replacement service" program, under which cities may "opt out" of the regular route transit program, using their local property taxes to fund transit services (see Chapter 4).

Other transit programs supplement regular route service in the metro area.

The main transit program for disabled people in the region is Metro Mobility, which currently serves Minneapolis, St. Paul, inner ring suburbs, and most of the region's northern and western suburbs. By April 1988, Metro Mobility will serve all 91 cities in the metropolitan area's transit taxing district. Metro Mobility ridership doubled following a restructuring of the program in 1986 (see Chapter 5). In addition, many social service and non-profit agencies provide transit service without RTB subsidies to elderly and disabled residents in Hennepin and Ramsey counties, as shown in Table 1.1.

	Total Estimated Annual Transit Trips (1987)[a]
Regular route service	69,600,000
County and rural transit programs	241,000
Small urban transit programs	111,700
Replacement service ("opt-out")	312,300
Metro Mobility	1,148,000
Hennepin County social service and non-profit agencies[b]	150,000
Ramsey County social service and non-profit agencies[b]	108,000

Source: West Metro Coordinated Transportation (Hennepin estimate), St. Paul chapter of the American Red Cross (Ramsey estimate), Metro Mobility Administrative Center (Metro Mobility estimate), Regional Transit Board.

[a]Total trips includes transfers
[b]1986 estimate

Table 1.1: Metropolitan Transit Ridership

Finally, Minnesota Rideshare is the agency within the MTC that helps Twin Cities commuters establish car or van pools. Most carpooling occurs informally and is not documented, but Figure 1.7 shows the number of carpoolers participating in Minnesota Rideshare's program during the past two years. The RTB established a $680,000 1987 contract with Minnesota Rideshare to promote ridesharing through activities such as applicant matching and advertising purchases.

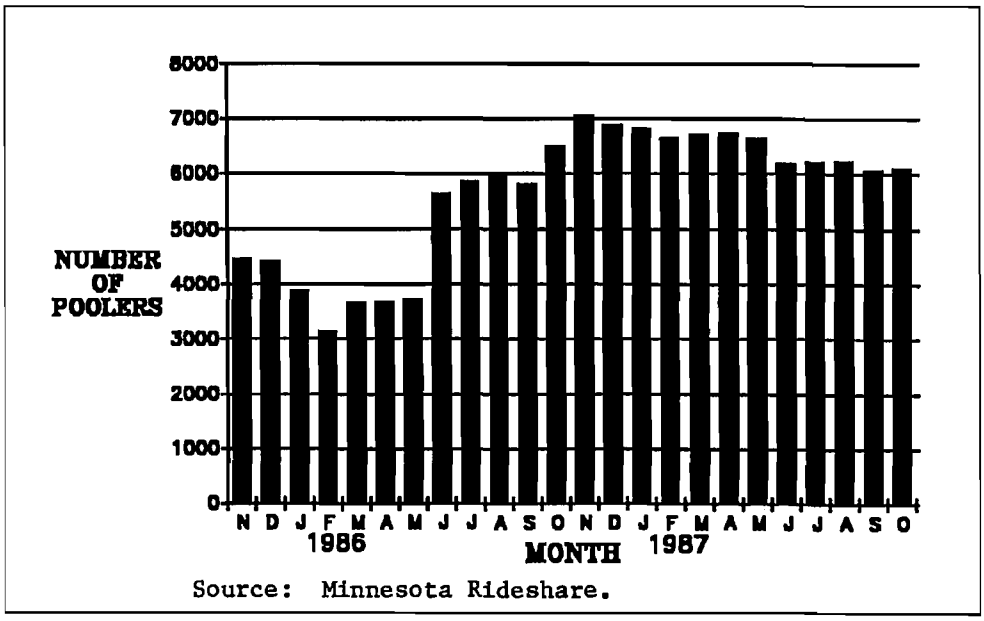


Figure 1.7: People in Minnesota Rideshare's Car or Van Pools November 1985 - October 1987

The Metropolitan Council concluded that the demands of operating a bus company prevented MTC from doing enough planning.

RECENT LEGISLATIVE ACTIONS

Legislative Changes: 1983-84

In 1982, MTC officials predicted that the agency's operating costs would exceed its revenues by $40 million during the 1982-1983 biennium. In response, the region's lead planning agency, the Metropolitan Council, undertook a study of existing bus service, financing alternatives, and the transit planning structure.

In the council's January 1984 report it concluded that:

> The major deficiency in the existing structure is the absence of a short-range service plan for the Metro Area that would specify transit needs and proposed services for each part of the area and a program to implement the plan. The result of this deficiency is insufficient service within the area--particularly in the second and third tier suburbs.[3]

The council concluded that the ongoing demands of operating a bus company prevented the MTC from doing enough service planning. Moreover, the MTC had little incentive to plan new transit services that it could not afford to operate. At the time, no regional agency reviewed and approved the MTC's operating budget, and the MTC was not required to prepare a service plan consistent with council policies.

3 Metropolitan Council, *Regional Service and Finance Study on Transit*, January 1984, p. 63.

The council also concluded that:

- MTC operating costs were increasing faster than the inflation rate.
- The local two-mill property tax dedicated to transit service was inequitable. The taxes collected from municipalities should more closely reflect the services received.
- The MTC provided cost-effective service to the fully-developed part of the region, but its service to outlying suburbs was much less cost-effective.
- The state (which funded 13 percent of metropolitan transit operating costs in 1984) should fund a larger share of transit costs.

The council's study coincided with a legislative study commission on metropolitan transit, composed of 10 members of the House and Senate. Like the council, the commission saw flaws in the transit planning structure. The commission concluded that "the three functions of effective transit service--planning, arranging, and delivering--are misallocated among the various agencies and levels of government."[4]

The 1984 Legislature established the RTB and limited MTC's responsibilities to transit operations.

The commission recommended creation of a "regional transit board" which would (1) conduct "mid-range" planning to implement the Metropolitan Council's policies, (2) arrange, implement, and evaluate service, and (3) prepare the region's transit budgets. The commission considered these tasks too detailed for the Metropolitan Council, which it wanted to limit to "planning and coordinating."

The creation of a new planning agency "between" the Metropolitan Council and MTC would complicate the region's planning structure, presenting a potential for duplication, confusion about agency roles, and unclear agency accountability. However, the commission hoped that such a planning agency could perform then-unfulfilled functions: purchasing and arranging transit services from among many providers, and filling the planning gap between the MTC's short-range scheduling and the council's long-range plans.

Consistent with the commission's recommendations, the 1984 Legislature established the Regional Transit Board and limited the MTC's responsibilities to transit operations and short-range planning. From our discussions with legislators, agency staff, and our reviews of relevant reports, we concluded that several legislative goals prompted the structural changes, and Figure 1.8 summarizes these goals. Some people told us that the Legislature's dissatisfaction with the MTC's chair strongly influenced its decision to restructure the system. However, it is also clear that considerable discussion and analysis of policy concerns preceded the change.

The 1984 Legislature's changes somewhat increased the role of the Metropolitan Council in the region's transit planning, while decreasing the role of the MTC and Minnesota Department of Transportation (MnDOT).

4 *Report of Legislative Commission on Metropolitan Transit*, February 24, 1984, p. 3.

- **Improve transit system planning through the separation of planning and operations;**
- **Foster transit innovations that are responsive to local needs;**
- **Increase local involvement in transit planning and in the design and provision of transit services;**
- **Obtain stable funding for transit (20 percent from state, 35 percent from fares, 35 percent from property taxes, 10 percent from federal sources);**
- **Improve the cost-effectiveness of the transit system;**
- **Shift the Legislature's focus from transit operations to broad policy issues;**
- **Replace the MTC's existing chair;**
- **Improve oversight of MTC operations, while preserving the MTC's integrity;**
- **Clarification of agency responsibilities in regional transit planning;**
- **Closer integration of transit into the region's overall transportation planning;**
- **Relate the transit property taxes paid by cities to the services they receive.**

Sources: Report of the Legislative Commission on Metropolitan Transit, February 24, 1984; Metropolitan Council, Report of the Regional Transit Board Transition Task Force to the Regional Transit Board, July 1984; Lawrence Dallam (Metropolitan Council), "New Institutional Arrangements for Transit Decision-Making in the Twin Cities," Public Private Partnerships in Transit (U.S. Department of Transportation), April 1985; interviews with legislators, staff, and agency personnel.

Figure 1.8: The 1984 Legislature's Transit Goals

The Legislature outlined issues that the council's long-range transportation policy plan should address, and it authorized the council to review and approve the RTB's plan for implementing council policies. The Legislature reduced the number of MTC commissioners from nine to three, empowering the RTB to appoint the commissioners and review MTC budgets. Also, the Legislature transferred from MnDOT to the RTB the authority to administer all of the metropolitan area's transit contracts, effective in early 1986.

The 1984 Legislature required the new Regional Transit Board to:

- Prepare an "interim implementation plan" by December 1984, indicating how the RTB would implement council policies during 1985 through 1987.

- Prepare an "implementation plan" by August 1986, outlining the RTB's plans for 1987 to 1991.
- Annually prepare a budget and three-year financial plan.
- Establish a "local planning and development program" to ensure local governments' assistance in RTB planning and decision-making.
- Implement an improved, more coordinated system of service for the elderly and handicapped.
- Assume responsibility for the region's transit contracts, following development of the interim implementation plan.
- Assume authority to levy local property taxes.
- Reduce the transit taxes of cities whose taxes exceed the value of service they receive.
- Assume responsibility for the metropolitan ridesharing program, and establish a rideshare advisory committee.
- Coordinate metropolitan transit operations and establish a program for providing transit users with schedule and service information.

The Legislature granted the RTB authority to establish performance standards for transit operators, and it permitted the board to borrow money for operations or capital needs. The Legislature restricted the RTB's ability to contract for service, declaring that such contracts could not reduce the MTC's staffing, ridership, financial condition, or total level of service.

In 1985, the Legislature reduced the RTB from 15 to 9 members.

Legislative Changes: 1985-87

There have been legislative changes in metropolitan transit planning responsibilities each year since the RTB's creation in 1984. Most of these actions restricted the RTB's authority or directed the RTB to address certain issues. The 1985 Legislature:

- Reduced the number of RTB members from 15 to 9.
- Prohibited the RTB from holding property.
- Permitted the RTB to take actions that reduce the total level of MTC service, although the RTB was still prohibited from causing MTC

employee reductions or imposing hardships on the MTC's financial condition or ridership.

- Required the RTB to establish programs to reduce transit costs to (1) job-seekers who lack private transportation, and (2) the "transit-disadvantaged" population (including elderly, disabled, or low-income people).

In 1985, the Legislature authorized RTB to plan for light rail service only in one corridor and only after a full needs study.

- Transferred general obligation bonding authority from the RTB to the Metropolitan Council, and eliminated the RTB's short-term bonding authority.

- Prohibited public expenditures for light rail transit research or planning without legislative authorization; required the RTB to complete a total assessment of the region's transit service needs and an implementation plan before performing work on light rail transit; and authorized the RTB to commence light rail planning for the corridor between downtown St. Paul and Minneapolis following completion of the implementation plan.

- Required the board to include uniform fare policies for regular route transit in its 1986 implementation plan.

- Required the board to establish an advisory committee for issues related to transportation of the elderly and handicapped.

- Transferred authority over the hiring, firing, and promotion of RTB staff from the board to the staff.

The 1986 Legislature had general concerns about the Metropolitan Council's oversight of regional commissions and boards. It required the council to establish an appointments committee to screen candidates for boards such as the RTB. In addition, the Legislature outlined necessary elements of the council's policy plans, and it required regional agencies to develop implementation plans for council plans.

The 1986 Legislature also:

- Required at least one RTB member to be age 65 or older.

- Required the RTB to submit its implementation plan to the Metropolitan Council, and permitted the council to decide when the RTB should develop new implementation plans.

- Required the RTB to prepare financial plans every two years (previously they were due each year).

The 1987 Legislature:

- Required Metropolitan Council members to consult with legislators before making appointments to regional agencies.

- Required members of the RTB and other regional agencies to communicate regularly with legislators, Metropolitan Council members, and local officials in their districts.

- Clarified the purposes of the RTB, as shown in Figure 1.9; directed the RTB to avoid direct operational planning, administration, and management of specific transit services and facilities, to the greatest extent possible.

- **To foster effective delivery of existing transit services and encourage innovation in transit service;**
- **To prepare implementation and financial plans for the metropolitan transit system;**
- **To set policies and standards for implementing the transit policies and programs of the state and the transit policies of the Metropolitan Council;**
- **To conduct transit research and evaluation;**
- **To administer state and metropolitan transit subsidies.**

Source: Minn. Stat. §473.373, Subd. 1a.

Figure 1.9: Statutory Purposes of the Regional Transit Board (1987)

- Required the RTB implementation plan to indicate board policies that will govern its decisions to change fare policies.

- Required the RTB to send local government officials copies of the draft implementation plan at least 30 days prior to its public hearings.

- Required the RTB's financial plan to outline transit fares and any changes in these fares foreseen during the planning period.

- Determined that cities could be eligible for "replacement service" (opt-out) only if they submit an application for assistance by July 1988.

- Required the RTB to contract with transit operators or local governments for route planning and scheduling services, with the RTB retaining approval power.

The 1987 Legislature required the RTB to develop guidelines prior to competitively bidding transit service.

- Required the RTB to establish a project management team to advise it on the development of competitive bidding guidelines, standards, and procedures; and prohibited the RTB from competitively bidding service unless it is in accordance with these guidelines.
- Prohibited the RTB from receiving federal capital or operating assistance for transit, and asked the board to report to the Legislature by January 1988 on the merits of tranferring federal fund receipt from the MTC to the RTB.
- Prohibited the board from spending any funds on light rail transit planning (including preliminary engineering) or test marketing of new services if the expenditures reduce the level of regular route service.
- Required the RTB's contracts for "special transportation" (such as service to the elderly and handicapped) to specify standards and reimbursement rates.
- Required the RTB to delegate the management and administration of Metro Mobility operations to a contractor, and required the RTB to develop performance and compliance standards for this administrator.

In 1987, the Legislature gave county rail authorities the principal role in planning light rail transit.

- Required the RTB to ensure that the Metro Mobility administrator responds to user complaints and obtains provider reports on service problems; and required the RTB to annually report to the Legislature on Metro Mobility complaints and provider reports.
- Required the RTB to hold public hearings on its contracts with providers and the administrative center.
- Required that the RTB consult with its special transportation advisory committee in a timely manner before making service changes.
- Required the board to evaluate special transportation service providers annually.
- Authorized county rail authorities to have the principal role in planning light rail transit. Prior to construction of light rail, the Metropolitan Council must review and comment on the consistency of county plans with the council's long-range plans. The council may cooperate with counties in the study, planning, and design of light rail, and the MTC may work with counties in the operational planning and operations of the system. The Metropolitan Council shall recommend a process to the Legislature by January 15, 1988 for

coordinating light rail transit. Hennepin County must develop a comprehensive light rail plan by July 1988.

The effect of the many changes since 1983 was to place primary transit planning responsibility (except for light rail transit) with the Regional Transit Board, while limiting the MTC to transit operations, route and service scheduling, and capital planning. The Metropolitan Council develops long-range policies and plans, issues general obligation bonds for capital expenditures, and reviews and approves the RTB's capital budget (through the 1989 budget year), implementation plan, and financial plan.

The Legislature appropriated $40.9 million for the RTB in the 1987-89 biennium. Table 1.2 shows the components of the RTB's appropriation. The RTB's total fund balance at the beginning of December 1987 was $9.2 million.

Regular route service	$23,443,000
Metro Mobility	12,500,000
Small, urban, rural, replacement services	1,460,000
Test marketing of new services	897,000
Light rail transit studies	400,000
Planning and programs	1,500,000
Administration	700,000
TOTAL	$40,900,000

Source: 1987 Laws, Chapter 358, Section 3.

Table 1.2: Regional Transit Board State Funding 1988-89 Biennium

REGIONAL TRANSIT BOARD

Chapter 2

The Regional Transit Board faced major challenges when it first met in July 1984. Important policy issues and administrative responsibilities needed attention, but the agency had no staff. This chapter looks at the board's structure, internal dynamics, and work programs during its first three years. We asked:

- **How did the total number of transit planning staff in all metropolitan agencies change when the Legislature created the RTB? How long did it take the RTB to become fully staffed?**
- **How does the board make decisions, and are internal communications adequate?**
- **What activities have dominated the board's agenda during its first three years?**

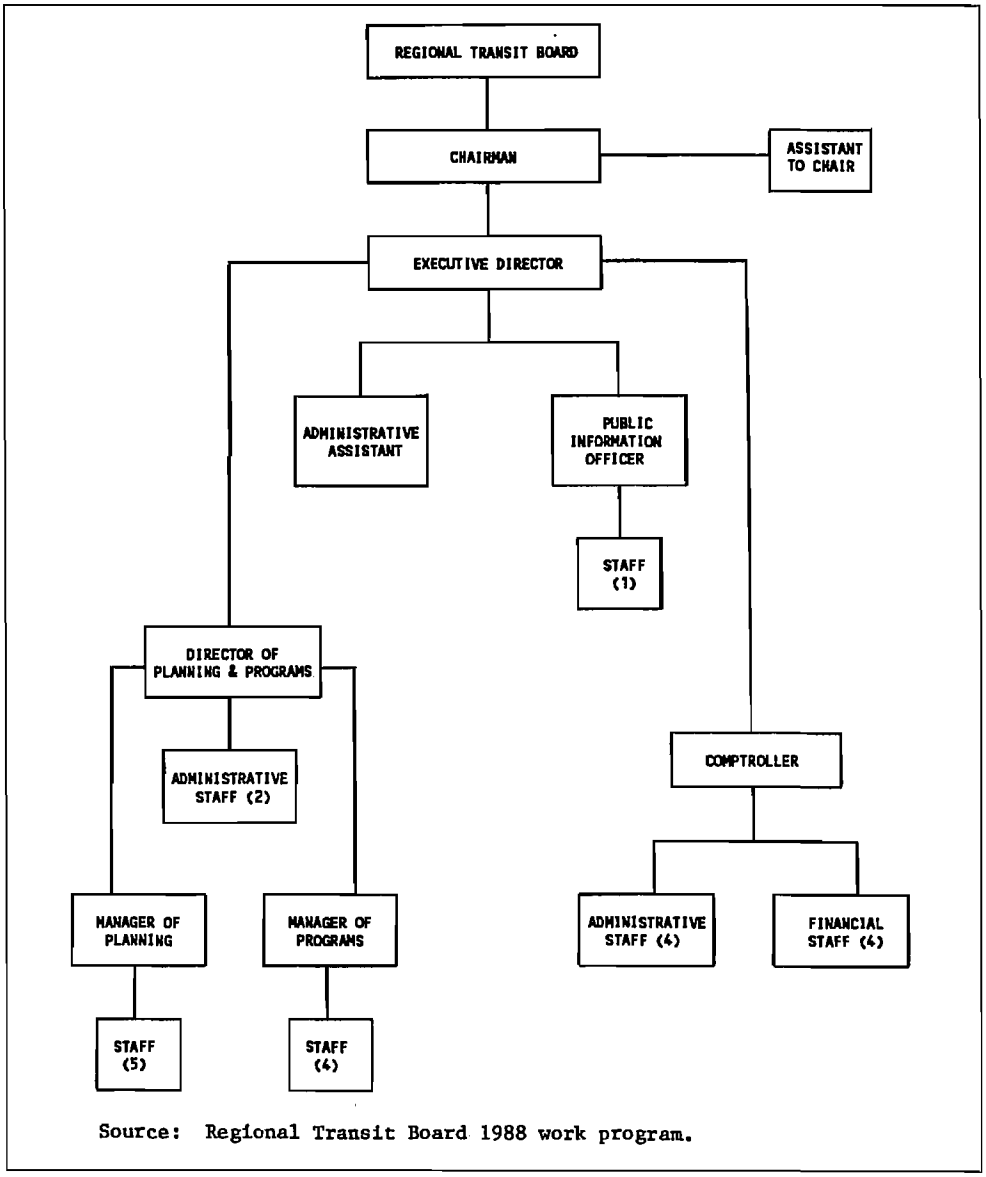
STAFF

The current organization of the Regional Transit Board is shown in Figure 2.1. The RTB's chief administrative officer is the executive director, who oversees agency budget and financial matters, ongoing transit program administration, and planning activities.

Seven out of 29 RTB staff are "planners."

The RTB's Planning Section conducts research on transit needs, prepares implementation plans for Metropolitan Council policies, develops standards for assessing transit services, and provides technical assistance to local governments. Although the RTB is often described as a "planning agency," planners represent only seven of the 29 budgeted positions at the RTB.[1] The Program Section administers about 40 contracts with transit providers, oversees ridesharing programs in the region, and explores means of making transit more cost-effective, such as competitive bidding for transit services. The comptroller heads the RTB's Administration and Finance Division, assisting

1 One of these positions has never been filled.



Source: Regional Transit Board 1988 work program.

Figure 2.1: Regional Transit Board Organization Chart (1988)

the executive director in budget development, financial oversight of transit providers, and internal administrative matters.

We found that:

- **It took more than a year for the RTB to become fully staffed.**

The board hired its first employee, the executive director, in September 1984. The directors of administration and planning/programs were hired in December 1984, and the managers of the planning and programs divisions were hired in April 1985. The RTB completed its initial hiring of five junior-level professional staff in October 1985.

RTB managers provided the following explanations for the length of the hiring process: (1) extensive efforts to hire women, minorities, and non-MTC employees; (2) the RTB's early preoccupation with pressing policy issues (such as light rail transit and developing an agenda for the board), rather than staff hirings; (3) failure of the board to provide direction on staffing needs. The RTB hired consultants to do most of its staff work in 1984, and the board limited its work agenda in the early months due to the lack of staff.

We also found that:

- **The RTB experienced considerable turnover in top managerial positions during its first two years.**

The first executive director left the agency about two years after being hired. The first director of administration held his position less than 18 months, and the first manager of programs left the RTB after about a year. In addition, the RTB's second director of administration was hired as the agency's second executive director.[2] These management changes have, at the very least, diverted some of the staff's and board's attention from policy issues at various times during the RTB's early history. Staff and board members told us that some of the changes (and the events leading up to them) also had a detrimental effect on agency morale.

Some people we talked with believe the RTB staff is relatively inexperienced. To a large extent, "inexperience" should be expected in a new agency designed to function differently than traditional transit agencies. The RTB's agenda contains some issues that have not been seriously confronted by most transit staffs elsewhere in the U.S. We found that the RTB did hire junior-level staff with limited experience; planners averaged about two years of transit-related professional experience before coming to the agency, and the project administrators averaged about three years.[3] In addition, the RTB lacked a formal system of employee performance appraisal until September 1987.

The RTB's staff has been hard-working and responsive to the board, although they have sometimes lacked credibility when dealing with other metro agencies.

From our interviews and observations, the RTB professional staff has shown itself to be eager, hard-working, and responsive to board requests for information. However, we think that it has taken some time for staff to gain a working knowledge of Twin Cities transit and their role in the decision-making process. As a result, the RTB staff has sometimes lacked credibility when dealing with the staffs at the Metropolitan Council and MTC.

RTB members told us that they usually are satisfied with the quality of staff work, but several saw room for improvement. Some members noted past problems with staff/board communications on issues such as the disputed 1986 contract of the Southwest Metropolitan Transit Commission (discussed in Chapter 6) and the decision to lift the daily budget "caps" on Metro Mobility rides in 1987 (discussed in Chapter 5). In these and other cases, members felt that they were not forewarned about pending problems or that they lacked information needed to make decisions. On the other hand, two members ex-

2 In late 1986, the RTB replaced the "director of administration" position with that of "comptroller."

3 Of the eight planners and project administrators hired, two had masters degrees.

pressed concern to us about the large quantity of staff information that members receive.

We also examined trends in transit planning staffing for the various metropolitan agencies. When the RTB was created, the Legislature limited its complement to 19 for one year; there have been no explicit legislative restrictions on staff size since that time. The RTB currently has 25 staff, with 29 positions budgeted for 1988.

According to legislators and legislative staff we talked with, the 1984 Legislature anticipated that the RTB's initial staff hirings would be offset by staff reductions in other agencies.[4] We found that:

- **Between 1983 and 1985, the total number of professional transit planning and programs staff in metropolitan agencies grew slightly, mainly in managerial rather than junior-level positions. There was also a net increase in administrative staff.**

With the creation of the RTB in 1984, the MTC eliminated its Transit Development Department (consisting of five professional staff). At the same time, the Metropolitan Council lost one transit planning position, and the Minnesota Department of Transportation's (MnDOT) Office of Transit lost two professional positions.[5] In sum, as shown in Figure 2.2, the MTC, Metropolitan Council, and MnDOT eliminated about eight professional positions when the RTB was created. The RTB initially hired five junior-level professional staff, three planning and program managers, and the executive director.[6]

The establishment of a new transit agency in 1984 resulted in a net increase in planning and support staff.

There has also been a net increase in financial and support staff at the transit planning agencies, although the magnitude of this increase is difficult to estimate.[7] Most of the RTB's administrative support staff positions (public information officer, public information assistant, assistant to the chair, comptroller, receptionist, administrative assistant, secretary, administrative aide) resulted from the creation of this regional agency.

Overall, the establishment of a new transit planning agency in 1984 resulted in an initial net increase of several transit agency staff, mainly in managerial, financial, and support positions. Some of the RTB's financial and support positions are similar to those at the Metropolitan Council, so both agencies should continue to explore the potential for coordinated or centralized services.

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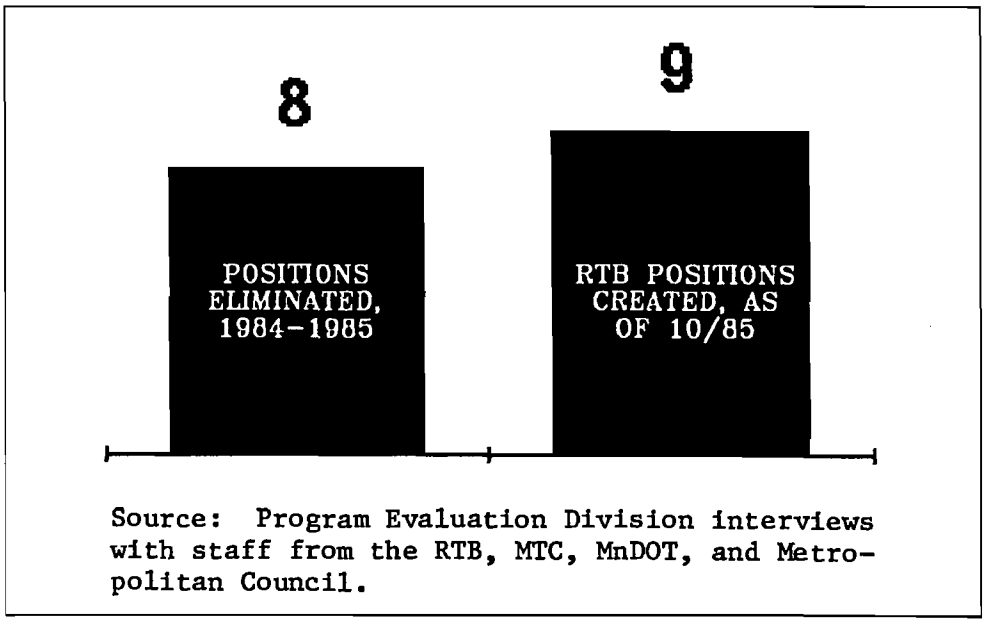
4 The 1984 Legislature required the MTC to reduce its staff by 21 positions by mid-1985, although the reductions were not limited to transit planning positions.

5 The MTC currently has five schedule-makers, four transit service planners, three planning and scheduling supervisors, and one director of planning, development, and communications. The council has the equivalent of two full-time professional transit staff. MnDOT's Office of Transit currently has no planning or administrative staff that devote significant time to metropolitan transit.

6 The RTB's 1988 budget calls for nine junior-level professional staff.

7 The MTC, MnDOT, and Metropolitan Council said entire positions of this sort were usually not cut in 1984, but some positions were redefined.



Source: Program Evaluation Division interviews with staff from the RTB, MTC, MnDOT, and Metropolitan Council.

Figure 2.2: Net Change in the Number of Metropolitan Transit Program and Planning Staff 1984 - 85

BOARD

The RTB consists of eight members appointed by the Metropolitan Council and a chair appointed by the Governor.

The Regional Transit Board consists of eight members appointed by the Metropolitan Council and a chair appointed by the Governor. Each RTB member represents two of the council's 16 geographic districts. An appointments committee of the council meets with candidates who have applied or been nominated for RTB membership, providing the council with information on which to make a selection. By state law, at least one member of the RTB must be age 65 or older. Members serve four-year terms.

Of the nine current board members, four came to the RTB without previous involvement in transit issues.[8] Although state law requires that members of the Metropolitan Council be "knowledgable about urban and metropolitan affairs," there are no parallel requirements for members of the other metropolitan agencies.[9] Four members of the RTB are former Metropolitan Transit Commission members.

The full board meets twice monthly, with more frequent meetings as needed. Each board member is a member of both of the RTB's two committees (shown in Figure 2.3) which meet monthly.

8 Two of the four had served on other metropolitan boards or commissions.

9 *Minn. Stat.* §473.123, subd. 3.

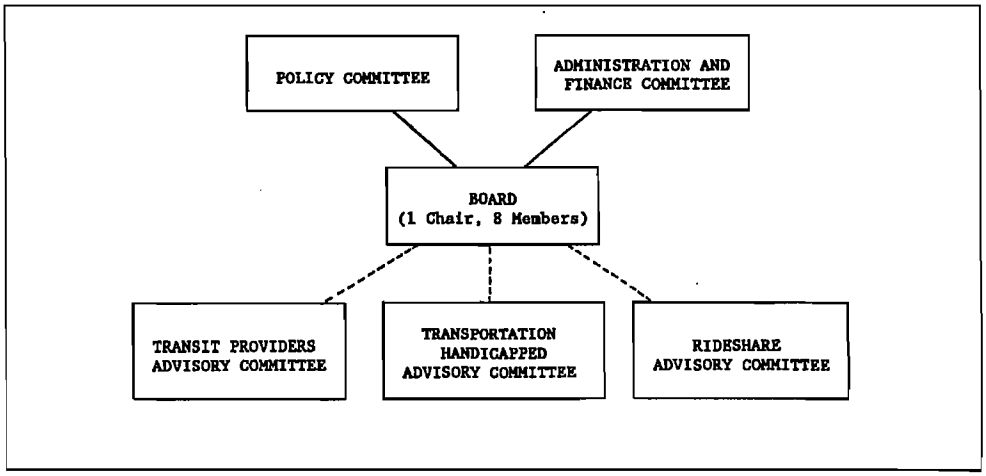


Figure 2.3: Structure of the Regional Transit Board

We found that:

- **Board members have mixed views about the quality of discussions in board meetings.**

Some board members expressed serious concern about the lack of discussion of issues during board meetings. These members felt that the board's opportunity to consider a range of options to transit problems has been limited by the tight deadlines and board meeting schedules, the need for members to prepare themselves better, or by the chair. Other members said that board discussions are good, or that in-depth discussions at the committee level make up for the lack of debate at the board level. Most board members told us that regular board meetings provide adequate opportunity for public input, but three members said that the board should do more to encourage this input.

In addition to regular meetings, the board has "retreats" several times a year. Past retreats have focused on single issues, legislative directives, or general agency direction. Retreats are usually dinner meetings at local restaurants, and relatively few RTB staff or members of the general public attend them.[10] Most board members told us that retreats are valuable, because they (1) educate members, (2) improve communication between members, or (3) offer an opportunity for frank discussions. However:

- **The retreats sometimes weaken the discussion at regular board meetings.**

We observed this in the board's 1987 decision to issue a policy statement supporting MTC operation of future light rail transit in the region. The board discussed this important issue in a retreat, but little discussion occurred in regular committee or board meetings prior to adoption of the policy statement (see Chapter 6).

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10 The retreats are public meetings and the RTB issues notices of meeting times and places. The low public attendance is probably explained by the term "retreat" (which implies a private meeting) and by the fact that the board transacts no official business at retreats.

The RTB's chair plays an important role in setting the agency's agenda. Like the Metropolitan Council and the Metropolitan Sports Facilities Commission, the RTB has a full-time chair; the regional waste control, parks, and airports commissions have part-time chairs. Perhaps the main reason that the 1984 Legislature established a full-time RTB chair was to have a visible spokesperson for metropolitan transit issues. Legislators perceived a need for stronger transit advocacy at the Legislature and in other public forums. The chair is also responsible for presiding at board meetings, presenting the Legislature with a financial plan for public transit, and convening an annual conference of transit providers, operators, and users.[11]

Having both a full-time board chair and a full-time executive director has sometimes been problematic for the RTB.

Having both a full-time board chair and a full-time executive director has sometimes been problematic, especially in an agency as small as the RTB. During the RTB's first two years, an unclear division of responsibilities and poor communications between the chair and executive director led to internal tensions. For example, the executive director felt that the chair was too involved in RTB administrative and personnel issues. The current chair and executive director told us that their communications are good and that the division of responsibilities is mutually understood. Among the current board members (other than the chair), two prefer having a full-time chair and six would like a part-time chair.

We found that:

- **The RTB's current chair (who has served since 1984) has been an aggressive and energetic transit advocate, although his leadership style has sometimes created problems with the board and staff.**

The chair has scheduled annual transit meetings in various parts of the metropolitan area with local elected officials. He meets with legislators frequently, and is credited with building support for metropolitan transit among many non-metropolitan legislators. It also is clear that the chair has been the dominant member of the board. Some board members have said that the chair needs to listen to members more, encourage board discussions, communicate more regularly with the board about his activities, and be more realistic about what the board can accomplish and what it can expect from the Legislature. Board members discussed these concerns with the chair in 1987 and have seen improvements, but it is clear from our discussions with members that some of these concerns remain.

AGENDA SETTING AND WORK PROGRAMS

This section presents an overview of the RTB's work agenda since its establishment. Chapter 3 contains a more detailed description of some key RTB work activities. Our analysis included reviews of RTB meeting minutes, work programs, and expenditure data, and we interviewed current and former staff and board members. For the most part, the RTB chair and staff determine for-

11 Minn. Stat. §473.373, Subd. 5.

mal meeting agendas, although individual members sometimes request that items be placed on future agendas.

The Board's Agenda, 1984-87

When the RTB first met in mid-1984, a task force of state and regional agency officials presented a report that outlined "transition issues and options" for the board to address.[12] Although the new board started with a "clean slate," there were legal and strategic reasons to focus on certain issues. Within the board's first few weeks, it needed to review the MTC budget, select new MTC members, and start RTB staff recruitment. The Legislature required the board to develop an "interim implementation plan" to show how Metropolitan Council transit policies would be implemented between 1985 and 1987; this document was due December 1, 1984.

Light rail transit was the RTB's first major issue, until the Legislature restricted the board's role in light rail planning.

In addition, certain issues seemed appropriate for the RTB's early agenda. The Metropolitan Council completed an analysis of potential light rail transit (LRT) corridors in late 1984, and a council recommendation on LRT during the 1985 legislative session was likely. Similarly, the Urban Institute issued a critical evaluation of the Metro Mobility program in late 1984. RTB members felt that these unresolved issues merited their attention. There were also legislative expectations that the RTB would expand suburban transit service, make existing service more cost-effective, and conduct better mid-range transit planning for the region.

The board's first major policy issue, light rail transit, consumed its attention between November 1984 and February 1985. The board recommended LRT as the preferred transit system in three Twin Cities corridors, urging that preliminary engineering proceed on the University Avenue corridor. Because of this early attention to light rail, some observers concluded that LRT was the board's only concern. We found that in fact:

- **The board has spent relatively little time since February 1985 addressing light rail transit.**

This lack of discussion about LRT resulted primarily from legislative mandates, not a lack of interest in LRT by the RTB. The 1985 Legislature said that RTB could not conduct LRT preliminary engineering on University Avenue until it completed a comprehensive evaluation of transit service needs for the region, looking at all modes of transit.[13] Furthermore, the 1987 Legislature authorized regional rail authorities in metropolitan counties to develop preliminary and final LRT design plans and did not give the RTB an explicit role in the planning process.

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12 The Report of the Regional Transit Board Transition Task Force to the Regional Transit Board (July 1984) was drafted by representatives from the Metropolitan Council, MTC, State Planning Agency, House of Representatives Research Office, and the Minnesota Departments of Finance, Administration, and Transportation.

13 Minn. Stat. §473.398.

Between February and November 1985, the board seemed to be unfocused and consumed by internal issues. At full board meetings, members discussed at length personnel issues, whether to financially support a museum exhibit, and computer services. The primary policy issues receiving attention were taxi regulation and the Interstate 394 corridor study. Issues such as suburban service, competitive transit, service and performance standards, and ridesharing received little or no attention by the full board.[14] A factor contributing to the board's lack of focus may have been the legislatively-mandated change in board membership during mid-1985, which reduced the board's size from 15 to 9.

The full board's attention returned to important policy issues in late 1985, when key decisions about the Metro Mobility program came before the board. Metro Mobility issues were time-consuming for the board, more so than most members expected. We found that:

- **The topic most frequently addressed in 1986-87 board meetings was Metro Mobility.**

During the past two years, the board's agenda has grown increasingly diverse. The board now handles many issues at a time, rather than limiting the agenda as was done early on. However:

- **Some important issues, such as suburban service improvements and ridesharing, rarely were the focus of board discussions between 1984 and late 1987.**

Too little board attention has been given to suburban service.

There was some discussion of suburban service when the RTB completed its Transit Service Needs Assessment in 1986, but there was little discussion of possible service experiments or strategies for implementation of service. Several members told us that too little time has been devoted to suburban service. We were encouraged to see the board making suburban service improvements a greater concern as 1987 progressed.

Overall, we think that the RTB has been confronted with difficult and controversial issues: LRT, Metro Mobility, suburban service, competitive transit, and others. It is not realistic to expect that each issue would be resolved by now. However, we think that the RTB should have shown more progress on its agenda than has been shown. In our view:

- **The board has spent considerable time reacting to immediate concerns instead of thinking strategically about its goals.**

The board put out many "brush fires" in its first three years, often of its own making. Internal administrative problems, transit station planning along Interstate 394 (discussed in Chapter 3), competitive transit in southwestern suburbs (Chapter 4), Metro Mobility implementation (Chapter 5), and the 1987 negotiation of cost-sharing arrangements for university transit service are examples of issues in which potentially embarrassing incidents required the

14 The RTB committees did address some important issues during this time, notably the restructuring of Metro Mobility.

board's immediate attention. As we discuss in the next section and in Chapter 3, better work planning by the staff and board might help the board foresee these potential problems.

Work Program and Budget

To better understand the priorities and staffing of the RTB, we analyzed agency work programs for 1986, 1987, and 1988. The work program is a board-approved staffing and budget plan that allocates agency resources among expected work activities. We also compared the budgeted staff expenditures to actual expenditures for 1986.

Before reviewing the data, two general findings should be highlighted. We found that:

- **In 1986, actual RTB expenditures differed significantly from planned expenditures for many activities.**

- **The RTB does not analyze how actual staff expenditures compare to planned expenditures in a given year before developing its work program and budget for the next year.**

RTB needs to monitor and understand variations in planned spending or staffing before adopting new work programs.

It is normal for most agencies' expenditures to vary somewhat from workplans. Circumstances and priorities change, and agencies need the flexibility to adapt. However, we think it is essential for agency decision-makers to monitor and understand variations in planned agency spending or staffing before they adopt new work programs.

Table 2.1 shows planned RTB complement hours for 1986 to 1988. The portion of RTB staff time allocated to planning and implementation activities has remained quite constant during this three-year period. Most of the planned staff increase has been in Financial, Administrative, and Personnel Services.

Table 2.2 shows the portion of planned complement hours actually worked in 1986, according to the RTB's time reporting system. Actual staff hours for planning, implementation, and agency management activities were about two-thirds of the expected hours. Overall:

- **RTB staff worked about 20 percent fewer hours in 1986 than originally planned, primarily due to unfilled staff positions.**[15]

Table 2.3 shows how actual staff hours compared to planned hours for various RTB activities. RTB's Handicapped Transportation Planning was the only planning activity that required more staff time than expected. In contrast, less than half the budgeted hours were used for Transit System Planning and Implementation and about one-third of the budgeted hours were used for Interstate 394 Planning and Implementation. This overview of the data does not

15 RTB staff told us that employees often worked more than 40 hour weeks in 1986, although the time reporting system did not reflect this. They also said that some staff had unexpected long-term illnesses in 1986.

Activity	1986	1987	1988
Management of Planning, Programs and Agency[a]	17,065 (33.8%)	18,686 (31.2%)	15,530 (27.5%)
Planning and Implementation[b]	21,160 (42.0%)	27,594 (46.1%)	24,620 (43.6%)
Financial, Administrative and Personnel Services[c]	12,150 (24.1%)	13,639 (22.8%)	16,310 (28.9%)
Total	50,375 (100%)	59,919 (100%)	56,460 (100%)

Source: Program Evaluation Division analysis of Regional Transit Board workplans.

[a]Includes the following Regional Transit Board work activities: RTB Policy Management, Executive Director's Office, Public Information, Planning and Programs Administration.

[b]Includes: Transportation Planning Process, Transit Corridor Studies, Urban Travel Analysis, Handicapped Transportation Planning, Regional Rideshare Coordination, I-394 Planning and Implementation, Transit System Planning and Implementation, Transit Programs and Administration, I-35W Study, Service Needs Assessment and Implementation, and Bus-Related Road Improvements.

[c]Includes: Administrative Services, Financial Management, Personnel Administration, Contract Administration.

Table 2.1: Planned RTB Complement Hours 1986-88

Some RTB activities got less staff attention than planned.

Activity	Hours Worked	Hours Budgeted	Portion of Budgeted Hours Worked
Management of Planning, Programs, and Agency	12,348	17,065	72.3%
Planning and Implementation	15,266	21,160	72.1
Financial, Administrative and Personnel Services	12,210	12,150	100.5
Total	39,824	50,375	79.1%

Source: Program Evaluation Division analysis of Regional Transit Board workplans and expenditure data.

[a]The components of these broad work activities are shown in Table 2.1. In addition, expenditures for Transit Project Planning, Financial Program Development, Capital Planning and Research, and Regional Standards and Evaluation are considered Planning and Implementation expenditures.

Table 2.2: Comparison of RTB Budgeted and Actual Hours Worked 1986

Activity	Budgeted	Actual	Portion of Budgeted Hours Worked
Planning and Program Administration	5,565	3,873	69.6%
Transportation Planning Process	1,050	418	39.8
Corridor Studies	3,025	792	26.2
Handicapped Transportation Planning	1,860	2,149	115.5
Regional Rideshare Coordination	1,300	769	59.2
Transit Programs and Administration	4,605	3,100	67.3
Service Needs Assessment and Implementation Planning	4,485	4,476	99.8
Transit System Planning and Implementation	3,770	1,889	50.1

Source: Program Evaluation Division analysis of Regional Transit Board expenditures and workplans.

Table 2.3: Comparison of Actual and Budgeted RTB Staff Hours For Various Activities 1986

tell us which specific tasks went undone in 1986, but such data seems to provide a foundation from which the board can build better work programs in the future.

Finally, Table 2.4 shows the board's planned staff hours over a three-year period for selected activities. Although the actual hours that a staff works usually differs from workplans, it is instructive to look at changes in the board's priorities over time. Appendix A contains a more detailed description of the activities. Between 1987 and 1988, there are large increases in budgeted hours in the following planning activities:

- *Test marketing.* This is a new activity in which RTB will implement and evaluate service innovations.

- *Preliminary Engineering for Corridor Transit Improvement.* RTB is considering a light rail transit preliminary engineering study for the University Avenue corridor.

- *Handicapped Transportation Planning.* An RTB-sponsored evaluation of the Metro Mobility program will be completed in early 1988, at which time RTB will consider program changes.

The most notable decrease in budgeted hours between 1987 and 1988 is in highway corridor studies. The main reason for this decline is the completion of the Interstate 494 corridor study in 1987.

RTB plans to spend more staff time on service innovations, light rail, and transit for the disabled in 1988.

Activity	1986 Hours	1987 Hours	1988 Hours
RTB Policy Management	3,710	4,400	4,400
Executive Director's Office	5,565	4,426	2,610
Public Information	2,225	4,646	3,820
Planning and Programs Administration	5,565	5,214	4,700
Transportation Planning Process	1,050	1,598	3,570
Highway Corridor Studies	1,480	3,463	0[a]
Urban Travel Analysis and Policy Plan Update	275	2,074	0[b]
Handicapped Transportation Planning	1,860	776	1,885
Regional Rideshare Coordination	1,300	906	910
I-394 Planning and Implementation	1,545	1,523	1,700
Transit System Planning & Implementation	3,770	3,789	4,580
Transit Programs and Administration	4,605	8,092	5,070
Competitive Transit Services	0	3,041	2,240
Preliminary Engineering for Transit Corridors	0	1,799	2,990
Taxicab Planning and Coordination	0	533	0
Service Needs Assessment	4,485	0[c]	0

Source: Regional Transit Board.

[a]The RTB combined this activity with "Transit System Planning and Implementation."
[b]The RTB combined this activity with "Transportation Policy Process."
[c]The RTB combined this activity with "Transit System Planning and Implementation."

Table 2.4: Budgeted RTB Complement Hours for Selected Activities 1986-88

RECOMMENDATIONS

During the RTB's first three years, a full agenda and ambitious timelines often taxed the energies of the board and staff, and these challenges continue. To assist the board in its decision-making, we recommend:

- **The board should discuss fundamental transit issues at regular board meetings not at retreats.**

Although the board may wish to address internal matters at agency retreats, we think that policy issues merit better discussions during the board's regular meetings. This will improve the board's public accountability and will give staff a better sense of the board's direction (as noted earlier, staff do not always participate in the retreats).

- **The board and chair should improve their working relationship by striving for more openness and consensus-building.**

During its first three years, the board's internal problems sometimes distracted it from more pressing business. Some formal changes could improve this relationship, such as having the chair produce a weekly written report for board members on his activities (the Metropolitan Council chair does this). Also, some members support making the chair's position part-time. Ultimately, however, the board's internal communications will improve only with a stronger commitment by members to work together constructively and ensure that the board responds to the concerns of individual members.

- **To supplement its two existing committees, the board should consider establishing ad hoc committees to work with staff on special projects.**

During projects such as the Transit Service Needs Assessment, Metro Mobility implementation, or MTC budget review, special committees could work more closely with staff. This could improve board-staff communication, improve the board's expertise, and provide the staff with ongoing direction.

To improve work planning, staff oversight, and staff direction, we recommend that:

- **The board should more closely scrutinize the current year's staff expenditures before finalizing the succeeding year's budget and workplan.**

At a minimum, the staff should inform members of activities where actual staff time differs significantly from budgeted time. The board should discuss the reasons for these differences and any implications for the next year's budget and workplan. The board should also have more general discussions about its priorities and directions, and one logical time to do this is during workplan development.

- **Periodically, the board should list information that they would like from staff during the following three or six months.**

In advance of important decisions, the board should think about background information or data analyses that may be useful. This may encourage the board and staff to discuss their future agenda and think about possible issues before being faced with hard choices.

RTB WORK PRODUCTS AND ACTIVITIES

Chapter 3

In Chapter 2, we presented a general description of the RTB's issue agenda. In this chapter, we review some of the board's activities in more detail, with particular emphasis on its legislatively-mandated work products. We asked:

- **Did the Transit Service Needs Assessment meet legislative expectations and has it proven to be a useful document?**
- **Has the Implementation and Financial Plan provided coherent strategies for implementing the Metropolitan Council's transit policies?**
- **What other activities did RTB staff devote time to in the past three years and with what results?**

We review the RTB's role in Metro Mobility and competitive bidding for transit services in later chapters.

The RTB had difficulty completing its work on schedule during the past three years.

In general, we found that the RTB had difficulty completing its work on schedule during the past three years. This was true for legislatively-mandated work (particularly the Implementation and Financial Plan and fare policies) and for some activities in which the RTB initially set its own schedule (such as social service tranportation coordination, the evaluation of ridesharing services, and test marketing of new transit services).

We also found that the board needs to do better implementation planning, which may improve the timeliness and quality of work products. The board does not adequately use one of its key work products, the Implementation and Financial Plan, as a decision-making tool, partly because the plan fails to provide the board with specific guidance.

The technical quality of staff work contained in RTB documents has generally been good, but some of the documents have not addressed key issues. The most notable examples are the Transit Service Needs Assessment's lack of detailed cost information and the draft Implementation and Financial Plan's lack of fare policies.

Finally, we found that the board needs better mechanisms for local involvement in its work activities. RTB staff involved local governments constructive-

ly in the needs assessment. However, the RTB lacked effective local involvement in the Implementation and Financial Plan and in Interstate 394 transit facility planning.

TRANSIT SERVICE NEEDS ASSESSMENT

Statutory Basis

The 1984 Legislature mandated the RTB to adopt a service implementation plan by August 1, 1986, which would include a "description of the needs for services, based upon detailed surveys and analysis of service areas and markets identified in the council's policy plan."[1] The 1985 Legislature required the board to "complete the total assessment of transit service needs and markets for the metropolitan area" before performing any detailed work on light rail transit. The 1985 Legislature set December 1, 1986 as the deadline for a report on "the needs, alternative transit systems, and services considered and recommendations for implemention, costs, alternative sources of financing, and preferred financing sources."[2]

The Legislature required the RTB to assess metropolitan transit needs.

The 1985 Legislature also said that the RTB could spend up to $1.75 million during the biennium "on transit needs assessment, planning, and preliminary engineering for the metropolitan area." The needs assessment would determine:

- the size and location of transit markets;
- the mobility, income, and other characteristics of transit users;
- the cost of alternatives to using transit, including parking;
- cost estimates for the total of all modes and vehicle systems, and alternative ways of financing them.[3]

Evaluation

The Transit Service Needs Assessment was the most time-consuming single staff activity during the RTB's first three years. The RTB also relied heavily

1 *Minn. Laws* (1984), Chap. 654, Art. 3, Sect. 118, Subd. 2. The "service implementation plan" is the RTB's Implementation and Financial Plan, described later in this chapter.

2 *Minn. Stat.* §473.398.

3 *Minn. Laws* (1985), First Special Session, Chap. 10, Sect. 2, Subd. 5.

on consultants for this study; the contract for consultant services represented the majority of project expenditures.

The study found that most parts of the region have good transit service to downtown Minneapolis or St. Paul. Also, service *within* the central cities is generally good. However, service for people travelling to suburbs and within suburbs is inadequate, and often non-existent, according to the study. Appendix B contains further details on the needs assessment.

The RTB's needs assessment is a useful analysis of potential transit markets in the region.

We evaluated the Transit Service Needs Assessment to determine whether it was timely, useful, and consistent with legislative intent. We also examined the RTB's process for public participation in the needs assessment. In general, we found that:

- **The Transit Service Needs Assessment is a useful analysis of existing transit routes and potential transit markets, although it did not address some issues that were legislatively mandated. Also, utilization of the study has been limited to date.**

Figure 3.1 lists the Legislature's requirements for the study and indicates those that are satisfied by the needs assessment. The needs assessment provides excellent demographic data on transit markets. The study is less successful in addressing transit finance issues. It provides "unit costs" for various types of transit services, such as the cost per mile of local circulator service.[4] However:

- **The study contains no aggregate cost estimates for the recommended transit strategies. Also, the final report contains no substantive discussion of alternative funding sources and no funding recommendations, as required by law.**

The study's assessment of transit needs relies primarily on existing demographic data. According to our interviews, some legislators and staff expected the RTB to go beyond this, finding out "what makes automobile users tick." We found that:

- **The needs assessment placed an emphasis on identifying those parts of the region in which likely transit users were not being served; it was a study of "unmet needs." The assessment made little effort to determine whether car drivers could be induced to become transit users.**

We think the RTB was correct in its primary emphasis on "unmet needs," but the legislative appropriation for the needs assessment could have funded more extensive research on driver motivations. The RTB did survey residents in the western and northwestern parts of the region, but the results provided little new insight into the motivations of transit users and non-users. The

4 "Circulators" are short routes that typically serve densely-populated areas.

The needs assessment contained no aggregate cost estimates for new transit services.

Components of Needs Assessment Required by Law	Does the Needs Assessment Contain This Required Component?
1) Assessment of transit service needs and markets	Yes
2) Size, location of transit markets	Yes
3) Mobility of transit users	Study provides general information on metropolitan transportation patterns, location of transit-dependent users
4) Income of transit users	Study reports very general information on the incomes of users of four existing bus routes
5) Cost of alternatives to using transit, including parking	No
6) Discussion of alternative transit systems and services	Yes, although there is little mention of light rail transit
7) Recommendations for implementation	Yes
8) Cost of services recommended	Report has "unit cost" estimates for various types of transit service, but no total cost estimate
9) Alternative sources of financing	Final report lists alternative funding sources but does not describe or evaluate them
10) Preferred financing sources	No

Figure 3.1: Compliance of Transit Service Needs Assessment with State Law

needs assessment reports that "a substantial portion" of suburban users would only use a bus if a car were not available to them, but suburban users react favorably to high-quality express service to the downtowns.[5] The study concluded that "the quality of express service is important to attracting riders."[6]

The needs assessment has been a useful document for RTB staff. The RTB used the study to comment on local service requests and to recommend transit strategies in the Metropolitan Council's study of the Interstate 494 corridor. In addition, council staff used the study when updating the Transportation

5 *Final Report: Transit Service Needs Assessment*, March 1987, p. 19.

6 *Final Report*, p. 49.

Chapter of its Metropolitan Development Guide, and MTC staff cited the study as a good background document. Local governments have mixed views of the needs assessment. Of the officials from the region's 43 cities over 10,000 population that have seen the document and formed an opinion about it, 13 told us that the study helped them understand their cities' needs better; 12 said the study was not useful.[7]

As a tool for making the current transit system more cost-effective, the needs assessment recognizes the importance of: (1) more accurate cost estimates for MTC bus routes, and (2) standards for determining which routes should be redesigned, eliminated, or competitively bid. Toward these ends, the RTB developed a "four-factor cost model" designed to improve upon the MTC's cost estimates. We concluded that:

- **The RTB's efforts to obtain more accurate information on bus route costs and its development of "interim route performance standards" represent progress toward a more cost-effective transit system. However, it has taken the RTB longer than originally expected to finalize and implement its cost model and performance standards.**

The RTB has not yet finalized its performance standards for regional bus service.

The RTB and MTC have never come to full agreement on the use of the four-factor cost model, and RTB has never formally adopted the model. The RTB and MTC agreed in March 1986 to implement "interim performance standards" for MTC routes, to be used until the RTB develops more detailed standards. Under the agreement on interim standards, the RTB reviews MTC routes with subsidies greater than $2.45 per passenger to determine whether they should be terminated, restructured, or competitively bid.[8] During the past two years, the MTC discontinued or altered service on several routes that did not meet the interim standard.

According to the MTC/RTB agreement on interim standards, "refined standards will be developed in 1986 for use in 1987 and beyond."[9] These "refinements" have not occurred but may include the development of (1) separate standards for various types of bus service (rather than a single standard for all MTC routes), and (2) standards for routes not operated by the MTC. In August 1987, the board approved a workplan for development of new standards, with final consideration by the board scheduled for early 1988.

As a tool for suggesting new transit service to meet unmet needs, the needs assessment is a good start. The needs assessment assembles a "laundry list" of possible transit strategies for each of the region's sub-areas. The study does not indicate priorities among these strategies and probably should have indi-

7 Officials in 18 cities had not seen the study, answered "not sure," or did not answer. RTB staff told us that many cities have requested sub-area transit analyses completed during the needs assessment.

8 The RTB and MTC selected a $2.45 subsidy per passenger standard by adjusting an existing MTC performance measure for inflation.

9 *Interim Report on Development of Financial and Performance Standards for MTC Regular Route Transit Services*, Joint RTB/MTC Committee on Performance and Financial Standards, March 19, 1986, p. 6.

cated which of the recommended services are most likely to be cost-effective. In the past decade, the MTC unsuccessfully implemented several transit strategies similar to those suggested in the needs assessment, so it makes sense to question whether all of the recommended strategies are equally attractive.[10]

We also examined whether the needs assessment was completed prior to the legislative deadline and within budget. We found that:

- **The RTB adopted the needs assessment prior to the Legislature's deadline, and it spent less than half of its legislative appropriation for the needs assessment.**

RTB finished its needs assessment on time and under budget.

The Legislature asked for the needs assessment by December 1, 1986. The RTB adopted the report in October 1986.[11]

The Legislature appropriated $1.75 million to the RTB for the "transit needs assessment, planning, and preliminary engineering for the metropolitan area." The needs assessment itself cost just over $500,000. In addition, the RTB used the appropriation to fund support services ($101,000), corridor studies on Interstates 394 and 494 ($70,000), and Metro Mobility planning ($50,000). The 1987 Legislature allowed the RTB to carry over its $1 million unspent balance into the current biennium. The board intends to spend most of the balance to plan, design, and implement services outlined in the needs assessment.

Finally, we examined the process by which the RTB developed the needs assessment. We concluded that:

- **The RTB made a significant effort to involve local governments, transit-related agencies, and specialized experts in the development of its study.**

The RTB established a "project management team" of representatives from six cities, the Metropolitan Council and its Transportation Advisory Board, MnDOT, the University of Minnesota, the MTC, private transit operators, Minnesota Rideshare, and the League of Metropolitan Municipalities. The team worked with RTB staff to define and measure transit needs, among other activities. The RTB also assembled a team of national experts from universities, the federal government, and consulting firms. This "strategic planning group" provided the RTB staff with technical expertise as it designed research activities and its four-factor cost model. Finally, the RTB held a series of 14 forums throughout the region during late 1985 for local govern-

10 For example, the MTC implemented "cross-town" services in Bloomington and northern St. Paul, but later discontinued service due to low ridership. The needs assessment lists crosstown services in these areas as potential strategies.

11 The executive summary was printed in December 1986 and the full report was printed in March 1987.

ment staffs and the public to comment on transit needs; about 75 people attended.[12] According to a survey by our office, at least 19 of the 43 cities in the transit taxing district with over 10,000 residents provided data, comments, or advice to the RTB during the needs assessment.[13]

Market Assessment Program

In evaluating the needs assessment, perhaps the most important question is whether this document helped establish new transit services where needed. Prior to the implementation of new services, the RTB supplements the regional needs assessment with more detailed service planning and analyses of sub-regions, called "market assessments." To date, the RTB has conducted one such assessment, in Anoka County.[14]

RTB's market assessment for Anoka County was successful but took a long time to develop.

RTB staff began working with Anoka officials in 1985 and, according to county staff, established an excellent working relationship. The RTB presented the county's transit advisory committee with potential transit strategies, and the committee worked with the RTB staff to rank each. The committee hopes to implement its highest ranking strategies during 1988 with RTB funding.

Overall, there is evidence of progress toward better service in Anoka County. The RTB has worked constructively with local officials to develop community support and with the MTC to develop more detailed service plans. Our main concern is that:

- **The market assessment approach was time-consuming in Anoka County, and it could take many years to complete these assessments throughout the region.**

From the time the Anoka study began to the time when new service begins (mid-1988, at the earliest), three years will probably have passed. Many city officials in the region are not satisfied with existing transit service (as discussed in Chapter 4), and they probably hope for quicker implementation of new strategies.

IMPLEMENTATION AND FINANCIAL PLAN

The "Implementation and Financial Plan" is perhaps the most important of the RTB's work products. This is because it (1) outlines a course of action for

12 The RTB also held local forums in fall 1986 to discuss transit strategies.

13 Officials in 13 of the 43 cities with populations over 10,000 did not answer the question or answered "not sure." Only one city under 10,000 population said that it provided the RTB with data, comments, or advice.

14 In Anoka County, the RTB examined its original needs assessment data in greater detail. Also, it supplemented the original data with rider surveys and improved information on passenger origins and destinations.

the implementation of Metropolitan Council policies, and (2) focuses the board's attention on tangible service improvements. The 1985 Legislature required the plan to include the board's fare policies.

Development and Use of the Plan

The 1984 Legislature required the RTB to develop an "implementation plan" by August 1, 1986 outlining how the board intends to implement the Metropolitan Council's transportation policies.[15] The council issued its most recent policies in 1983 but will adopt new ones in mid-1988. The Legislature required the RTB's first implementation plan to cover at least a five-year period, and amendments must be considered at least once each biennium.

The Legislature also required that the RTB prepare a "financial plan" every two years, which must show the board's expected finances over a three-year period.[16] The board's first plan was to be submitted to the Metropolitan Council by December 1, 1986. The 1985 Legislature required the RTB's financial plan to include "schedules of user charges and changes in user charges required to implement the plan."[17] The RTB chose to combine the "implementation plan" and "financial plan" into a single document.

From our interviews with RTB members and review of board discussions, we learned that:

- **The board has not used the Implementation and Financial Plan as a key decision-making tool.**

RTB's Implementation and Financial Plan was assembled hastily and it has not been used by the board as a key decision-making tool.

Members consider the plan a useful background document, and several feel that it establishes board priorities. However, board members rarely refer to the plan during their public discussions. This contrasts with the Metropolitan Council's Development Guide and policy plans, which the council and its staff use more regularly.

The utilization of the RTB's plan may reflect the haste with which it was assembled. We found that:

- **The Transit Service Needs Assessment took longer to complete than expected, causing RTB staff to rush their development of the Implementation and Financial Plan.**

State law required the RTB to submit its plan to the Metropolitan Council for review by August 1, 1986. The RTB did not develop an outline of the plan until three weeks before this and requested a deadline extension from the council. The council chair agreed that a delay was warranted and asked the RTB to submit its plan by November 3, 1986.[18]

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15 Minn. Laws (1984), Chap. 654, Art. 3, Sect. 118.

16 Minn. Stat. §473.38, Subd. 2.

17 Minn. Laws (1985), Chap. 10, Sect. 30.

18 Letter from Sandra Gardebring to Elliott Perovich, September 3, 1986. The council's authority to extend this legislatively-set deadline is unclear.

The RTB submitted a draft of the Implementation and Financial Plan to the Metropolitan Council in October 1986. But the plan was not fully acceptable to the council, which directed the RTB to make ten changes. For example, the council noted that the plan did not clarify the relationship between the goals and policies of the council and those of the RTB. Subsequently, the RTB made changes in the document as the council had requested.

The adopted Implementation and Financial Plan outlines anticipated RTB activities. The plan discusses the types of transit service and facilities needed, estimated capital and operating expenditures, and the timing of expenditures and activities. The implementation plan builds on the needs assessment's "laundry list" of potential service improvements by recommending the implementation of selected services. For example, the plan identifies the services shown in Figure 3.2 "for further analysis for consideration in the initial Test Marketing Program in 1987 and 1988."[19] The plan also recommends developing "transit hubs" at three shopping centers in the region, as shown.[20]

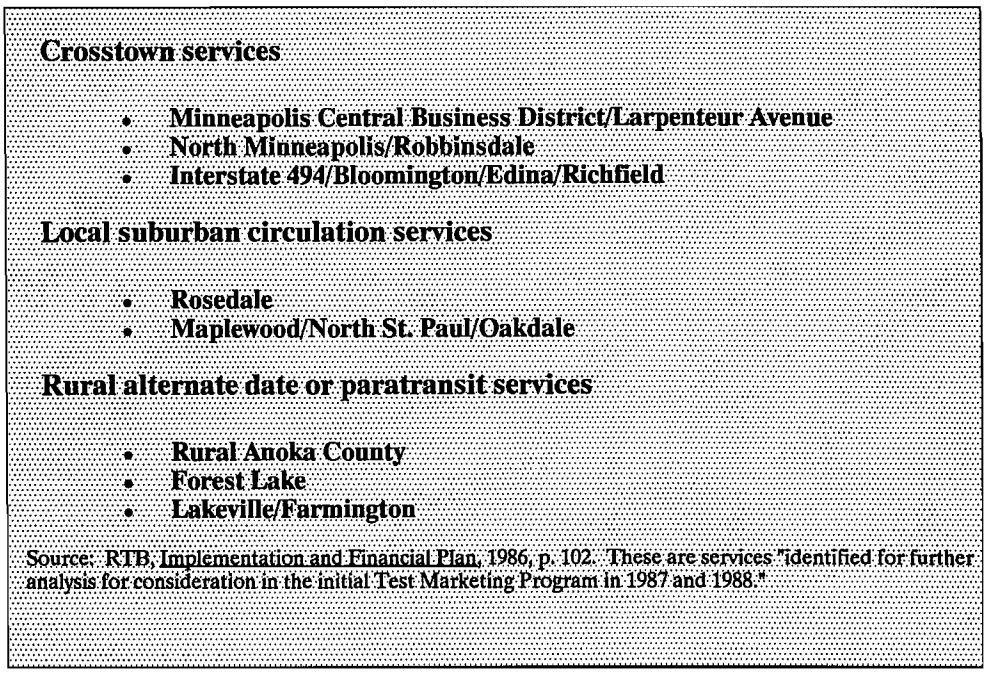

Figure 3.2: Services Being Considered for Test Marketing

However, in our view:

- **The plan does not adequately serve the needs of the Legislature and the Regional Transit Board.**

Specifically, the Implementation and Financial Plan lacked some key elements that, while not required by statute, could have made the plan stronger and more practical. First and most important:

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19 Implementation and Financial Plan, April 1987, p. 102.

20 "Transit hubs" combine transit waiting areas, connections between routes and different services, and park-and-ride facilities.

- **The Implementation and Financial Plan does not adequately address the decision-making process.**

As we note in the chapters on Metro Mobility and competitive transit, the RTB's pursuit of worthy goals has sometimes been hindered by flawed execution. In part, this occurred because the board left key issues unresolved until problems arose. The plan should more explicitly define key issues that must be resolved prior to policy implementation, as well as the sequence of these decisions. The plan should also indicate the manner in which local governments, other agencies, and the public will participate in the process. The Metropolitan Council asked that the RTB's plan address the issue of public participation, but the plan makes little mention of how the public would be involved in future decisions.

In addition, we found that:

- **The Implementation and Financial Plan sometimes lacks explicit justifications for its recommendations.**

The Metropolitan Council wanted the RTB to indicate the "basis of need" for recommended services and facilities, but this basis is not always clear in the plan. For example, while the RTB plan lists the criteria used to select possible "transit hubs" and "test marketing" sites, it is unclear how the chosen hubs and sites compared to others considered. Also, the document lists planned expenditures for capital facilities, often with little or no explicit justification. Because the RTB will assume the Metropolitan Council's capital oversight authority in 1989, it is particularly important for these RTB decisions to be well-supported.

Finally:

- **The RTB did not establish clear priorities among recommended services and facilities in the plan.**

Local governments had little opportunity to provide comments on the plan.

For example, the plan says that the RTB will consider additional regular route service "for filling the gaps in the more dense grid system," as well as additional evening and weekend services identified in the needs assessment.[21] However, the plan does not indicate which strategies in the needs assessment are the most likely choices for this additional service. Also, the plan does not indicate which activities will be postponed if staff or funding levels are lower than expected; the RTB has occasionally been faced with these choices during its first three years.

We also examined the extent of local involvement in development of the plan and found that:

- **The RTB did not make adequate efforts to involve local governments in the development of the Implementation and Financial Plan.**

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21 Implementation and Financial Plan, April 1987, p. 84.

According to state law, the RTB "shall establish a program to ensure participation by representatives of local government units and the coordination of the planning and development of transit by local government units" when preparing and amending the implementation plan.[22] Because the RTB developed the plan over a short period of time, there was little opportunity to solicit outside input. There were no formal advisory committees for the implementation plan as there were for the needs assessment. Our survey of cities indicated that nine of the 43 cities in the transit taxing district with populations greater than 10,000 provided the RTB with data, comments, or advice for the plan.

To address the lack of local involvement in the 1986 implementation plan, the 1987 Legislature required the RTB to provide local governments with copies of future implementation plans prior to a public hearing.[23] As we discuss in Chapter 4, we think the RTB should also involve local officials in the earlier stages of plan development.

Fare Policies

The RTB has authority to approve the fare schedules of transit operators in the Twin Cities region. The 1985 Legislature required that the RTB's implementation plan include "a statement of the policies that will govern the imposition of user charges for various types of transit service and the policies that will govern decisions by the board to increase or change fares."[24] However:

- **The RTB submitted its implementation plan to the Metropolitan Council in November 1986 without the required fare policies.**

The RTB did not develop fare policies prior to the Legislature's deadline.

The Metropolitan Council accepted the RTB's Implementation and Financial Plan in April 1987, after the RTB made revisions that the council requested (including the addition of 14 fare policies). The RTB did not hold public hearings on the fare policies until after the council's review, and the hearings resulted in the addition of one policy. The RTB adopted its final report on fare policies in July 1987, but the report was not submitted to the Metropolitan Council for review.[25]

We found that the RTB's report contains useful information on current fares and past fare studies, and we think the RTB's development of fare policies represents an important step toward more cost-effective transit and more equitable transit funding. Although not required by law, it would be useful for the fare policies report or financial plan to provide more detailed information on the possible impact that fare changes might have on transit system revenues, as recommended later in this chapter.

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22 Minn. Stat. §473.382.

23 Minn. Stat. §473.377, Subd. 5.

24 Minn. Laws (1985), First Special Session, Chap. 10, Art. 2, Sec. 30.

25 The fare policies (which the council reviewed in draft form) constituted a relatively small portion of the RTB's final report on *Fare Policies and Procedures*.

HIGHWAY CORRIDOR STUDIES AND OTHER RTB ACTIVITIES

Since 1984, RTB staff have worked with the Metropolitan Council, the Minnesota Department of Transportation (MnDOT), and the Metropolitan Transit Commission (MTC) to plan transit improvements for major Twin Cities highways. The RTB devoted considerable staff time to transit improvements on the new Interstate 394 and existing Interstate 494 (shown in Figure 3.3). RTB staff have also participated in studies of Interstates 35W and 94 reconstruction, although:

- **The Legislature's exclusion of the RTB from light rail transit planning limits the RTB's ability to consider a full range of transit solutions to corridor congestion problems.**

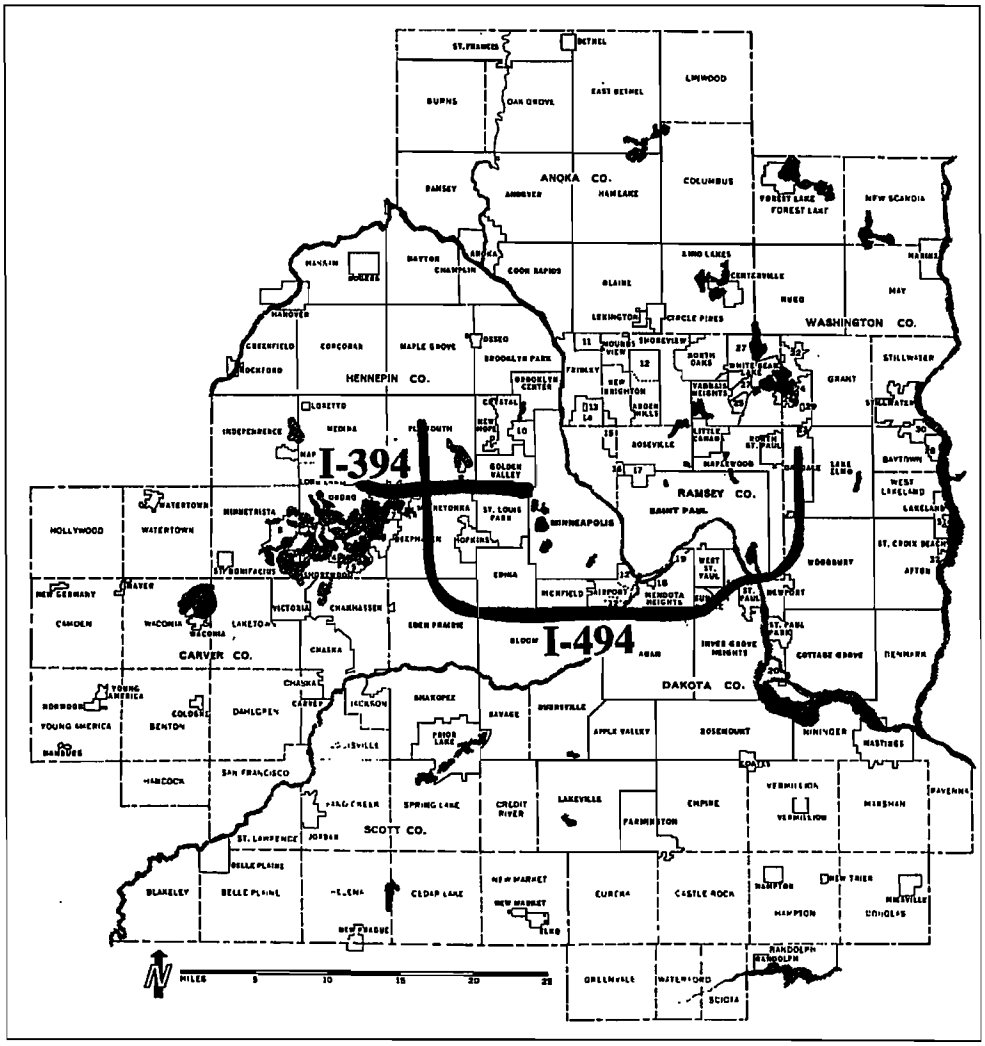

Figure 3.3: Interstate 394 and 494 Corridors

The 1985 Legislature limited the RTB's detailed light rail planning to the corridor between the two central cities, and the 1987 Legislature gave primary responsibility for light rail development to county regional rail authorities, without giving the RTB a formal planning role (see Chapter 8). As a result, the RTB's role in corridor planning for Interstate 35W south of downtown Minneapolis is a relatively minor one, even though transit will be a key consideration in the redesign of this freeway.[26]

Interstate 394

The Metropolitan Council, MTC, and MnDOT laid the ground-work for the Interstate 394 transit improvements, starting their planning before the RTB existed. The RTB endorsed MnDOT's and the MTC's planned improvements in 1985; these included high occupancy vehicle lanes, parking garages for carpoolers, timed-transfer transit stations, park-and-ride lots, and rideshare marketing strategies. MnDOT asked the RTB to help determine the location and design of the timed-transfer stations, and this has been the RTB's major activity in this corridor.[27] We found that:

- **In its planning for I-394 transfer stations, the RTB (1) failed to obtain adequate public input prior to decision-making, and (2) became immersed in technical details of one station's design.**

The RTB devoted considerable time to transit improvements on Interstates 394 and 494.

The board encountered neighborhood resistance to two sites selected for transit transfer stations in St. Louis Park. RTB staff said they selected one site in 1986 based upon the recommendations of city officials. However, residents protested the plans, and the board withdrew this proposal. The board selected a new location for the proposed station, again without receiving neighborhood input prior to the decision (they assumed that the city would solicit this input). Residents and city officials both objected to the RTB's revised plans, and the RTB asked MnDOT to hold a public hearing.

At a proposed I-394 transit station site in Minnetonka, the RTB became involved in detailed design, which should have been MnDOT's responsibility. The owner of an existing restaurant at the proposed station site objected to the station plans. At the direction of the board, RTB staff reviewed possible ways of incorporating the restaurant into the station's design during 1986. Following staff's extensive review of design alternatives, the RTB endorsed a design option while reaffirming MnDOT's responsibility for design and development of the station.

Interstate 494

Interstate 494 is beyond its design life and experiences major congestion problems, but MnDOT has not yet scheduled major improvements to this

26 The Metropolitan Council and MnDOT are the lead agencies in this corridor. RTB staff have provided technical assistance and are members of the project management team.

27 The RTB also helped coordinate transit service improvements and marketing.

highway. Extensive private development planned for the near future along I-494 (especially the Bloomington "mega-mall") will probably add to traffic congestion. As a result, a team of staff from the RTB, MnDOT, the Metropolitan Council, and local governments studied possible solutions. The team's 1987 report suggests a variety of options, including new bus routes, timed-transfer stations, and preferential access for transit vehicles. In addition, the study recommends "travel demand management," a strategy intended to reduce peak period travel demand. This includes ridesharing, variance in I-494 employer work hours, parking management, mixing land uses so as to encourage multi-purpose trips, and the creation of "transportation management organizations" (non-profit organizations of developers and employers who promote and provide transportation services).

We found that:

- **The RTB worked cooperatively with local governments and the participating agencies during the I-494 study.**

- **The report's recommended transit strategies are less specific than the recommended highway improvements.**

The report lists no priorities among its six recommended transit strategies, even though the RTB's needs assessment specifically supports two of the six. The report also provides no schedule for transit service implementation, and the RTB's Implementation Plan contains no policy statements concerning this highway corridor.

Other RTB Activities

Aside from the major activities reviewed in this and other chapters, the RTB engaged in a variety of other activities during the past three years. This section summarizes these activities, including one required by state law that the board plans to undertake in 1988.

Development of Standards

According to state law, the RTB "may establish performance standards for recipients of financial assistance."[28] The 1987 Legislature said service schedules and routes developed by local governments or transit operators should be "subject to approval by the board for conformity to the board's transit implementation plans and route, schedule and other service standards, objectives and policies established by the board."[29]

As noted earlier, the RTB developed an interim MTC route performance standard during 1986. Routes with subsidies exceeding $2.45 per passenger are now reviewed by the RTB for possible restructuring, termination, or competitive bidding. The RTB plans to develop standards for other types of tran-

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28 Minn. Stat. §473.375, Subd. 15.

29 Minn. Stat. §473.391.

sit service and for other transit providers by early 1988. In addition, the RTB will develop "service standards" for various types of transit in 1988. The service standards will outline the types and frequency of service that should serve areas of various population densities.

Exurban Funding Guidelines

The 1982 Legislature established an "exurban" transit program for communities outside of the transit taxing district. The RTB levies exurban property taxes equal to one-tenth of the taxes levied in the transit taxing district. Exurban tax collections grew from $209,000 in 1982 to $540,000 in 1988. The RTB provides paratransit or ridesharing programs with these funds, and it developed guidelines for fund distribution in 1986.

Section 504 Plan

The U.S. Department of Transportation requires federally-funded transit systems to provide service to disabled people, in compliance with Section 504 of the Rehabilitation Act of 1973. Federal grant recipients must develop a six-year plan indicating how they will meet these requirements. The requirements pertain to funding levels, eligibility, service levels, service information, fares, vehicles, and driver training. During 1987, the RTB held hearings on this plan and submitted it to the federal government.

Interim Implementation Plan

The 1984 Legislature required the RTB to develop a plan showing how RTB would implement the Metropolitan Council's 1983 transportation policies. Because the RTB had few staff during 1984, it had a consulting firm prepare the plan to meet the December 1984 deadline. The plan addressed service, staffing, and financial issues.

Jobseekers Program

The RTB implemented a "jobseekers program" in 1986 that provides discounted fare vouchers to the disabled and to people seeking employment through state and federal job programs. The RTB provides the Department of Jobs and Training with 1,500 vouchers to the Department of Jobs and Training each month.

Provider Oversight

The RTB annually reviews provider budgets, the largest of which is the MTC's. The RTB used to review the MTC budget on a line item basis, but it now tries to focus on major budget assumptions, issues, and conformity with the RTB Implementation Plan. In addition, the RTB negotiates contracts with about 40 other service providers, and it regularly collects data on provider performance.

Regional Ridesharing

The RTB established a ridesharing advisory committee in 1985, and the staff analyzed the potential for ridesharing in the Transit Service Needs Assessment and corridor studies. However, the board has not discussed ridesharing much, nor has it taken actions to expand the use of ridesharing. The board hired a consulting firm to evaluate regional ridesharing services in late 1987.

Transit Information Program

The 1984 Legislature required the RTB to "establish a transit information program to provide transit users with accurate information on transit schedules and service."[30] The RTB plans to begin this task in 1988.

RECOMMENDATIONS

We recommend that:

- **The RTB's future Implementation and Financial Plans should more clearly outline: (1) the expected decision-making process on major issues, (2) justifications for recommended services and capital facilities, and (3) priorities among recommended services and facilities.**

RTB needs to improve its future Implementation and Financial Plans.

We think this will make the plans more practical for the board and it may encourage the board to use the plans regularly in decision-making.

To improve oversight of RTB work products and policies, we recommend that:

- **The Metropolitan Council's Systems Committee should review the RTB's major documents, such as the Transit Service Needs Assessment and the fare policies report, even in cases where the reviews are not legislatively mandated.**

To provide the board with a stronger basis for analyzing provider fare proposals and developing legislative funding requests, we recommend that:

- **The RTB's financial plan or future fare studies should discuss the impact that fare changes might have on transit system revenues.**

We also recommend that the RTB involve local governments and the council's Transportation Advisory Board more closely in its planning, as discussed in the next chapter.

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30 Minn. Stat. §473.375, Subd. 14.

LOCAL INVOLVEMENT IN TRANSIT PLANNING

Chapter 4

The 1984 Legislative Commission on Metropolitan Transit concluded that service planning by the Metropolitan Transit Commission (MTC) was not responsive to the transit needs and preferences of the metropolitan area. This seemed particularly evident in suburbs of Minneapolis and St. Paul, where transit service was often non-existent or threatened by cut-backs. The commission felt that changes in the region's transit planning structure would lead to the "encouragement of more active participation by local units of government in the design and provision of transit services."[1]

This chapter examines local involvement in transit planning since the creation of the Regional Transit Board in 1984. We asked:

- **Has the RTB implemented new transit services responsive to local needs?**
- **Has the RTB involved local governments in transit planning?**
- **Is transit a high priority on the agendas of local governments in this region, and are local officials satisfied with transit service?**

To help us address these questions, we asked local officials about their transit planning activities, transit preferences, and relationships with regional transit agencies. This chapter reports results from a survey of cities we conducted during July and August of 1987. We sent surveys to administrators in the metropolitan transit taxing district's 91 cities and seven counties (Figure 1.5 shows the cities within this district). Most local governments responded: 81 cities and all 7 counties completed surveys. All 43 cities with populations exceeding 10,000 responded. The total population of the ten cities not responding to the survey was less than 20,000. Appendix C contains complete survey results.

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1 Report of the Legislative Commission on Metropolitan Transit, February 24, 1984, p. ii.

SUBURBAN SERVICE IMPROVEMENTS

Suburban transit routes usually serve lower density areas and have longer trip lengths than routes in the central cities. In addition, suburban routes primarily serve commuter demand during morning and evening peak traffic periods. It is expensive to serve commuter travel, because operators must purchase equipment and labor that will be productively used only a few hours each day. As public transit agencies across the nation coped with declining ridership and federal revenues in recent years, they often reduced service in the suburbs. The Legislature's desire to provide improved suburban service while sustaining a cost-effective transit system was a strong impetus behind the RTB's creation in 1984.

As part of our local government survey, we asked cities about their transit services. We found that:

- **A slight majority of responding city officials believe that their city's transit service is adequate (34 to 32). However, officials in cities with populations over 10,000 are more dissatisfied with their service.**

Officials in many large metro area cities are dissatisfied with their transit services.

Of the officials from large cities, 33 percent rated their service as "adequate," while 49 percent rated service "inadequate."[2]

We also asked local officials which one type of transit service would most help their cities. We found that:

- **Officials from larger cities favor bus service that helps residents circulate within the city or travel to adjacent suburbs. In contrast, officials in small cities prefer improved service to downtown Minneapolis or St. Paul.**

Table 4.1 shows the preferences of cities in more detail.[3] Officials in the first-ring cities preferred circulator service to the other alternatives, while the top choices of officials in second-ring suburbs were circulator service and improved service to the downtowns. We also asked county officials which types of service their counties need most. Of the seven counties surveyed, the first preference of five is light rail transit.

As shown in Table 4.2, most cities say that their transit service has neither deteriorated nor improved since 1984. In addition, most cities said that the MTC's responsiveness to their city's transit needs remained the same since 1984. Officials from eight cities with populations over 10,000 said that the MTC's responsiveness to their needs increased, and four said it decreased.

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2 Eight cities did not answer the question or answered "don't know." Officials from first ring cities reported service satisfaction levels that were about the same as officials in second ring cities.

3 As discussed in Chapter 7, many cities prefer lower property taxes to better service. Small cities have a clear preference for lower property taxes; large cities expressed mixed opinions.

Many city officials see a greater need for more "circulator" bus service.

	Cities Over 10,000 Population	Cities Under 10,000 Population	First-Ring Cities[b]	Second-Ring Cities
Improved bus service to downtown Minneapolis or St. Paul	7	12	4	15
Bus service that helps residents circulate within city or travel to adjacent suburbs	22	4	11	15
Light rail transit	6	3	6	3
Improved transit service for disabled residents	0	4	2	2
Improved car-pooling, van-pooling	3	3	1	5
Other responses	5	12	4	13
Total	43	38	28	53

Source: Program Evaluation Division survey of 81 cities in the transit taxing district.

[a]"Other responses" include no answer, "don't know", multiple responses, and other types of transit.

[b]Includes Minneapolis, St. Paul, and the immediately-surrounding suburbs, as defined by the RTB in its Transit Service Needs Assessment.

Table 4.1: Type of Transit Service Preferred by Cities[a]

Since 1984, Transit Service:	Cities Over 10,000 Population	Cities Under 10,000 Population
Improved Significantly	3	0
Improved Somewhat	3	6
Remained the Same	25	20
Deteriorated Somewhat	7	5
Deteriorated Significantly	0	0
Not Sure/No Answer	5	7

Source: Program Evaluation Division survey of 81 cities in the transit taxing district.

Table 4.2: Changes in Local Transit Service Since 1984 (as reported by cities)

When the 1984 Legislature created the Regional Transit Board, one of its main objectives was improved suburban service. Our study examined the RTB's progress in this regard, and our overall conclusions are that:

One of the Legislature's main goals in creating RTB was to improve suburban transit services, but there have been few new services implemented since 1984.

- **The board failed to make suburban service improvements a high priority during its first three years. Aside from Metro Mobility, the board has not implemented any noteworthy suburban service improvements inside the transit taxing district to date.**

- **However, the Transit Service Needs Assessment was a step toward improved suburban service, and the RTB's new "test marketing" program will likely result in some new suburban services during 1988.**

- **The RTB's expansion of Metro Mobility to 35 new cities during 1987 is an important achievement since Metro Mobility users are among the most transit-dependent residents of the region.**

We examined instances where the RTB planned or implemented "new" transit services in the transit taxing district. Cities in the transit taxing district contain about 97 percent of the seven-county area's population and represent most of the unmet service needs identified in the RTB's Transit Service Needs Assessment. The following is a list of "new" services in the transit taxing district since 1984:

- *"Opt-out" service in Chaska, Chanhassan, and Eden Prairie.* The Minnesota Department of Transportation funded a demonstration project in these cities to determine the viability of service alternatives to existing MTC routes. The cities hired a consultant to analyze and schedule routes. The RTB's role was: (1) attending project meetings and discussing alternatives; (2) helping the cities develop an application to the RTB for opt-out service; (3) assisting the consultant in the preparation of a request-for-proposal.

  While the RTB participated in the development of this service, the credit for this service rests primarily with the cities and the consultant. In fact, there is some dissatisfaction in these cities with the RTB's involvement.

- *Anoka County.* The county board established a transit advisory committee in 1985 and asked the RTB to help them review transit needs. RTB staff helped the committee select transit strategies in early 1987. Since then, the RTB has worked with the MTC and a private transit provider to assess possible changes in existing routes, particularly those serving the Northtown Shopping Center. Initial service improvements will probably occur in 1988.

  The RTB has played an active role in Anoka County's efforts to improve transit. The local governments have been supportive of the RTB's efforts. The RTB has also worked well with the MTC on service planning.

- *Oakdale, Maplewood, and North St. Paul.* These cities established a joint powers agreement for the purpose of developing local paratransit service. They asked the RTB to participate in a planning group that also included representatives from the cities, school district, chamber of commerce, and the cities' transit consultant. The RTB has approved funding for services, to be implemented in 1988.

- *Metro Mobility.* Prior to 1987, the Metro Mobility program for disabled persons served only Minneapolis, St. Paul, and first-ring suburbs. In January 1987, the RTB expanded the service area to include 35 additional suburbs, mainly in the northern and western part of the region. The RTB plans to expand service to the remaining 28 cities in the metropolitan transit taxing district during 1988.

- *Interstate 394 corridor.* The RTB worked with the MTC, MnDOT, a private operator, and various cities to plan improved transit service for this new freeway. To date, the RTB's main transit improvement is the restructuring of an existing bus route in this corridor. The restructuring resulted in a new express route in the corridor's high-occupancy vehicle lane.[4]

- *Interstate 494 corridor.* RTB staff participated in a study of transportation improvements on this freeway; MnDOT and the Metropolitan Council were the lead agencies. The study recommends a variety of transit improvements, and the RTB expects to begin implementation planning for these services during 1988.

- *Special service on Interstate 35E.* The RTB worked with MnDOT and the MTC to develop and implement special bus routes and park-and-ride lots during the reconstruction of part of this interstate during 1986. The RTB also evaluated the service, which served St. Paul and northern St. Paul suburbs.

The most noteworthy improvement in suburban service is the expansion of Metro Mobility.

These activities indicate progress toward improved suburban service inside the metropolitan transit taxing district. The most noteworthy improvement is the expansion of Metro Mobility services. However, to date, the RTB cannot claim primary credit for any permanent additions to the regular route transit system.

Why has the RTB not implemented more suburban service inside the transit taxing district during its first three years? Some staff and board members explained that it was not appropriate for the RTB to implement new service prior to completion of the Transit Service Needs Assessment in August 1986. Also, staff suggested that the RTB was unable to conduct as much service implementation planning during 1986 as originally anticipated because other activities, such as planning for the Metro Mobility program, consumed more

4 The RTB also participated in discussions that led to implementation of the high-occupancy vehicle lane in 1986, and it participated in discussions on improved transit marketing in the corridor.

staff time than expected. A third explanation for the lack of new suburban service experiments is the restriction placed on competitive bidding by the 1987 Legislature. The RTB wants to select the providers of new transit services through competitive bidding. But the Legislature prohibited transit services from being put out for bids until the RTB developed competitive bidding guidelines with input from a legislatively-designated advisory team.[5] These guidelines are scheduled for adoption by the RTB in January 1988. It is unlikely that the legislative restrictions prevented the RTB from implementing service during 1987, since the RTB did not complete implementation planning for new services until late 1987.

Several staff and board members told us that the RTB should have acted by now to implement new suburban service. About half of the board members we talked with listed suburban service as one of their top priorities. Our interviews indicated that lack of funding was not the key obstacle to some sort of experimentation with suburban service during the past three years.

In our view, the RTB did not need to complete its needs assessment before proceeding with some service improvements. Rather than completing its research and planning prior to implementation, the RTB could have solicited transit service proposals from local governments, selecting those showing the most promise. In our survey, we asked local governments whether they would be interested in developing formal proposals for service during the next year that would compete with those of other cities. We found that:

Cities show considerable interest in submitting transit service proposals to the RTB.

- **Officials from 44 percent of the cities with populations over 10,000 expressed interest in submitting proposals for service during the next year. There was little interest among cities with populations under 10,000.**

Only 6 of the 43 survey respondents from cities with populations over 10,000 said they were not interested in developing service proposals; many cities were not sure whether they were interested in developing a proposal.

We also examined new services outside of the transit taxing district and found that the RTB helped to implement several service improvements during the past three years. In each case, the funding source was the "exurban" tax levy that the RTB collects and distributes. Cities outside the metropolitan transit taxing district pay transit taxes equal to one-tenth of the taxes paid within the district, and the RTB uses these funds for exurban area transit services. The reason the RTB has been able to expand exurban programs is that recent population growth increased the property taxes collected for exurban transit.[6] RTB staff worked with providers and local planning staffs to develop paratransit services in Brooklyn Park, Dayton, Champlin, Maple Grove, and communities west of Lake Minnetonka. The RTB also helped develop commuter service between St. Paul and Hastings, and it has been working with Washington County staff to provide paratransit service to Forest Lake and Columbus Township. Most of these services focus on transit for the elderly and disabled population.

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5 The team includes representatives from the MTC, labor, private transit operators, and local governments.

6 Exurban tax collections have more than doubled since 1982.

LOCAL INTEREST IN TRANSIT ISSUES

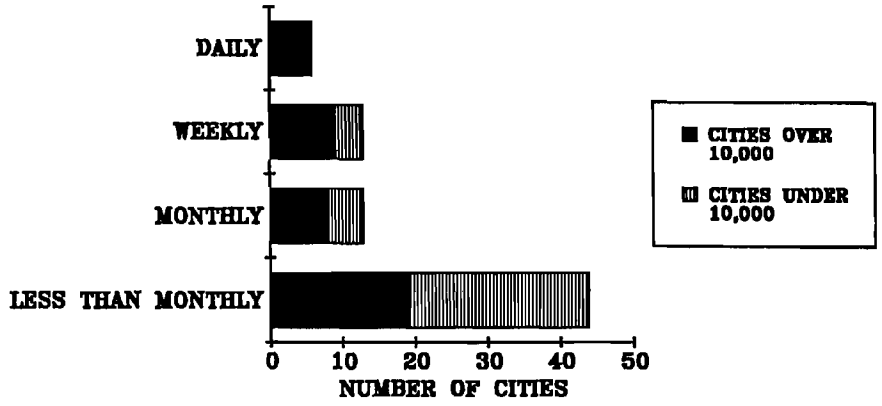
In the past, local governments have devoted little attention to transit issues. Transit operators made most decisions about service, and local government officials had little or no formal role in these decisions.

From our survey of local governments, we found that:

- **Staff in most cities address transit service issues less than once a month, although staff in many larger cities address transit on a daily or weekly basis.**

Figure 4.1 shows that 54 percent of survey respondents reported that their cities address transit issues less than once a month. However, staffs in cities over 10,000 population deal with transit more frequently, and six cities and three counties reported daily attention to transit issues.

Most city officials--even in large cities--address transit issues infrequently.



Source: Program Evaluation Division survey of 81 cities in the metropolitan transit taxing district, July-August 1987.

[a]Five cities did not answer or answered "not sure."

Figure 4.1: How Often Do City Staffs Address Transit Issues[a]

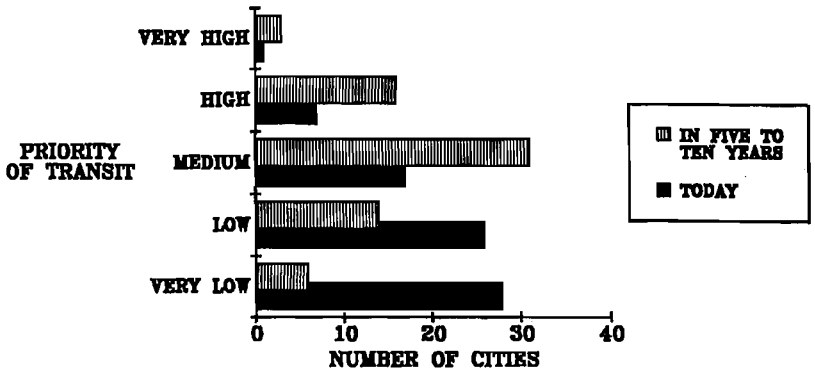
Local elected officials infrequently discuss transit issues during regular public meetings. We found that 88 percent of city councils and five of the seven county boards discuss transit issues four times a year or less.

We also found that:

- **Officials in most cities consider transit issues a "low" or "very low" priority at the present time, but they see these issues growing in importance in the near future.**

Figure 4.2 shows the frequent designation of transit as a "low" or "very low" priority issue, and survey respondents from both large and small cities reported that transit ranks behind many other issues on local agendas.

Many city officials think that transit issues will become more important in the next 5 to 10 years.



Source: Program Evaluation Division survey of 81 cities in the metropolitan transit taxing district, July-August 1987.

[a]For "today's" rating, two cities did not answer. For the future rating, 11 cities did not answer or answered "not sure."

Figure 4.2: Where Do City Officials Rank Transit on Their Agendas: Today and in Five to Ten Years[a]

However, while only one-third of officials in responding cities currently see transit as a "medium," "high," or "very high" priority, 62 percent believe that transit will be in one of these priority categories in five to ten years.

The current interest in transit seems to be higher in counties than in cities. Officials in three of the seven counties said transit is now a "high" or "very high" priority.

We also asked local governments whether their comprehensive plans address transit issues. Under the 1976 Metropolitan Land Planning Act, local governments must submit comprehensive plans to the Metropolitan Council to ensure consistency with the council's regional policies and plans. We found that:

- **About 63 percent of officials responding to our survey said that their cities have comprehensive plans that contain general statements about the need for good transit service but do not discuss transit in detail.**

About 19 percent of survey respondents reported that their cities have detailed transit plans; most represented cities with populations over 10,000. About 12 percent of cities responding to our survey have comprehensive plans that do not address transit issues. Currently, the Metropolitan Council has no specific content requirements for local transportation plans. However, the council intends to require local governments to include transit components in their plans after it updates its own transportation policies in 1988.

In sum, the Regional Transit Board has a legislative mandate to encourage local planning for transit service, but our survey indicates that transit's low priority on many local agendas makes this task difficult. However, this relatively low interest in transit underlines the need for the RTB to actively *encourage* local involvement in transit planning. If transit issues grow in

importance in coming years (as cities believe they will), the encouragement and assistance of the RTB will be crucial.

LOCAL RELATIONSHIPS WITH METROPOLITAN AGENCIES

Given the 1984 Legislature's expectations of more local involvement in the transit planning process, we examined the extent and nature of local government relationships with regional transit agencies, particularly the RTB. Overall, we found that:

- **Formal mechanisms for involving local governments in transit planning are weak. Some cities believe their role in transit planning increased since 1984, but most believe their role remains unchanged. The RTB's record of involvement with local governments is mixed and shows considerable room for improvement.**

RTB needs to develop better mechanisms for involving local governments in decision making.

Of the three regional transit planning agencies, the Metropolitan Council is the only one with an ongoing advisory committee of local officials. The council's Transportation Advisory Board (TAB) consists of 30 members, including seven county commissioners, ten city elected officials, and a citizen representative from each of the council's eight districts.[7] Historically, the TAB involved itself in highway issues more than transit issues; the board has a formal role in reviewing the council's expenditure of federal highway funds. However, the TAB is showing increased interest in transit. The TAB reviewed the RTB's needs assessment and implementation plan in 1986, and it established a task force in 1987 to address the coordination of light rail transit in the region.

In contrast to the council's formal involvement of local officials in decision making:

- **The RTB has not established a local government advisory committee, and it uses the TAB infrequently.**

The 1984 Legislature authorized, but did not mandate, the RTB to "establish one or more advisory committees composed of and representing transit providers, transit users, and local units of government."[8] In addition, the Legislature mandated the RTB to "encourage the establishment of local transit planning and development boards by local governments" which would:

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7 In addition, the board has representatives from the Minnesota Department of Transportation, the Minnesota Pollution Control Agency, the Metropolitan Airports Commission, the RTB, and the Metropolitan Council.

8 *Minn. Stat.* §473.375, Subd. 9.

(1) help the RTB prepare its needs assessment and implementation plan, (2) help local governments that have RTB service contracts to develop service plans, and (3) assist the RTB in reviewing applications for transit service contracts.[9] Although several local governments have established local transit commissions since 1984, none of these resulted directly from the RTB's encouragement.[10] Cities have not played a formal role in reviewing RTB contracts.

As noted in Chapter 3, the RTB involved local government officials constructively in the Transit Service Needs Assessment. The board appointed local officials to the needs assessment's "project management team," and staff held forums for the general public and local officials throughout the region. In contrast, local officials played little role in the development of the RTB's Implementation and Financial Plan.

Our survey of local government officials provided additional information on the RTB-local government relationship. Because it is unrealistic to expect ongoing contacts between the RTB and all 91 cities in the transit taxing district, we focused our survey analysis on the 43 cities with populations over 10,000 (Appendix C summarizes the responses of all 91 cities). In July and August 1987, we asked each survey respondent to report on all their city officials' contacts with the RTB, not just the respondents' contacts. We found that:

- **About 53 percent of cities over 10,000 population reported at least one contact between RTB staff and city officials in the past year; 30 percent had at least one contact with the RTB chair, and 40 percent had at least one contact with an RTB member other than the chair.**

As shown in Figure 4.3, officials in 12 of the 43 large cities reported discussing transit issues with RTB staff at least three times during the past year. However, there is considerable room for improvement in the RTB's relationship with local governments. Among the officials from large cities, 17 reported no substantive discussions with RTB staff during the past year; 25 said they had no discussions with the RTB chair, and 22 had no discussions with other RTB members.[11]

According to our survey, the RTB solicited advice from, encouraged transit planning by, and provided technical assistance to more cities during the past year than either the Metropolitan Council or Metropolitan Transit Commission. However, as Table 4.3 shows, even the RTB's efforts among large cities could be improved.

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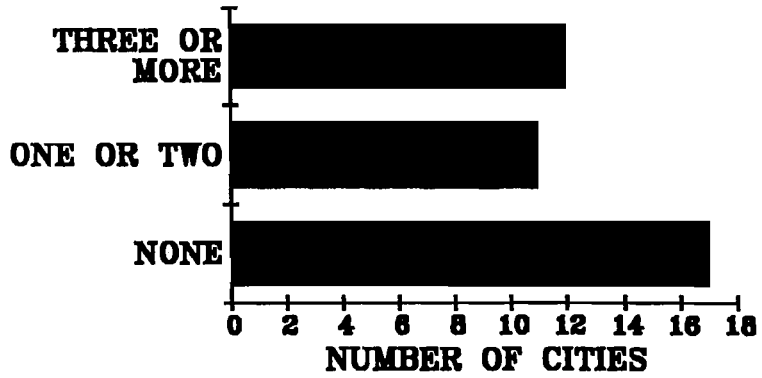
9 *Minn. Stat.* §473.382

10 There are transit commissions representing Chanhassen, Chaska, Eden Prairie, Maplewood, North St. Paul, Oakdale, and Anoka County.

11 Officials in three of the seven counties reported frequent contacts (three or more times) with RTB staff, and three reported frequent contacts (three or more times) with members. Four counties reported having no substantive discussions with RTB staff.

Many cities report little recent contact with the RTB.



Source: Program Evaluation Division survey of 81 cities in the metropolitan transit taxing district, July-August 1987.

[a]Three cities answered "not sure."

Figure 4.3: Number of Annual Contacts Between RTB Staff and Cities with Populations Over 10,000 (as reported by cities)[a]

	Number of Cities Answering:		
QUESTION: DURING THE PAST YEAR DID THE RTB:	YES	NO	NOT SURE
Request city's opinion or advice?	21	13	9
Encourage city to do transit planning?	14	12	17
Provide city with technical assistance?	16	11	16

Source: Program Evaluation Division survey of cities in the transit taxing district.

Table 4.3: Types of Contacts Regional Transit Board Had With Cities Over 10,000 Population 1986-87

We asked cities to rate the RTB on its creativity, willingness to involve communities in planning, communications with local governments, aggressiveness, and responsiveness to local ideas. On a 1-10 scale (with 10 the highest rating), the mean responses were neither highly positive nor highly negative:

CITY OFFICIALS' RATING OF RTB	
Willingness to involve communities in planning	6.0
Responsiveness to local transit ideas	5.9
Aggressiveness	5.4
Communication with cities	5.1
Creativity	4.8

A closer look at cities' responses shows that the RTB has, in some cases, established good local relationships. About 19 percent of cities rated the RTB as very willing to involve communities in planning (as indicated by ratings of 8 through 10), and 14 percent rated the RTB as very responsive to local transit ideas.[12] However, the responses also show that 21 percent of cities believe the RTB communicates very poorly with cities (as indicated by scores of 1 through 3).

The chair's annual meetings with local elected officials have been a useful effort to improve RTB's relationship with local governments.

A principal means of contact between the RTB and local governments is the chair's annual breakfast meetings with local elected officials. The chair meets with legislators and elected city and county officials each fall. Seven meetings in 1987 attracted about 25 legislators and 65 city and county officials. Attendance at the 1987 meetings was better than in previous years, and representatives from 26 of the region's 43 cities over 10,000 population attended one of the meetings. Board members usually attend the breakfast meetings held in their respective districts.

In an effort to strengthen the ties between regional officials and other public officials, the 1987 Legislature required each metropolitan agency member to "communicate regularly with metropolitan council members, legislators, and local government officials in the district the member represents."[13] Our discussions with board members indicated that their contacts with local officials varied widely, as of July and August 1987. Two members told us they had made little effort to discuss transit with local officials. Others, particularly suburban members representing large districts, contacted local officials periodically but felt overwhelmed by the size of their districts. One suburban member is considering sending a quarterly newsletter to local officials. Another member sends letters and RTB information to new legislators and Metropolitan Council members in the district. Board members tend to see themselves as representatives of the region as a whole, not representatives of their districts.

12 The percentage of city officials giving the RTB ratings of 1 through 3 (very low) in these categories was 7 and 5, respectively.

13 Minn. Stat. §473.141, Subd. 3a.

REPLACEMENT (OR "OPT-OUT") SERVICE PROGRAM

Five cities have "opted out" of MTC's regular route bus system and 10 more are considering doing so.

Officials in some suburban communities have expressed concern that the property taxes they pay to support transit are not commensurate with the MTC service they receive. To respond to this concern, the 1982 Legislature initiated the "replacement service" program, which allows certain cities to "opt out" of the MTC regular route service system.[14] Cities in the metropolitan transit taxing district qualify to "opt out" if they: (1) are not served by MTC routes, or are at the end of all their MTC routes, and (2) have less than four scheduled MTC bus runs during off-peak hours. Qualifying cities may apply to the RTB to use up to 90 percent of their local contribution to metropolitan transit to design alternative transit systems. The RTB retains the local property taxes that opt-out cities do not use for service. The 1987 Legislature limited participation in the opt-out program to those cities that: (1) submitted letters of intent to apply for assistance before July 1984 and (2) submit applications for assistance to the RTB by July 1, 1988. As shown in Figure 4.4, five cities have "opted out" and ten cities have expressed interest in submitting an application to the program.

CITIES NOW IN THE REPLACEMENT SERVICE PROGRAM:

Chanhassen	Plymouth
Chaska	Shakopee
Eden Prairie	

CITIES THAT HAVE SUBMITTED LETTERS OF INTENT TO PARTICIPATE:

Apple Valley	Medicine Lake
Burnsville	Mendota
Eagan	Prior Lake
Lilydale	Rosemount
Maple Grove	Savage

Source: Regional Transit Board.

Figure 4.4: Cities that Participate or Intend to Participate in the Replacement Service Program

We examined services in the opt-out communities, and Figure 4.5 summarizes these programs. While some opt-out services closely resemble services that previously existed in the MTC's regular route system (such as Southwest Metro's express service), each of the opt-out cities also provides new, less conventional transit service. For example, Shakopee provides "demand-responsive" service for 15 hours each weekday. Residents call the service provider and arrange in-city trips in one of the service provider's three vans.

14 Minn. Stat. §473.388, Subd. 2.

FIGURE 4.5

EXISTING "OPT-OUT" SERVICES

	SHAKOPEE	PLYMOUTH	SOUTHWEST METRO (CHASKA, CHANHASSEN, EDEN PRAIRIE)
YEAR STARTED:	1984	1983	1986
PREVIOUS SERVICE:	MTC peak-hour express service	No MTC service; private operator provided peak-hour express service on weekdays.	MTC peak-hour express service.
CURRENT SERVICE:	1) Vanpool. Uses leased vehicles and volunteer drivers. Three daily commuter trips to Minneapolis (each serves a different work shift) and one commuter trip to St. Louis Park. Can accommodate six occasional riders on a demand-responsive basis. 2) Dial-a-Ride. Three vehicles provide demand-responsive rides Monday to Saturday, 6 a.m. to 9 p.m. Service is only for rides within city limits.	1) Commuter express service. Has seven vehicles and can reach more neighborhoods than previous system could. Provides commuter service to downtown Minneapolis only on weekdays. Serves two work shifts. 2) Reverse commute. Five vehicles provide commuters' trips from downtown Minneapolis to Plymouth weekdays only. 3) Circulator. One vehicle provides service within Plymouth.	1) Commuter express service. Routes are similar to previous ones, but the new system employs larger buses and has more frequent service. 2) Reverse commute. Serves Eden Prairie only. 3) Circulator. Serves Chanhassen 4) Dial-a-Ride. Serves Chaska.
SERVICE PROVIDER:	Dial-a-Ride: Kare Kabs (competitively bid)	Medicine Lake Lines (not competitively bid)	MTC (competitively bid)
WHO DID THE SERVICE PLANNING?	Shakopee	Medicine Lake Lines	Private consultant and MTC
RIDERSHIP:	The vanpool service has ridership roughly equal to pre-existing service. The new dial-a-ride service has provided up to 3,000 rides a month. Ridership increased about 50 percent between 1986 and 1987.	Total system ridership increased 14 percent in the first year, 11 percent the second, 10 percent the third, and 7 percent in 1987. The city would like to see ridership increases in its circulator service.	The new system provides 2,000 more rides each month than the old system. The express service has had very high ridership. The other services need to show improvement, which is why service redesigns were recently implemented.
NON-SERVICE EXPENDITURES:	Marketing; reimbursement for part of city staff's time.	Marketing; expand, improve, and maintain park-and-ride lots.	Marketing; build park-and-ride lots.
PROPERTY TAXES AVAILABLE FOR OPT-OUT SERVICE (1987)[a]	$232,091	$987,005	$996,357
"OPT-OUT" BUDGET (1987):[b]	$154,440	$449,150	$908,100

Sources: Shakopee, Plymouth, Southwest Metropolitan Transit Commission, Regional Transit Board.

[a]Amount shown is 90 percent of the total local contribution to the transit system. This is the maximum amount cities may spend for opt-out service.

[b]This is the actual amount of the cities' 1987 contracts. Note that the cities do not budget all available "opt-out" dollars.

The cost-effectiveness of opt-out services has varied considerably. Shakopee's van-pool and Southwest Metro's express commuter service each had costs per ride less than $3.60 during the first several months of 1987, making them the most financially viable services. In contrast, Southwest Metro's circulator and dial-a-ride services had costs per ride exceeding $50 until service restructuring occurred in late 1987.

Our survey of cities indicated considerable satisfaction with transit service among officials in the opt-out cities. In contrast to all other cities surveyed, officials from the opt-out cities each said that: (1) their role in regional transit decision-making increased since 1984, and (2) local transit service improved since 1984.

RECOMMENDATIONS

The 1984 Legislature intended for its structural changes in transit planning to result in more local involvement and community-responsive planning. While the RTB has established constructive relationships with some cities, we think there is considerable room for improvement. The RTB's lack of ongoing discussion with local governments probably explains, in part, its slow progress on suburban service improvements. We recommend:

RTB needs to improve its links with local governments.

- **The RTB should make better use of the Metropolitan Council's Transportation Advisory Board to obtain more local input into plans and work products. The TAB does not contain city staff representatives, so the RTB should solicit city staff to serve on ad hoc advisory committees.**

- **The RTB should devote additional staff time to technical assistance to local governments and the encouragement of local transit planning.**

- **The Metropolitan Council should require local comprehensive plans to address transit issues, and it should work with communities to make these plans detailed and practical.**

- **The RTB should consider developing a local government newsletter that could provide a forum both for board members and local officials.**

- **The RTB should encourage cities to develop formal proposals for local transit improvements and it should establish criteria for selecting proposals. Periodically, the RTB should publicly acknowledge local governments or officials that exhibit creativity or skill in transit planning.**

In selecting proposals, the RTB will need to balance the need for local initiative with the need for regional coordination, direction, and system planning.

- **The RTB should decide whether to subject suburban service improvements to route performance standards that are different than those in more densely-populated areas.**

On one hand, the RTB could reason that the addition of some service to currently unserved areas justifies the acceptance of higher service costs in suburban areas (i.e., a more lenient performance standard). On the other hand, the RTB could decide that all services should meet the same cost-effectiveness standards, even if this hinders service improvements in some suburbs.

We think that the RTB has taken some steps toward improved suburban service, and we are encouraged by the RTB's plans for "test marketing" services during 1988. But the RTB's service improvements seem to be taking longer than expected, perhaps too long for cities that foresee transit as an issue of growing importance. Thus, we recommend that:

- **The Legislature should consider offering cities continued opportunity to "opt out," perhaps beginning in 1991.**

Clarifying RTB's authority to set standards could limit the service fragmentation that might result from the reinstatement of "opt-out."

The transit system is not static, and we question whether participation in the opt-out program should be limited to those cities that saw its need between 1982 and 1984. We found that cities with opt-out service are more satisfied with their service than most other cities. While we hope that the RTB can be responsive to cities' transit needs in a timely manner, the continued possibility of cities "opting out" might improve the RTB's local responsiveness. We are concerned that opt-out services could fragment regional transit service, but coordination of services should be possible if the Legislature clarifies the RTB's authority to apply its regional service and performance standards to opt-out cities.

THE RESTRUCTURING OF METRO MOBILITY

Chapter 5

Metro Mobility is the largest program of specialized transportation for disabled people in the Minneapolis-St. Paul metropolitan area. Currently, the program subsidizes 80,000 to 100,000 rides each month. Following a critical review of Metro Mobility by the Urban Institute in 1984, the Regional Transit Board undertook a major restructuring of the program.[1] This chapter focuses primarily on the RTB's process for restructuring Metro Mobility, rather than evaluating the Metro Mobility program itself.[2] We asked:

- **How did the RTB involve the public, the disabled population, and transportation providers in the decision-making process when it restructured the Metro Mobility program?**
- **Have the RTB and Metro Mobility Administrative Center taken steps to improve rider safety, driver training, and communications with users?**
- **Why did it take so long to implement a workable computer system?**

PROGRAM DESCRIPTION

Metro Mobility provides door-to-door transit for disabled people in the Twin Cities region.

Metro Mobility is a "demand-responsive" transportation program that provides door-to-door transit for disabled people in the Twin Cities region. Originally called "Project Mobility," the Metropolitan Transit Commission (MTC) started this service as a demonstration program in Minneapolis in 1976. The Minnesota Department of Transportation (MnDOT) and the Metropolitan Council jointly created the Metro Mobility system in 1979 by enlarging Project Mobility's service area to include the central cities and inner ring suburbs, and by adding private and non-profit service providers to the system. To request trips, riders called a centralized dispatch center at the MTC, which then assigned the requests to one of the providers.

1 Gerald K. Miller, *An Evaluation of Metro Mobility with Proposals for Improvements*, Urban Institute, December 1984.

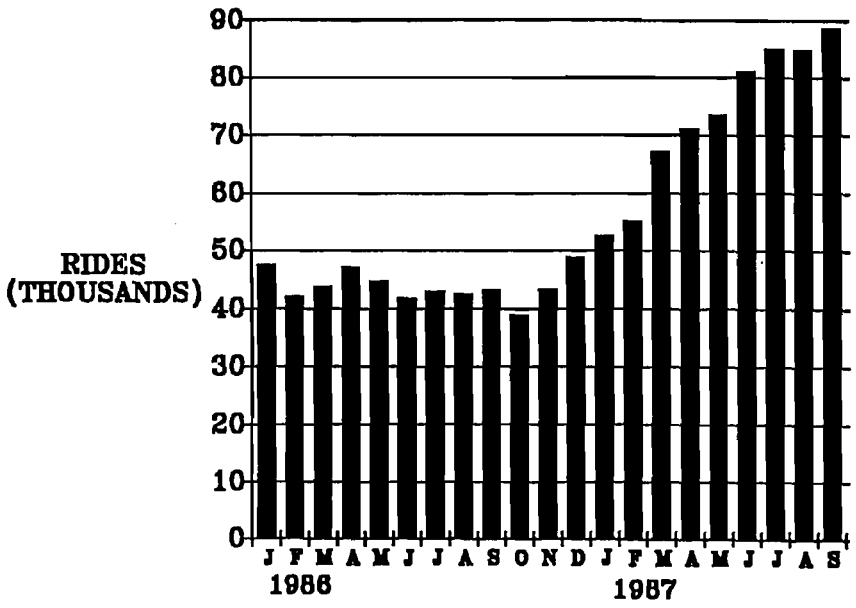
2 An RTB-sponsored evaluation of this program is scheduled for completion in early 1988.

In contrast, the system implemented by the RTB in October 1986 gave riders a direct choice of providers. To request a ride, eligible Metro Mobility users call providers the day before they need service. Users pay one-way fares of $1 for all trips under eight miles. For longer trips, providers may charge up to $1 per mile, with the total trip cost limited to $3.75. Metro Mobility serves users in the central cities and inner ring suburbs for 17 hours each weekday and 15 hours each Saturday, Sunday, and holiday. The program expanded to 35 additional cities in 1987, and users in these cities receive service 12 hours each weekday and 10 hours each Saturday, Sunday, and holiday. The program will expand to an additional 28 communities in 1988.

Nineteen private and non-profit transit providers currently serve Metro Mobility users. The MTC, which was the largest service provider before the RTB restructured the program, chose not to continue as a provider. The RTB pays providers $11.50 for each wheelchair passenger transported and $5.50 for other passengers.

Ridership doubled since the RTB restructured Metro Mobility in 1986, as indicated by Figure 5.1. The expansion of service to previously-unserved areas added to program demand but does not account for most of the large ridership increase. Ridership in the pre-expansion service area grew by more than 75 percent after the restructuring. During July 1987, requests for Metro Mobility rides exceeded daily budgets on several consecutive days, resulting in denials of rides to some program users. Consequently, the RTB removed the daily budget limits, allowing the board to more accurately assess user demand for services.

Metro Mobility ridership has doubled since the program was restructured in 1986.



Source: Metro Mobility Administrative Center.

[a]Program restructuring occurred in October 1986.

Figure 5.1: Metro Mobility Monthly Ridership[a] January 1986 - September 1987

THE RTB'S PROCESS FOR RESTRUCTURING METRO MOBILITY

There were two general stages in the restructuring of Metro Mobility. First, the RTB developed a general outline for the program, which included major changes in the way services were delivered. Second, the staff and board developed more detailed implementation plans and put the restructured program in place. Figure 5.2 summarizes important dates in the process.

DATE	EVENTS
December 1984	Urban Institute completes Metro Mobility study.
February-April 1985	RTB Policy Committee discussion on the existing Metro Mobility program and possible changes.
September 1985	RTB authorized staff to establish a Transportation Handicapped Advisory Committee (THAC).
November 1985	RTB adopts Metro Mobility eligibility criteria.
October 1985	Staff recommends that the board adopt a decentralized, competition-based Metro Mobility system. Recommends implementation timetable.
December 1985	Board approves the staff's recommendations for changes in the Metro Mobility program. Board appoints THAC members.
December 1985-May 1986	RTB staff develops implementation plan for Metro Mobility restructuring.
June 1986	Board adopts implementation plan.
September 1986	Board sets fare at $1. Board hears concerns about user safety and driver training.
September 27, 1986	Board sponsors an exposition at which Metro Mobility users can talk to various providers and see their vehicles.
October 4, 1986	Implementation of the restructured program.

Source: Program Evaluation Division review of RTB, THAC meeting minutes.

Figure 5.2: Timeline for Metro Mobility Restructuring

The first stage of restructuring began in December 1984 when the Urban Institute completed a study of the Metro Mobility program for the Minnesota Department of Transportation (MnDOT). The study concluded that the existing system was "approaching its capacity," resulting in reduced service quality. Furthermore, the system provided subsidies of $10.44 per passenger in 1985, but the costs of the largest provider (the MTC) exceeded this system-wide

average by about 35 percent. The Urban Institute concluded that the challenge facing decision-makers was how to increase the number and quality of trips provided while gaining greater control over program costs.

In late 1985, the RTB staff decided that there were strong arguments for introducing competition into the Metro Mobility system and presented the board with five options for doing so. Three of the options had centralized trip dispatch centers, while the others required users to arrange their own trips with providers. Staff concluded that a decentralized system had greater potential for cost-effectiveness, increased trips, and improved service. Staff also recommended: (1) development of an implementation plan by June 1986, (2) retaining the MTC as administrator of the Metro Mobility program, (3) phased expansion of Metro Mobility throughout the transit taxing district, and (4) coordination of Metro Mobility with county providers of transit service for the elderly and disabled. The board adopted the recommendations in December 1985.

The second stage of the Metro Mobility restructuring was implementation planning. Based on staff recommendations, the RTB adopted fares and provider reimbursement rates, established a schedule for program expansion into new cities, determined standards for provider certification, and developed marketing strategies. In addition, the RTB hired a consultant to evaluate the new program's computer needs. The board implemented the restructured program in October 1986.

User Involvement in the Decision-Making Process

RTB decided that users should be allowed to choose among several private Metro Mobility service providers.

During 1986 and 1987, Metro Mobility user groups expressed concerns to the RTB about their role in the restructuring; some users believed that they had inadequate opportunity to provide input. They questioned the adequacy of vehicle safety, driver training, and program marketing.

In August 1986, 47 individuals filed complaints with the Minnesota Department of Human Rights alleging that the RTB violated the Minnesota Human Rights Law. The law requires public transit for disabled and non-disabled people to serve similar geographic areas during similar hours of operation, and have comparable fares, reasonable response times, and similar or no restrictions on trip purposes.[3]

In April 1987, the Human Rights Department found no probable cause for the complaints. The department found that:

> (The) investigation showed that metro mobility users and/or their representatives had access to, and were active participants in the process that produced the metro mobility transportation service. The Transportation Handicapped Advisory Committee, ...meeting from December 1985 to June 1986, made recommendations

3 *Minn. Stat.* §363.03, Subd. 4.

that were adopted in the final plan and was involved in the planning of the phased-in expansion area schedule.[4]

The department's review of the Metro Mobility planning process focused primarily on legal compliance issues. That is, it determined whether the RTB implemented formal mechanisms for involving users in the decision-making process, as required by state law. Because the scope of the Human Rights Department's review was limited, we wanted to more closely examine the RTB's means of involving users (formally and informally) in the Metro Mobility restructuring, and how the board addressed user concerns. We interviewed RTB staff and members, representatives of Metro Mobility user advocacy groups, and members of the Transportation Handicapped Advisory Committee (THAC). We also reviewed agency documents, meeting minutes, and correspondence to help us understand the restructuring process.

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

Our three principal findings were that:

- **The RTB's 1985 discussions of possible changes in the Metro Mobility system were open and fair. They explored a variety of options, and gave program users excellent opportunities to provide comments and suggestions to the board.**

- **THAC did not mobilize itself for its advisory role as quickly as it should have, and RTB staff should have provided more guidance and opportunity for input to this committee.**

- **The RTB staff's contacts with other user representatives during the development of the implementation plan during 1986 were selective, and there was inadequate public discussion of important implementation details.**

Regarding the first finding, the RTB's Policy Committee spent considerable time during 1985 assessing the existing Metro Mobility system and options for change. The committee addressed these issues at ten meetings, devoting six of them to public input. In December 1985, the full board reflected some of the users' concerns by committing the RTB to working closely with community groups during implementation planning and to addressing issues such as driver training, staff competency, and vehicle specifications.[5]

People we interviewed agreed that the extensive hearings served important purposes. The hearings educated members of the new RTB who were unfamiliar with the Metro Mobility program, and they laid a strong foundation for the board's far-reaching recommendations.

In contrast, the RTB's detailed planning for implementation of the new program did not offer user groups the same sort of forum. RTB staff formed a planning team in early 1986 that met weekly to discuss implementation issues,

4 Minnesota Department of Human Rights determination in *Carol Ann Cohrs vs. Regional Transit Board*, April 1987, Number PS591.

5 At its December 16, 1985 meeting, the board amended staff recommendations to include these and other user concerns.

but the team included no representatives of user groups or transit providers.[6] The staff's informal contacts with handicapped advocacy groups varied considerably. For example, while RTB staff discussed implementation issues on several occasions with the representatives of the United Handicapped Federation (a non-profit advocacy organization for the disabled), they apparently made few contacts with representatives of the State Council for the Handicapped.[7]

The chief formal instrument for public input during the development of the Metro Mobility plan was the Transportation Handicapped Advisory Committee (THAC), which the RTB established pursuant to 1985 legislation. THAC's 20 members represent the disabled population, transit providers, and social service agencies. THAC met monthly beginning in December 1985 and held seven meetings prior to the RTB's adoption of the Metro Mobility implementation plan. In our interviews, staff and THAC members expressed several concerns about these early meetings:

- It took the committee more time than expected to develop by-laws (the equivalent of about two complete meetings).

- There was confusion about THAC's role. It was not clear whether THAC should address management or policy issues, and whether its role was more than merely advisory.

- THAC needed more direction from its chair and from RTB staff. There were no sub-committees as there now are, so the full committee addressed all Metro Mobility issues. Staff should have helped the committee focus on key issues and presented it with options that RTB staff were considering.

Figure 5.3 shows the process for review and adoption of the Metro Mobility implementation plan. RTB staff did not provide THAC with a list of the program options under consideration until May 1986.[8] Many of these options were poorly defined. For example, staff told THAC that it planned to recommend increases in base fares but provided no specific options until submitting the implementation plan to the board. Also, the options paper said that providers should meet minimum standards for driver training and vehicle condition but offered no comments on the adequacy of existing state standards.

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6 The team included staff from the RTB, Metropolitan Council, MTC, and MnDOT.

7 The RTB did have a council representative participate in a March 1986 technical workshop on the restructuring, and the RTB made its first public presentation of the Metro Mobility implementation plan at the council's annual meeting in May 1986.

8 A May 5 RTB staff memo to THAC members contained the first specific suggestions for program changes. Prior to this time, THAC members knew what topics the implementation plan would address but did not have details on changes that staff was considering.

The RTB did not effectively use its Transportation Handicapped Advisory Committee.

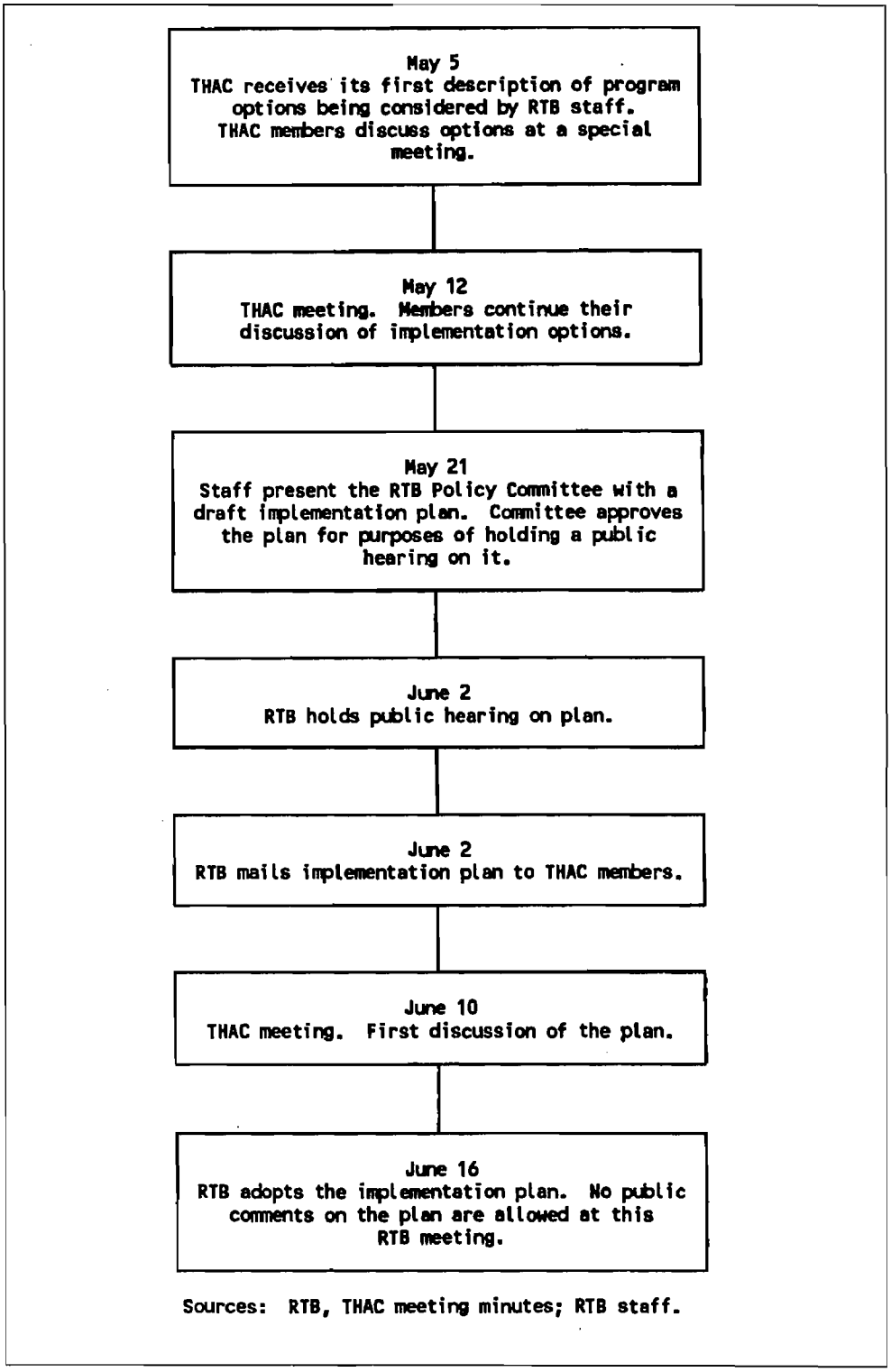

Figure 5.3: Timetable for Review and Adoption of RTB's Metro Mobility Implementation Plan 1986

THAC members did not receive mailed copies of the Metro Mobility plan until after the RTB held a public hearing on the subject, and they reviewed the plan at only one meeting prior to RTB adoption. THAC recommended several changes to the RTB in June 1986, and the board adopted them. The most notable change was a decrease in fares.[9]

Partly because of the early concern about fares, the issue of vehicle safety and driver training received relatively little attention in THAC's and RTB's public discussions until about two months before the restructuring occurred. RTB staff told us that they did not expect safety and training to be major issues, since there had been no serious problems under the existing Metro Mobility system. The staff reviewed the safety and training programs of all providers prior to the restructuring, and they required providers to meet some training standards that were stricter than state rules required.[10] But prior to the restructuring, program users expressed concern to the RTB about vehicle specifications (such as door clearances, the width of wheelchair lifts, and ramp steepness) and driver training. We found that:

- **The RTB did not initiate public discussions about safety and training issues early enough in the planning process.**

The planning process lacked enough early discussion of safety and training issues.

Our study did not attempt to compare the safety records of the previous and current Metro Mobility systems, and it is unclear whether safety improved or declined with the program restructuring. However, since two of the distinguishing characteristics of the restructuring were user choice and increases in the number of service providers, we think that the RTB should have recognized the need for full discussion of quality control issues before making program changes. The RTB should have initiated public discussion of safety and training issues earlier in the planning process, before facing implementation deadlines. During 1986, the RTB sometimes said that problems in the proposed system (including some safety and training concerns) could be addressed once the program was in place.

Another important implementation issue was program marketing. The magnitude of the Metro Mobility program changes required extensive marketing, and the RTB made some good efforts to inform users. The RTB required the Metro Mobility Administrative Center to hire a "rider representative," who answered user questions and followed up on complaints starting in October 1986; the existing Metro Mobility system had no such liaison. The administrative center also hired several temporary employees to answer user questions following the restructuring. In late September, the RTB held an exposition in which users could examine provider vehicles. In addition, the RTB assembled a "rider's guide" for users, and three members of THAC helped develop this

9 Originally, the staff recommended base fares of $1.50, but the board reduced this to $1.25 in June 1986 and $1 in September 1986.

10 The RTB required training for taxi drivers that was not required by state rules. The RTB also required providers' new drivers to have completed their training, rather than having the 90 days permitted by state rules. Some providers felt the latter contract provision was unclear.

guide to the new program.[11] The administrative center also published four user newsletters prior to the restructuring.

However, there were some serious shortcomings in program information. The early 1986 newsletters did not inform users about the existence of THAC or its role in the Metro Mobility restructuring. Users did not receive information until December 1986 about who to call in case of emergencies (such as when providers fail to show up for scheduled trips). The Metro Mobility Administrative Center had information on providers' vehicles and braille rider's guides when the restructuring occurred, but did not publicize the availability of this information before the restructuring.[12]

Provider Involvement in the Process

As noted earlier, one of the unique features of the restructured Metro Mobility program is its large number of providers. Transit programs for disabled people in some cities competitively award service contracts to a limited number of providers; for example, four providers serve Chicago's disabled population. Currently, 19 Metro Mobility providers serve the Minneapolis-St. Paul region. We discussed the Metro Mobility program with nine provider representatives.

Metro Mobility currently employs 19 different service providers.

We found that:

- **Providers were dissatisfied with their involvement in the Metro Mobility restructuring.**

- **The RTB did not adequately distinguish its own role in provider oversight from that of the Metro Mobility Administrative Center.**

Many of the providers' concerns about the program restructuring parallel those of program users. The providers did not participate in ongoing meetings with RTB staff during the development of the implementation plan, aside from their participation in THAC. They told us that the RTB did not use THAC effectively during 1986.

Providers expressed concern about the RTB's tardiness in implementing key program components. Most notably, they received their contracts only a few days before the program change; providers had no role in the development of these contracts. Providers received vouchers and tickets less than one day before program start-up. Also, the central computer system which providers were to use when scheduling trips was not in place when the restructuring occurred.

Perhaps the most serious problem was provider confusion about the roles of the RTB and the Metro Mobility Administrative Center (MMAC). When the RTB restructured the Metro Mobility system in October 1986, its relationship

11 Some users that we talked to felt that the guide was hard to understand and that users should have received it earlier.

12 The administrative center staff told us that few users request this information.

to the MMAC was unclear. Although staffs of the RTB and MTC negotiated the administrative center contract prior to the restructuring, the MTC did not formally approve the contract until two months after the restructuring occurred (the RTB approved the contract in September). Also, the RTB and MTC did not complete an MMAC "management plan" until December 1986. This plan supplements the formal contract by detailing staff responsibilities.

Moreover, these formal documents did not fully clarify agency responsibilities. There were questions about:

- *Who providers should report incidents and accidents to.* While the MMAC has authority to "manage the daily administration and monitor the performance" of Metro Mobility and its providers,[13] the providers' contracts instructed them to report "major problems and occurrences" to the RTB. To clarify providers' responsibilities, the MMAC developed a reporting form in March 1987 and asked providers to report incidents or accidents to the MMAC within 24 hours.[14]

- *What authority each agency has over providers.* Provider contracts establish the RTB's authority to suspend or terminate provider contracts. However, in 1987 the RTB placed two providers on "probation," a term not used in the provider contracts. In addition, the authority of the MMAC to take action against providers remained unclear through 1987, as the RTB and MMAC were developing guidelines for provider sanctions.

There has been confusion as to who should receive complaints and monitor provider performance.

The RTB initiated no amendments in provider contracts to clarify these and other issues, deciding to make changes during the negotiation of 1988 contracts.

Because of the initial confusion among providers and users about responsibility for complaints, performance monitoring, and enforcement, the 1987 Legislature mandated the RTB to clearly delegate administrative duties to the MMAC and set standards for the MMAC's performance.[15] As in the case of provider contracts, the RTB did not amend the MMAC contract during 1987, but plans to implement changes in the MMAC's 1988 contract. RTB staff decided not to implement MMAC performance standards until the administrative center has a working computer system and additional staff.

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13 MMAC Management Plan, October 4, 1986 - December 31, 1987.

14 Although providers told us that this action clarified reporting procedures, they noted that there continues to be confusion about the definitions of "accidents" and "incidents."

15 Minn. Stat. §473.386, Subd. 2.

Metro Mobility Computer System

When the RTB's Policy Committee reviewed the Metro Mobility system in 1985, it considered two options for decentralized systems in which users choose their own providers. The Urban Institute suggested one option and RTB staff recommended the other. The staff's option was similar to the Urban Institute's option, but it added a central computer system "to determine when a daily pre-programmed budget is reached, and, furthermore, to monitor and collect data on tripmaking activity."[16]

The RTB Policy Committee accepted the staff's recommendation. However, no U.S. city had implemented such a computer system, so there were no "models" for the RTB to build on. Initially, the RTB relied on the MTC's administrator of the Metro Mobility program for technical expertise. After it became clear in April 1986 that the existing Metro Mobility computer lacked the capacity needed for expected program changes, the RTB hired a computer consultant. In June 1986, the consultant identified specific hardware and software changes that the RTB should consider. The RTB relied on the Metro Mobility administrator to arrange for necessary changes. We found that:

The computer system had serious technical problems and was poorly planned.

- **Neither the RTB nor the Metro Mobility administrative staff developed formal, written specifications for the computer system.**

Also, although the MTC has computer experts in its Information Services Division, they were not actively involved in the selection of hardware and software. The system delivered to the MTC in fall 1986 failed to include some fundamental components outlined by the RTB's computer consultant. For example:

- *Security.* Unlike the previous computer system operated by the MTC, the new system gave transit providers direct access to files. The new software should have contained safeguards against intentional or inadvertent modification of data. It did not.

- *Budget management.* The RTB wanted a computer system that automatically tracked the commitment of program dollars on a given day and compared this to daily budgets. However, the software did not automatically calculate the subsidies for each user, nor did it automatically alert the MTC when daily expenditures neared the budget ceiling.

In addition, providers had trouble accessing the system, and the system was not compatible with some of their equipment. Providers had to enter trip data twice: once on their own systems, and once on the administrative center's system.

The MTC probably could have corrected these software shortcomings in a matter of months, but the system also experienced serious technical problems.

16 Memo from Judith Hollander, RTB Director of Planning and Programs, to the Policy Committee, October 23, 1985.

The MTC received the computer hardware in September 1986, but the manufacturer had been unable to successfully test the equipment before shipping it. Mechanical problems persisted, and the computer company took back the defective hardware at no financial loss to the MTC in late 1986.

Before the MTC obtained a new computer system in late 1987, it employed a better decision-making process than the one used in 1986. MTC staff met with Metro Mobility providers and software experts to develop a list of system requirements. Metro Mobility Administrative Center staff worked closely with MTC computer personnel to review alternatives. The MTC conducted a test of the computer hardware before accepting delivery.

In conclusion, the mechanical problems of the computer system have been largely beyond the control of the RTB and MTC, but the agencies could have avoided some of the problems with the system's design. Despite the central role of the computer system in the restructured Metro Mobility system, the RTB relied too heavily on the expertise of one staff person at the MTC, and they did not closely scrutinize the MTC's efforts.[17]

Recent Activities

The RTB proposed strategies in April 1987 to address concerns expressed by the Legislature, program users, and transit providers. Figure 5.4 shows actions the RTB took during recent months to implement these strategies. In many cases, the RTB intended to implement changes during its negotiation of 1988 contracts with providers and the MMAC. The RTB took some actions promptly, such as clarification of provider accident and incident reporting procedures. Several activities took longer than expected, such as the development of new state operating standards (MnDOT headed this effort) and the implementation of a schedule for provider sanctions.

Contrary to original plans:

- **The RTB and MMAC did not develop formal "memos of understanding" regarding their respective responsibilities, although they reached informal agreements.**

Advocacy groups for the disabled have noted greater responsiveness from RTB in recent months.

The lack of formal agreements was a problem in 1987, since transit providers expressed continued confusion about the respective roles of the MMAC and RTB. Also, the MMAC failed to produce a timely newsletter during 1987, contrary to RTB expectations.

We found that advocacy groups for the disabled felt that the RTB was more responsive to their concerns in 1987 than in 1986. They are reserving final judgements until the strategies developed by the RTB are fully implemented, but they generally noted more frequent and open communication with the RTB during recent months.

Providers expressed some continued concerns about their relationship with the RTB, many related to 1988 contract negotiations. Some providers feel

17 That staff person left the MTC shortly after the computer arrived, and other MTC staff lacked detailed knowledge of the software.

The RTB's record in improving Metro Mobility services during the past year is mixed.

	STRATEGIES PROPOSED IN SPRING 1987	ACTIONS
I.	SAFETY	
A.	Clarify safety programs, incident and accident reporting and complaint handling procedures in provider contracts.	The RTB clarified policies and reporting procedures in May 1987. There will be no changes in the provider contracts until veloping new state vehicle
B.	Incorporate quality standards, driver selection procedures, driver training curriculum, inspection information, and vehicle specifications in contracts.	Will be in 1988 provider contracts.
C.	Establish a schedule of penalties for contract noncompliance by September 1987.	Will be in 1988 provider contracts.
D.	MMAC should more closely monitor provider performance.	RTB developed provider monitoring checklists for MMAC. However, MMAC lacked staff during 1987 to do the RTB's expected level of monitoring.
E.	Issue directives to providers on safety measures; summarize providers' safety and training programs.	Done by mid-1987.
F.	Consultant should assess Metro Mobility service quality, safety, and the need for new standards.	Consultant's study will be completed in early 1988.
II.	COMMUNICATIONS	
A.	Clarify complaint procedure, and inform users about this procedure.	Users received a direct mailing on complaint reporting in May 1987. The new Rider's Guide clarifies the procedure, too.
B.	Develop provider quality ratings.	Not implemented.
C.	Update the Rider's Guide to Metro Mobility in summer 1987.	The MMAC did not complete the guide until December 1987.
D.	Publish a monthly user newsletter, starting in July 1987.	There were no newsletters published between January and December 1987.
E.	Develop radio and TV public service announcements for Metro Mobility.	RTB completed these in late 1987.
F.	Hold a Metro Mobility Exposition, emphasizing safety.	May be held in spring 1988.
G.	Develop a "memorandum of agreement" between the RTB, MMAC, and MTC outlining each's responsibility for user communications.	No formal agreement was developed.

(continued)

Figure 5.4: Implementation of RTB's Strategies for Improving Safety, Communications, and Training[a]

H.	Develop a "memorandum of understanding" between MMAC and RTB on responsibilities for complaints, inspections, emergencies, and contract enforcement.	No memo was developed, although the agencies discussed these issues informally.
I.	Discuss RTB, MMAC responsibilities with providers.	There have been several discussions, starting in May 1987.
III. TRAINING		
A.	Develop new state standards for driving training.	MnDOT is developing new state standards, to be implemented
B.	Develop standardized driver training manual for Metro Mobility providers.	RTB hired a consultant, and the manual will be completed in early 1988.

[a]Shown are the major strategies developed by the RTB in April and clarified in July 1987.

Figure 5.4: Implementation of RTB's Strategies for Improving Safety, Communications, and Training[a] (continued)

RTB has funded its own evaluation of Metro Mobility.

that they must communicate in writing with the RTB for their views to be heard. Like the user representatives, providers hope that some of their confusion about agency responsibilities can be resolved in early 1988 with the implementation of new provider and MMAC contracts.

A significant recent activity is an RTB-funded evaluation of Metro Mobility that began in June 1987. The consultants surveyed 500 program users throughout the region to identify their characteristics, satisfaction with service, and patterns of program use. In addition, they interviewed staff, providers, and advocacy groups to determine program effectiveness and possible program changes. The consultant's report will be completed in early 1988.

CONCLUSIONS

Although this study did not examine the operations of the Metro Mobility program, there are indications that the restructured program improved transit service for the disabled population in the Twin Cities region. Since the restructuring, ridership grew dramatically, especially in areas previously served by Metro Mobility. We think that:

- **The RTB made some difficult and bold decisions in restructuring the Metro Mobility system; it deserves much credit for the program's apparent improvements.**

- **However, it is also clear that the RTB made serious mistakes during program implementation, some of which remained uncorrected more than one year after the restructuring.**

Many uncontrollable problems hindered the RTB's implementation. Examples include the illness of THAC's chair, the problems with computer hardware, and the resignation of Metro Mobility's manager shortly before program implementation.

RTB deserves credit for Metro Mobility's successes and blame for implementation mistakes.

But we also think that the RTB bears responsibility for the implementation process, since it: (1) did not adequately involve the affected parties, (2) failed to adequately address some important issues prior to implementation (such as safety, training, and the administrative center's responsibilities), and (3) provided too little guidance to THAC. The RTB missed an opportunity to win the support of some service providers and user groups, thus hurting the agency's credibility. While we think that the staff learned some lessons from its experience with Metro Mobility, the RTB and MMAC must make stronger efforts in the future to address potential problems before they arise.

COMPETITIVE BIDDING FOR TRANSIT SERVICE

Chapter 6

Between 1980 and 1987, ridership on regular route transit declined about 25 percent in the Twin Cities region. During that same period, the MTC's inflation-adjusted expenditures declined less than 10 percent.[1] The 1984 Legislature wanted to contain costs without adversely affecting transit service. It said that the RTB should "assure the most efficient and coordinated use of existing and planned transit resources."[2] Toward this end, the RTB is examining the potential of competitive procurement of transit service. We asked:

- **What transit services have been competitively bid in the Twin Cities metropolitan area, and what services does the RTB intend to competitively bid?**

- **How adequate is the RTB's process for developing competitive transit?**

The terms "public" and "private" transit operators, as used in this chapter, refer to the ownership of transit companies, not their sources of revenue. Most "private" companies providing fixed-route transit service rely heavily on public transit subsidies.

AN OVERVIEW OF COMPETITIVE TRANSIT

As this section indicates, relatively few mass transit services in the Twin Cities or other large U.S. cities have been competitively bid during the past twenty years.

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1 Actual MTC expenditures increased about 30 percent during this period.

2 *Minn. Stat.* §473.371, Subd. 2.

United States

Mass transit in American cities began as a private venture, subject to local government regulation. Most cities awarded streetcar and bus franchises to single operators, allowing them to use the profits from productive routes to subsidize less productive routes. However, as automobiles and low-density housing development became popular, transit ridership declined. Operators' profits declined, and many allowed their capital stock to deteriorate. Cities faced the possibility of service cutbacks or public subsidies for transit operators. In response, most cities purchased the private bus companies and made transit a publicly owned and operated service. Cities could have awarded these service contracts on a competitive basis, but there was little precedent for this.[3]

Today, publicly-owned companies provide most transit in U.S. cities--by one estimate, about 97 percent of all transit in urbanized areas.[4] Large metropolitan areas usually do little private contracting for fixed-route transit services. However, Honolulu contracts its 480-bus fixed-route transit service to private operators, and Phoenix contracts its 350-bus system to private operators. Cities use formal competitive bidding in about half of the instances in which they contract for service.[5]

Private contracting for urban transit is rare in the U.S.

Twin Cities Region

The Regional Transit Board awards few transit services on a competitive basis. During 1985, the region's public transit operator, the Metropolitan Transit Commission (MTC), provided about 99 percent of regular route passenger trips in the metropolitan area. The RTB contracted with three private operators for the remainder of fixed-route service, but not on a competitive basis.

In the Twin Cities region, the list of transit services that have been competitively bid includes the following:

- *Routes 25 and 39 of the regular route system (described below).*

- *"Small urban" programs.* Columbia Heights and Hopkins contract with taxi companies to provide paratransit services, mainly to elderly and disabled people. The White Bear Area Transit Commission contracts with a private operator for local bus service. Cities with populations between 2,500 and 50,000 qualify for state and federal grants in the "small urban" transit program.

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3 National Council on Public Works Improvement, *The Nation's Public Works: Report on Mass Transit*, May 1987, pp. 4-6, 83-84.

4 American Public Transit Association, *Transit Fact Book*, 1987, p. 17.

5 Roger F. Teal, *Public Transit Service Contracting: A Status Report*, December 1986, pp. 10-12.

- *"Opt-out" services.* Shakopee contracts with a private operator for "dial-a-ride" service. Chaska, Chanhassen, and Eden Prairie contract with the MTC for various local and commuter services (discussed in Chapter 4).

- *Anoka County Coordinated Transportation.* The county contracts with three providers, who offer service primarily to elderly residents.

THE RTB'S INVOLVEMENT IN COMPETITIVE TRANSIT

Although the RTB has only bid out two transit routes since 1984, the topic of competitive bidding sparked some of the board's most lively discussions and is partly responsible for the RTB's strained relations with the MTC. In this section, we review competitive transit efforts undertaken by the board since 1986.

So far, the RTB has bid out two MTC routes.

Routes 25 and 39

These two former MTC routes represent the RTB's first and most direct involvement to date with competitive transit. In May 1986, the MTC recommended terminating Saturday service on Route 25, which runs between downtown Minneapolis and the Northtown Shopping Center in Blaine. The MTC also recommended eliminating Route 39, which serves St. Paul, Bloomington, Apple Valley, and Burnsville. Both routes exceeded the subsidy ceiling of $2.45 per passenger jointly agreed to by the RTB and MTC.[6] The RTB examined these routes and decided that competitive bidding might make them financially viable. They sought bids in November 1986, and private providers started operating these routes in February 1987.

The RTB evaluated bids on the basis of several factors, such as the bidders' price, experience, vehicle quality, and staff. Price received the greatest emphasis, and the RTB recommended the low bidder in each case. For Route 25, one company bid 47 percent less than the MTC's bid. For Route 39, one company bid 61 percent below the MTC. The winning bidders' annual operating costs for these routes is about $43,000 less than the MTC's bids.

It may be too early to judge conclusively the cost-effectiveness of either route, but Tables 6.1 and 6.2 track the routes' performance during the early months of 1986 and 1987. The RTB reduced the length of Route 25 in February 1987, which explains some of the route's sharp decline in ridership. However, in late 1987 the RTB staff recommended termination of this route due to its low ridership.

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6 When routes fail to meet this standard, the RTB can ask the MTC to restructure them. Alternatively, the RTB can contract for service with another provider or ask the MTC to contract with another provider.

Subsidies per ride for one bus route declined after it was bid out to a private provider.

		JANUARY	MARCH	MAY	JULY
Route 25	1986	$2.97	$3.19	$3.45	$4.47
	1987	--	*2.61*	*3.45*	*4.90*
Route 39	1986	$4.53	$2.62	$4.10	$4.57
	1987	--	*2.05*	*2.34*	*1.61*

Source: Regional Transit Board.

[a]The RTB competitively awarded transit service on these routes in February 1987; subsidies after this date are noted in italics.

Table 6.1: Subsidy Per Passenger on Two Bus Routes, Before and After the RTB Competitively Awarded the Service[a]

		JANUARY	MARCH	MAY	JULY
Route 25	1986	304	290	272	194
	1986	--	*94*	*73*	*53*
Route 39	1986	37	58	40	33
	1987	--	*27*	*24*	*31*

Source: Regional Transit Board.

[a]The RTB competitively awarded transit service on these routes in February 1987. At that time, the RTB significantly shortened Route 25. Thus, 1986 and 1987 ridership on Route 25 are not directly comparable. Ridership after February 1987 is noted in italics.

Table 6.2: Daily Ridership on Two Bus Routes, Before and After the RTB Competitively Awarded the Service[a]

Competitive Services Demonstration

In December 1986, the RTB received a $350,000 grant from the federal Urban Mass Transportation Administration to study competitive transit over a two-year period. The RTB wants to "achieve cost savings for the most expensive transit services now provided in the metropolitan area including commuter express routes and suburban crosstown, circulator and feeder routes."[7] Following completion of several test cases in March 1989, the RTB hopes to understand which services are most appropriate for competitive bidding. In addition, the RTB plans to reinvest savings that result from competitive bidding into currently unavailable transit services.

According to the grant application, the main focus of this demonstration was to be the region's "western crescent," which includes about 25 suburban cities

7 Regional Transit Board, *Competitive Transit Project Grant Application*, October 1986, p. 3.

that border Minneapolis on the west, north, and south. These cities contain more than one-fourth of the metropolitan area's population. The grant application did not limit bidding to this part of the region and indicated that commuter express service in the Interstate 35 corridor and express service to the University of Minnesota might also be considered.[8] The RTB no longer intends to focus its competitive transit test cases on the western crescent, since the timing of highway improvements in this area did not coincide with the competitive transit project timeline.

State law limits the RTB's authority to contract out existing MTC services.

We found that:

- **The RTB's application for federal assistance contained ambitious plans for competitive bidding, although its legal authority to undertake these extensive efforts was unclear.**

According to the RTB's grant application, annual operating cost savings of $1.0 to $2.5 million could result from implementation of these efforts. These estimates assumed that competitive bidding would reduce existing costs by 15 percent. Thus, the RTB proposed competitively bidding services that now cost between $6.7 and $16.7 million. This would affect a substantial portion of the existing MTC system, which has annual operating costs of about $100 million.

However, state law limits the RTB's authority to contract out existing MTC services. Before entering into contracts, the RTB must assess their effects on the MTC's ridership, routes, schedules, fares, and staffing. The RTB may only negotiate a contract "if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the commission, or cause the dismissal of persons that are employed by the commission."[9] This provision restricts the RTB's ability to implement competitive transit, particularly of the magnitude proposed in the demonstration. The RTB felt that the MTC could absorb the demonstration's impact on employment through attrition.

During 1987, the RTB and MTC had a strained relationship, resulting partly from the competitive transit issue. In particular, the MTC and its labor union expressed concern that the RTB would "cherry-pick" routes, that is, contract out the most productive MTC routes. The board denied that it intended to do so, but did not to adopt a policy clearly defining the types of routes it would consider for competitive bidding. The RTB hopes to learn more about competitive transit's potential applications from the demonstration projects, and it feels that defining the "boundaries" of competitive transit before that time is premature.

In our view:

- **The RTB's failure to define the limits of competitive bidding is unnecessary and unproductive.**

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8 The RTB's mention of the university service is curious, since the university, not the RTB, selects the service provider for these routes.

9 *Minn. Stat.* §473.384, Subd. 7.

There are several reasons why we think the RTB's inaction is unwarranted. First, the establishment of a competitive transit policy now will not preclude the RTB from changing the policy later (i.e., after the demonstration projects). Second, it makes sense for the RTB to limit bidding to those routes that do not meet its route performance standard ($2.45 subsidy per passenger). The RTB and MTC developed this standard jointly, with the understanding that routes not meeting the standard could be competitively bid. Failure to limit bidding to these routes undermines these constructive efforts. Third, it is reasonable to ask the RTB to limit the scope of competitive bidding since it currently expects to implement only a few demonstration projects. Fourth, as noted, state law limits the extent to which the RTB can contract out MTC bus routes. Fifth, the competitive transit demonstration is behind schedule, raising the possibility that the RTB may not have conclusive findings by March 1989, as planned.

RTB needs to clarify which services are eligible for competitive bidding.

Overall, we think the RTB needs a competitive transit policy and should not delay this policy in anticipation of future study results. The MTC has not been unreasonable in asking for a clarification of the scope of competitive transit.

The Development of Competitive Bidding Guidelines

A key step in implementing competitive bidding is the development of a fair process for soliciting and selecting proposals. It is important for the contracting agency to have well-understood procedures and sound justifications for its decisions. Our review of the RTB's involvement in competitive bidding indicated that:

- **The RTB encouraged competitive bidding for transit in 1986 before it developed bidding guidelines or established a dispute resolution process.**

- **The RTB's 1987 process for developing competitive bidding guidelines was thorough, fair, and useful.**

Regarding the first finding, the RTB initiated competitive bidding on MTC routes 25 and 39 in 1986, and it provided technical assistance on bidding to three suburbs developing "opt-out" service. There were serious questions about the bidding process in the latter case. Chaska, Chanhassen, and Eden Prairie "opted out" of the regular route transit system in 1986 (see Chapter 4). They pooled their local transit property taxes and re-designed their local transit service, forming the Southwest Metropolitan Transit Commission by a joint powers agreement. In late 1986, the commission solicited bids for service after the RTB helped them develop a request-for-proposal. The commission received five bids, ranging from $729,000 per year (ATE Management) to $829,000 (MTC). The low bidder, which has a management contract with the MTC, withdrew its bid. The commission considered the remaining bids, and selected the MTC to provide service. Following a complaint by one of the bidders, the RTB asked Southwest Metro to reconsider its selection, but the commission refused.

The RTB and private operators expressed several concerns about the Southwest Metro contract, including the following:

- The MTC's bid did not reflect all of the direct and indirect costs of providing this service. For example, the MTC's bid represented only the local cost of its buses, which were 80 percent federally-funded. In 1984, the federal government said that the providers should disclose the "fully-allocated costs" of providing the service being bid.[10]

- Southwest Metro allowed only two months from the time it solicited proposals to the time service started. RTB staff questioned whether the timeline was too fast, and whether there was an adequate appeals process.

The RTB staff did not expect problems such as these to arise, since there had been few problems with past competitive transit contracts. Also, they expected the MTC to bid its fully-allocated costs, which they felt was consistent with the federal government's guidance. However, it is the RTB's responsibility to establish a local planning process consistent with the federal laws, and the problems encountered in 1986 could have been avoided if bidding guidelines were in place.

There was not an adequate process for resolving provider disputes until late 1987.

In addition, although the RTB heard the concerns of private transit providers at quarterly meetings, it lacked a formal process for resolving provider disputes. In 1984, the Urban Mass Transportation Administration said that local entities should address the fairness of local bidding procedures:

> (A) discrete local mechanism, preferably independent, should be devised for resolving disputes in a manner which assures fairness to all parties.[11]

As early as 1985, Metropolitan Council staff urged the RTB to improve its provider participation process. However, despite the RTB's solicitation of private provider involvement in Metro Mobility services, routes 25 and 39, and the Southwest Metro routes, it still had no dispute resolution process by mid-1987. This prompted the federal government to contact the chairs of the RTB, Metropolitan Council, and MTC in July 1987, noting that "the volume and intensity of local private provider complaints suggest the lack of a meaningful and effective process for the involvement of private providers in the provision of mass transportation in the Minneapolis/St. Paul area."[12] The federal government instructed the Metropolitan Council, not the RTB, to es-

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10 Federal Register, Vol. 49, No. 205, October 22, 1984. The federal government requires that local planning processes be consistent with the Urban Mass Transportation Act of 1964. In October 1984, the Urban Mass Transportation Administration (UMTA) issued guidelines to grantees on how to maximize private enterprise participation in transit, one of the act's goals. While UMTA asks that bidders disclose fully-allocated costs, it does not require that bids be selected on the basis of these costs.

11 Federal Register, Vol. 49, No. 205, October 22, 1984. The RTB acknowledges that it is the agency responsible for implementation of these local procedures.

12 Letter from Joel P. Ettinger, Regional Administrator of the Urban Mass Transportation Administration, to Elliott Perovich, Steve Keefe, and Frank W. Snowden, July 9, 1987.

tablish an interim process. As a result of meetings between agency and provider staffs, the council established a five-member transit dispute resolution board, and the RTB established a transit providers' advisory committee.

The RTB's most successful effort in competitive transit is its development of bidding guidelines during 1987. The 1987 Legislature mandated the RTB to develop standards, procedures, and guidelines before awarding services on a competitive basis. They directed the RTB to establish a project management team to assist and advise the board in these efforts. The Legislature required the team to include representives of labor, the MTC, private transit operators, and local governments.[13]

The discussions of the project team during 1987 were lively and productive. Members debated issues fully, even though the team did not resolve them all. The draft guidelines reported these unresolved issues to the RTB for their consideration. RTB staff provided the team with initial direction and carefully ensured that the guidelines accurately reflected the positions of the team. In sum, the RTB's "implementation planning" for competitive transit showed significant improvement over its implementation planning for Metro Mobility. While the draft guidelines probably do not cover all eventualities or satisfy all parties, the process for their development was fair and open.[14]

Light Rail Transit

During the RTB's consideration of competitive transit over the past two years, members and staff seemed to agree that newly-developed transit service should be awarded to providers on a competitive basis. In their joint 1986 report on interim performance standards for regular route bus service, the RTB and MTC concluded that competitive bidding is appropriate for service that (a) does not meet the interim standard of a $2.45 subsidy per passenger, (b) is significantly restructured, or (c) is new. Both the RTB and Metropolitan Council have policies stating that the most cost-effective providers shall be selected to provide transit service. In fact, the council's draft of its updated transportation plan explicitly states that the RTB "should focus the private operator's role in delivery of transit services on new and restructured services," among others.

RTB prefers MTC as the operator of light rail transit for the Twin Cities.

Despite the apparent RTB and council preferences for competitively bidding new transit services, the RTB adopted a policy statement in November 1987 that takes a different course. The board declared that the MTC should be the operator of future light rail transit service in the region. We are particularly concerned that:

- **The RTB adopted a position on light rail transit (seemingly contrary to general RTB and Metropolitan Council policy) with little public discussion and no staff input.**

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13 Minn. Stat. §473.392.

14 In December 1987, the RTB voted not to adopt the guidelines recommended by staff, but it will reconsider them in January 1988.

Members justified the action by saying that, in other cities, LRT implementation works best when transit agencies select and involve operators early on. The discussion of this important issue at regular committee and board meetings was brief and included no detailed consideration of the action's pros and cons, its cost implications, or possible alternatives. The board's actions were based largely on discussions that occurred in a board retreat.

RECOMMENDATIONS

We think that the development of competitive bidding guidelines is a useful step toward the implementation of more cost-efficient transit service. However, by developing bidding guidelines before determining which services to contract, the RTB put the cart before the horse. In the Metro Mobility program, the board first determined a general outline for the restructured program and then planned the implementation details. In the case of competitive bidding, the RTB worked out implementation details while leaving larger issues unresolved. This contributed to deterioration of the RTB/MTC relationship.

Competitive bidding is a legitimate pursuit of the board. However, we recommend that:

- **The board should immediately establish a policy stating which transit services it will consider for competitive bidding.**

The MTC would like a formal contract with the RTB, specifying MTC services and responsibilties (the MTC is the only RTB-funded provider without an RTB contract). The RTB should consider the merits of establishing a contract with the MTC, but we think that the board should clarify its competitive transit policy even if it chooses not to establish a service contract.

- **The board should reconsider its policy statement on LRT operation after receiving staff input on the merits of this policy and possible alternatives.**

The board's process for adopting this policy was unnecessarily hurried and there was a lack of public discussion. Once the board reconsiders this issue, the board should forward its policy to the Metropolitan Council for their consideration.

TRANSIT TAX FEATHERING

Chapter 7

Local property taxes provide about half of the operating revenues for the Twin Cities regional transit system. Some local officials believe that their cities' property tax contributions to metropolitan transit exceed the value of services received. To address this concern, the 1983 Legislature mandated the "feathering" of transit taxes, basing local tax rates on the service received. The 91 municipalities inside of the "transit taxing district" pay between 1.25 and 2.0 mills for metropolitan transit, depending on their service level. Municipalities in the region that are outside of the transit taxing district pay "exurban" transit taxes equal to 10 percent of those paid within the district. We asked:

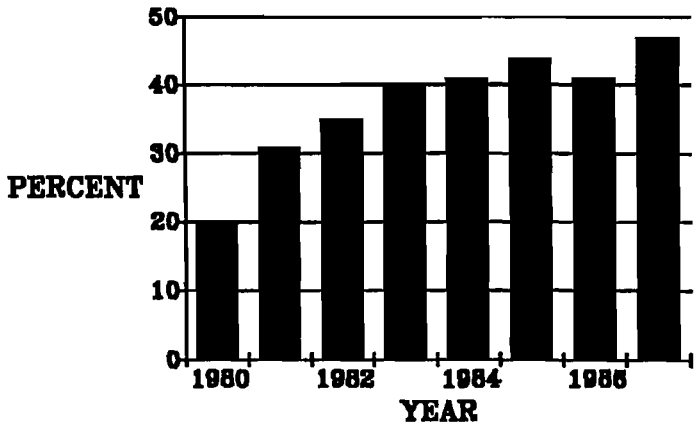
- **How does the Minneapolis-St. Paul region's reliance on property taxes for transit compare to other cities?**
- **Do local officials consider their cities' contributions to the metropolitan transit system reasonable?**
- **Does tax feathering reduce local transit taxes as much as the Legislature intended?**

PROPERTY TAXES AS A SOURCE OF TRANSIT REVENUES

Property taxes constitute 47 percent of transit system revenues.

As shown in Figure 7.1, property taxes are a large and growing source of the metropolitan transit system's revenues. Property taxes represented 20 percent of operating revenues in 1980, compared to an estimated 47 percent in 1987. In 1984, the joint Legislative Commission on Metropolitan Transit concluded that property taxes provide a disproportionate share of transit revenues. They recommended increased state funding for transit, with property taxes contributing 35 percent of operating revenues.

We wanted to find out whether other large U.S. cities rely heavily on property taxes as a source of transit revenue. Using the most recent federal data (for calendar year 1985), we found that sales taxes, not property taxes, generate most local transit revenues in large metropolitan areas. In fact, we found that:



Source: Regional Transit Board.

Figure 7.1: Property Tax Revenues as a Percentage of Twin Cities Regional Transit Revenues 1980 - 87

The Twin Cities' transit system relies on property taxes more than the system in any other large U.S. city.

- **No large U.S. metropolitan transit system relies on property taxes as much as the Minneapolis-St. Paul system.**

According to federal data, of the 23 U.S. transit systems operating more than 500 vehicles, only two use revenue from local property taxes: the Twin Cities' regional transit system and the Alameda-Contra Costa Transit District in California. In 1985, property taxes represented about 14 percent of Alameda's total revenues of $102 million. Property taxes represented 44 percent of the MTC's total revenues of $100 million.

We surveyed cities in the metropolitan transit taxing district on a variety of issues, including transit finance. Of the 91 municipalities in the district, 81 responded to our survey. We found that:

- **Officials in 45 percent of the responding cities said that their property tax contributions are reasonable, while 37 percent said they are not.**[1]

Among the 43 cities over 10,000 population, officials in 49 percent said that taxes are reasonable, while 35 percent said they are not.

We also asked city officials whether lower property taxes for transit are as important to their cities as improved transit service. About 31 percent of the surveyed officials said they were "not sure." However:

- **Given a choice between improved transit service and lower property taxes, most city officials expressing an opinion in our survey prefer lower property taxes. This was especially true among small cities.**

1 Officials in 19 percent of the cities did not answer, answered "not sure," or provided some other answer.

As shown in Figures 7.2 and 7.3, about 58 percent of small cities and 35 percent of larger cities prefer lower transit taxes to better service.

In sum, many cities in the Twin Cities region have concerns about the level of local taxation for transit, and the Legislature should weigh these concerns as it considers possible changes in the state's transportation funding. The next section reviews the Legislature's past efforts to improve the equity of local transit taxation.

THE IMPLEMENTATION OF TRANSIT TAX FEATHERING

Tax "feathering" reduces property taxes in cities receiving little or no MTC bus service.

Transit tax "feathering" is the state-mandated reduction of transit property taxes in cities receiving little or no regular route bus service from the Metropolitan Transit Commission (MTC). As shown in the following chronology, feathering reduced transit property taxes less in recent years than the Legislature originally intended. This occurred because cities received state feathering reimbursements on the basis of the two mill transit levy limit referenced in state law, even though actual transit levies in the region exceed three mills.

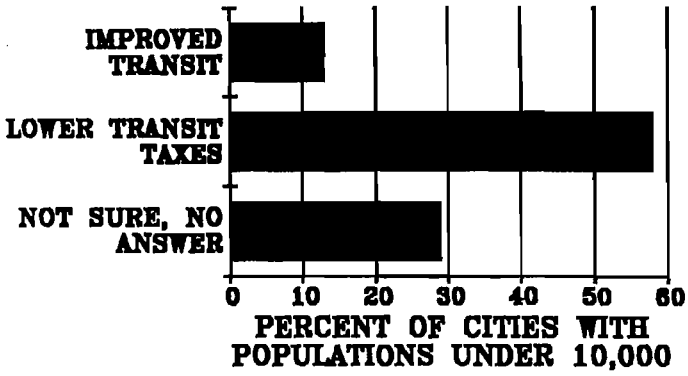
1983. The 1983 Legislature required the MTC to "feather" cities' transit mill rates. Prior to that time, state law required all cities in the transit taxing district to pay two mills toward transit.[2] The Legislature required the MTC to base transit mill rates on service levels, permitting the MTC to determine the extent of feathering. The MTC only feathered the mill rates of cities eligible for the "opt-out" program (discussed in Chapter 4), reducing mill rates from 2.0 mills to 1.65 or 1.75 mills.

1984-85. Some cities felt that the MTC did not provide enough tax relief through feathering, and the 1984 Legislature mandated greater relief for cities with low levels of transit service. Specifically, the Legislature said that municipalities that only receive limited peak hour service should receive tax reductions "equal to the tax levy that would be produced by applying a rate of 0.75 mills on the property." Municipalities that only receive full peak hour service and limited off-peak service should receive reductions "equal to the tax levy that would be produced by applying a rate of 0.5 mills on the property."[3] According to our discussions with legislators and legislative staff, the intent of this provision was to provide cities with 37.5 and 25 percent

2 As discussed later, cities actually paid more than two mills, due to statutory adjustments in the levy limits.

3 *Minn. Laws* (1984), Chap. 502, Art. 3, Sec. 25.

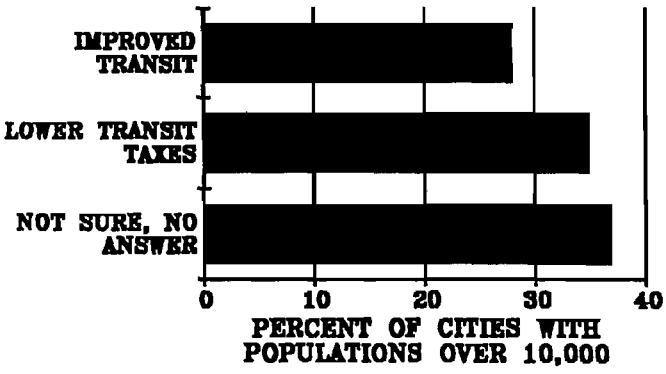
QUESTION:
Given a choice between improved transit service and lower property taxes, which would you prefer?



Source: Program Evaluation Division survey of 43 cities with populations under 10,000.

Figure 7.2: Responses of Officials in Small Cities

Many city officials said they preferred lower taxes instead of better transit services.



Source: Program Evaluation Division survey of 38 cities with populations over 10,000.

Figure 7.3: Responses of Officials in Large Cities

reductions in their transit property taxes, depending on regular route service levels.[4]

The RTB, which assumed the MTC's tax levying authority in 1984, also believed that the Legislature intended qualifying cities to receive 37.5 and 25 percent reductions in their transit taxes. During 1985, the RTB provided $2.4 million in tax relief to cities on this basis, using the MTC's fund balance to finance the feathering.[5]

1986-87. Cities received less transit tax relief in 1986 and 1987 than they did in 1985, even though there were no changes in the tax feathering law. Counties received different instructions from the Department of Revenue for calculating transit levies in 1986 and 1987 than they received from the RTB in 1985. For 1986 and 1987 taxes, the Department of Revenue instructed counties to subtract their transit feathering tax reductions (.75 or .50 mills) from the *adjusted* transit levy limits, not from the statutory 2.0 mill transit levy limit. State tax laws authorize taxing districts to make certain adjustments to all levy limits.[6] Taxing districts determine their allowable levies after using the statutory adjustments to calculate a "hypothetical" tax base. In effect, the adjustments raise the transit levy limits of metropolitan counties from 2.0 to as much as 3.4 mills, even though the state's feathering reimbursement is based on a 2.0 mill levy limit. Thus, for example, in the case of Chaska (which receives only peak hour regular route service), feathering reduces the city's mill rate by about 22 percent instead of the legislatively-intended 37.5 percent.[7]

In 1986 cities contributed $900,000 more in property taxes for transit than the Legislature intended.

Overall, we concluded that:

- **The current method of tax feathering provides cities with less property tax relief than intended by the Legislature.**

As a result, in 1986 metropolitan cities contributed about $900,000 more in property taxes to the metropolitan transit system than the Legislature intended. In our view, the Department of Revenue acted in good faith in advising counties on tax feathering, even though we think the current method of feathering is contrary to legislative intent. The feathering statute does not require an adjustment of the feathered mills, nor does it specify the percentage reduction in property taxes that affected cities should receive. Thus, the 1984 law, as written, failed to fully reflect the Legislature's intent.[8]

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4 The Legislature added this provision to the omnibus tax bill in a conference committee; the issue received relatively little discussion.

5 In subsequent years, the state reimbursed tax feathering expenditures.

6 These adjustments are found in *Minn. Stat.* §§272.64, 273.13 (Subd. 7a), and 275.49.

7 The adjusted transit levy limit of Carver County (in which Chaska is located) is about 3.4 mills, so a 0.75 mill reduction is a 22 percent reduction.

8 The Department of Revenue's interpretation of the statute is also consistent with its past interpretation of a similar tax relief program. Department officials think that the transit tax feathering statute may have been modelled after the agricultural tax levy reduction law, which was in effect from 1977 to 1983.

RECOMMENDATIONS

We found that cities now receive less transit property tax relief than the 1984 Legislature intended. The 1984 Legislature apparently wanted local tax reductions up to 37.5 percent, but the law did not explicitly mandate reductions of this magnitude. We think this oversight was inadvertent and probably should be corrected. We recommend that:

- **The Legislature should amend the tax feathering statute by setting the percentage tax reduction that feathered cities will receive.**

Alternatively, the Legislature could eliminate the statutory adjustments to levy limits, although this option would affect levy limits other than those applicable to local transit taxes. Property tax changes made by the 1987 Legislature will reduce the effect of these adjustments in 1989, but we think that our recommended changes in the feathering law are still warranted.

While this technical change is important, the Legislature should also consider more general issues: (1) whether the property tax is an appropriate source of transit revenue, and (2) whether the technical change recommended above adequately addresses the perceived imbalance between transit taxes and services.

AGENCY COORDINATION, ACCOUNTABILITY, AND COMMUNICATION

Chapter 8

The structure of the Twin Cities regional transit system differs from that of other Twin Cities regional functions, such as sewers and airports, and it differs from most transit structures elsewhere in the U.S. Specifically, most regional systems are either "one-tiered" (with the operating agency doing all system planning) or "two-tiered" (with one agency that does long-range planning and another that operates the system). The Twin Cities have a "third tier" in their transit system: a Regional Transit Board that follows the lead of the long-range planning agency (the Metropolitan Council) but has no operational responsibilities. In addition, at each level there are citizen advisory committees, and the RTB contracts with other agencies for administration of Metro Mobility and ridesharing services.

The Twin Cities' complex structure for metropolitan transit presents several special challenges.

This complex structure presents challenges for agency accountability, coordination, and communications. We asked:

- **Is the division of responsibility between the regional transit planning agencies clear?**
- **Is there duplication between the agencies, and are there responsibilities that none of the agencies are fulfilling?**
- **Has the Metropolitan Council provided the RTB with adequate direction, and is the RTB accountable to the council for its performance?**

COORDINATION

The 1984 Legislative 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."[1] The 1984 Legislature tried to clarify the division of responsibilities,

1 *Legislative Commission on Metropolitan Transit*, February 24, 1984, p. 3.

and subsequent legislative actions (described in Chapter 1) fine-tuned these responsibilities. While these actions made agency responsibilities more explicit, we found that:

- **Responsibility for some transit issues and functions remains unclear.**

As discussed below, some of these responsibilities need legislative clarification. In other cases, legislative action may be unnecessary if the affected agencies formally clarify their respective responsibilities. Finally, there are some "gray areas" of responsibility that pose fundamental dilemmas for the Legislature and the agencies involved, dilemmas that may be inherent in the current transit planning structure.

Responsibilities Needing Legislative Clarification

Who should plan and coordinate light rail transit?

The 1987 Legislature gave primary responsibility for development of light rail transit (LRT) to regional rail authorities formed by counties. Six such authorities now exist in the metropolitan area, with Hennepin County the furthest along in its development of LRT. The Legislature's action was, in part, a response to the enthusiasm and initiative shown by Hennepin County, which expressed a willingness to proceed quickly and with county financing.

Meanwhile, regional agencies currently have a limited role in light rail development. In 1985, the Legislature prohibited regional agencies from spending public funds on LRT study or development without legislative authorization, and it limited the RTB's light rail service planning to the corridor between downtown Minneapolis and St. Paul.[2]

The development of light rail transit requires both local initiative and regional coordination.

This limit on regional LRT involvement reflected legislative concern about LRT's cost, its domination of the RTB's early agenda, and its potential for involving the RTB in operations-related issues. In 1987, the Legislature said that the Metropolitan Council and MTC may cooperate with regional rail authorities in LRT planning, design, and operation. But the 1987 legislation did not authorize further involvement by the RTB in LRT planning or development, reflecting a lack of confidence in the RTB's ability to perform.[3]

In our view, the development of effective transit services requires both local initiative and regional coordination. Given the expense and importance of LRT, it is critical that the system elements developed by counties be coordinated and consistent with regional goals. The 1987 Legislature deferred ac-

2 The Legislature required the RTB to complete a regional transit needs assessment and a transit implementation plan before performing detailed LRT work.

3 The RTB still has authority to plan LRT in the corridor between the two downtowns.

tion on regional LRT coordination, instructing the Metropolitan Council to recommend a process for coordination by January 15, 1988. During 1987, a task force of the Metropolitan Council's Transportation Advisory Board addressed this issue, concluding that the Metropolitan Council can provide some inter-county LRT coordination through its review of local comprehensive plans. It noted that "other coordination could occur through the RTB if changes are made" in statute.[4]

The Metropolitan Council lacks clear authority to approve the plans of county rail authorities.

Unfortunately, we think that the Metropolitan Council's review of LRT through the comprehensive planning process will be quite limited. First, state law does not provide the council with clear authority to approve the plans of county rail authorities. Second, no regional agency--including the council--has clear authority to set standards or policies for some key system elements, such as fares or the system's safety features. To ensure an integrated system, we think it makes sense for the Legislature to authorize regional LRT planning and standard-setting, just as regional agencies perform these same functions for the regular route transit system.

What authority does the RTB have over cities with replacement ("opt out") service?

State law gives the RTB authority to set standards for transit service in the Twin Cities region. For example, during 1987, the RTB adopted a policy that "circulator" transit routes should generate 15 percent of their revenues from fares.[5] Cities providing service through the "opt-out" program questioned whether this standard should apply to their transit systems, for the following reasons: (a) all opt-out funding is local, not state or federal, and (b) cities use opt-out funds judiciously, with no cities currently using all of the opt-out funding available to them. To date, all opt-out services have met the RTB's fare standard, so there have been no formal challenges to the RTB's standard-setting authority.

We think that the Legislature should clarify the RTB's authority to set standards for opt-out service. Since unused opt-out funds benefit other transit services in the region, it is reasonable to expect opt-out services to meet certain cost-effectiveness standards.

Does the RTB have authority to initiate changes in fares?

During 1987, the RTB developed fare policies and procedures for regular route transit. The board has authority to approve or deny providers' proposals for fare changes based on consistency with these policies. In the case of Metro Mobility, however, the RTB initiated fare changes, rather than just setting fare policies. The board set base fares at $1, while giving transit operators authority to set fares for longer trips. We think the Legislature should clarify whether the RTB has authority to initiate fare changes for various types of service.

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4 Report on the Coordination of Light Rail Transit Planning for the Twin Cities Area, LRT Task Force of the Transportation Advisory Board, November 1987, p. 4. This report does not represent the official position of the Metropolitan Council, and the council was still considering revisions to the report in early January 1988.

5 "Circulator" services usually help people make short trips within a small geographic area.

Should the MTC play a direct role as a broker of transit services?

In December 1987, the RTB voted to give the MTC authority to bid out certain MTC routes that failed to meet RTB route performance standards. The board will give the MTC authority to bid out service for three routes. On two of the routes, the MTC will bid Saturday service while it continues to provide weekday service. RTB staff favor trying this "subcontracting" idea on a test basis, citing the potential for administrative efficiencies and coordination between weekday and Saturday service.

The RTB authorized MTC to broker services in certain cases.

However, the Legislature should clarify whether the region's primary service operator should also be allowed to broker transit services, a function that is also performed by the RTB. In deciding whether to permit the MTC to broker services, the Legislature should question (1) whether the MTC can objectively evaluate the bids of providers that may be competitors with the MTC for other services, and (2) whether the MTC should have access to information about the costs of private operators.

If the Legislature approves of this role for the MTC, then the RTB should clarify the MTC's duties as a contract administrator. The RTB's failure to do this created difficulties in the Metro Mobility program.

Who should enforce sanctions against transit operators?

The Minnesota Department of Public Safety (DPS) has authority to certify that Metro Mobility vehicles meet state safety standards, and it can impose penalties on vehicles failing to meet standards. However, the RTB and the Metro Mobility Administrative Center (MMAC) also monitor the performance and safety of these providers; on three occasions, they have placed providers on probation for safety problems.

RTB staff told us that DPS does not automatically report provider safety problems to the RTB or MMAC. In one instance, the RTB placed a provider on probation after learning second-hand about DPS-documented vehicle problems. We think the Legislature should clarify the sanctioning and reporting authority of these agencies.

Responsibilities Needing Agency Clarification

Certain transit responsibilities require coordination or clarification by the relevant agencies, without legislative action. In Chapter 5, we discussed the lack of clarity in the RTB's relationship with the Metro Mobility Administrative Center. Other responsibilities should be clarified, including:

How will transit services be provided in the event of an emergency?

One of the RTB's statutory goals is "to maintain public mobility in the event of emergencies or energy shortages."[6] However, the region's only emergency

6 *Minn. Stat.* §473.371, Subd. 2.

transit service plan was developed by the MTC prior to the RTB's creation, and it is "primarily an internal MTC planning document."[7] Although the RTB's Implementation Plan calls for maintaining public mobility during emergencies, the board has never formally accepted the MTC's plan, and it is possible that the RTB's notion of emergency services planning is different from the MTC's. We think that state law clearly authorizes the RTB to plan for emergencies, but the RTB should discuss these planning issues with the MTC and then accept or revise the existing plan.

What responsibilities and authority do RTB advisory committees have?

The RTB has advisory committees representing (a) transit service for the elderly and disabled, (b) ridesharing services, and (c) transit providers. We think that the RTB should clarify which issues advisory committees should bring to the RTB for formal RTB action, and whether committees can take certain actions without RTB approval. For example, in 1987 the Transportation Handicapped Advisory Committee (THAC) did not know whether it needed formal RTB approval of a list of "riders' rights and responsibilities" that it planned to distribute to program users.

RTB needs to clarify the roles of its advisory committees.

Second, the RTB needs to clarify whether its advisory committees can advise administrative agencies in addition to advising the RTB on policy matters. The RTB contracts with subdivisions of the MTC to administer the Metro Mobility and Minnesota Rideshare programs. The RTB's advisory committees sometimes discuss operations-related issues, but their authority to advise the administrative agencies is unclear.

Who should own the region's central computer facilities?

Currently, the MTC owns the region's central computer system for Metro Mobility, since it contracts for program administration with the RTB. The RTB has not competitively awarded this administrative contract, but it may consider this in the future. The board should consider making important equipment such as the computer system the property of the region, rather than the property of a contractor.

Who should do site planning for transit stations?

As discussed in Chapter 3, the RTB planned Interstate 394 transit stations in considerable detail before reaffirming that the Minnesota Department of Transportation (MnDOT) was responsible for detailed design. At the time, there were questions about which agency should select station locations and designs, and which agency should conduct public hearings on proposed stations. These issues may arise in other highway corridors and in LRT station planning, and we think that the RTB should reach formal agreement on roles with MnDOT and agencies developing LRT. Our preference is for the RTB's role to be minimal and advisory.

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7 *Contingency Plan for Transit and Paratransit Expansion During Petroleum Emergencies*, June 1982, p. 2.

What should be the roles of the Metropolitan Council and the RTB in encouraging the development of "transportation management organizations?"

The Metropolitan Council should clarify agency responsibilities in its new policy plan.

In the Interstate 494 corridor, the RTB and Metropolitan Council encouraged private developers and employers to develop "transportation management organizations," which could develop coordinated strategies for alleviating highway congestion. The council wants these organizations of employers and private developers to form elsewhere in the region, as indicated in its recently proposed long-range transportation policies. However, the draft does not specify the respective roles of the RTB and Metropolitan Council, and the staffs of both seem interested in encouraging these organizations to develop. We think the RTB should be the lead agency in these efforts.

Should the RTB delegate responsibility for encouraging ridesharing in private vehicles to Minnesota Rideshare?

Metropolitan Council staff believe that regional agencies need to make more direct contacts with employers to encourage ridesharing. The council's draft Transportation Policy Plan says that the RTB "should assist communities, employers, and developers in implementing ridesharing and other travel demand management techniques...."[8] This implies direct RTB involvement in program operations, and we think the council should clarify which ridesharing responsibilities are the RTB's and which are those of the administering agency, Minnesota Rideshare.

To which transit agency should cities report information on local projects that may affect transit operations?

Prior to the RTB's creation, cities routinely sent the MTC information on street closings, new business or housing developments, and new parking facilities. These projects can significantly affect transit demand and service. However, MTC staff told us that some cities no longer report this information to them. The MTC staff speculated that cities may be confused about which transit agency to send this information to. We think the RTB should provide cities with guidance on reporting this information to the MTC.

Is "quality assurance" for transit operations the responsibility of the RTB or individual operators?

To a large extent, transit providers "regulate" the performance of their own operations, although the RTB has authority to establish provider contracts and specify performance standards. The RTB is developing standards for transit system cost-effectiveness and service levels, but it has not established standards for quality assurance, such as the acceptable number of missed or late trips. The RTB should consider whether it is practical to set and enforce quality assurance standards for public and private providers, especially as it competitively bids an increasing number of transit routes.

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8 Metropolitan Council, *Draft Transportation Guide--Policy and Text*, September 29, 1987, p. 10.

Is there clear enough differentiation between the duties of the RTB's full-time chair and those of the executive director?

With both a full-time board chair and an executive director, there is the potential for confusion and conflict in RTB leadership. The chair and executive director sometimes disagreed on their respective roles during the agency's first two years. Although the current chair and executive director told us that they understand the division of responsibilities, we suspect that some ambiguity and tension will occasionally result from this two-person leadership arrangement. While we hope that the chair and director can sort out their responsibilities, there may be a need for the board to clarify leadership roles in the future.

Coordination Dilemmas

Even clarifying the issues above will not completely eliminate all confusion about agency responsibilities. As indicated by the following issues, the boundaries of certain transit planning tasks are not easily defined, and this ambiguity may be an inherent part of the current transit structure:

Can the RTB be a contract manager without involving itself in operations?

The 1987 Legislature said that the RTB "shall avoid, to the greatest extent possible, direct operational planning, administration, and management of specific transit services and facilities."[9] This is a difficult task for an agency that negotiates and holds contracts with about 40 transit providers.

The RTB has used two different approaches to contract administration. In the case of Metro Mobility, the RTB contracts with an administrative center to oversee providers and handle day-to-day operations, complaints, and public relations. The RTB has retained some duties, such as contract negotiation, certain disciplinary authority, and approval of provider marketing.

The RTB probably cannot avoid some involvement in transit operations.

In the case of regular route transit, there is no "administrative center." Providers handle complaints and distribute service information. The RTB is directly responsible for provider oversight. Curiously, the RTB seems to involve itself in operations-related issues more in the Metro Mobility program (which has an administrative center) than in regular route transit (which does not).

Does the RTB's role in program design and implementation necessarily involve it in operations?

In the case of Metro Mobility, the RTB totally redesigned the system and implemented a "new" one. Part of this restructuring was the design of a new administrative center, so the RTB made some detailed administrative decisons during the restructuring, rather than delegating them. This illustrates the difficulty of distinguishing "planning" from "operations" in cases where the RTB implements new programs or restructures old ones. These difficulties may

9 *Minn. Stat.* §473.373.

also arise in the development of light rail transit or in the restructuring of existing MTC bus routes.

What distinguishes the transit "policies" of the Legislature, the Metropolitan Council, and the RTB?

A clear differentiation of roles is difficult.

The policy-making responsibilities of these organizations lack clear boundaries, as indicated by several examples. First, the Metropolitan Council's general long-range policies are not always distinguishable from the RTB's shorter-range implementation policies, either in their level of detail or their subject matter. In 1986, the RTB developed some policies that were less detailed than the Metropolitan Council policies they were designed to implement.[10] Also, the RTB sometimes adopts policies that do not expressly implement council policy, as in the RTB's 1987 policy statement favoring MTC operation of light rail transit in the Twin Cities.

Second, the Legislature sometimes involves itself directly in operational issues. For example, state law regulated MTC fare levels until 1987, and the law still limits regional agencies' authority to issue bonds and levy local property taxes for transit. Some regional officials believe that these restrictions infringe on their ability to adequately finance the region's transit system.

Third, some council policies permit considerable leeway for RTB interpretation. For example, while council policy calls for the cost-effective delivery of transit services, it is unclear whether this authorizes the RTB to mandate "cost-sharing" arrangements with institutions benefitting from transit routes. During 1987, the RTB (1) required the University of Minnesota to share in the costs of MTC transit services, and (2) considered requiring certain social service agencies to share in the costs of transporting clients via Metro Mobility.

Can the RTB oversee transit providers without unnecessarily duplicating providers' tasks and legislative oversight functions?

To effectively review the budget requests and performance of providers, RTB staff must build a working knowledge of providers' operations. This results in the RTB and providers gathering and analyzing some of the same information. Although the board usually did not get into operational details during its 1987 public hearings on provider budgets, the RTB staff devoted considerable time to budget development and oversight.

ACCOUNTABILITY

Since its creation in 1967, the Metropolitan Council and its regional agencies have struggled with two major questions of accountability: how to make the metropolitan agencies accountable to the council, and how to make the agencies accountable to local governments and the public. In the first case, the

10 For example, the council designated maximum travel times for transit and highway systems in the region; the RTB's "implementing" policy said that priority transit investments should be given to corridors with congestion, unmet needs, and poor travel times to the downtowns.

council has tried to balance the need for "system management" with a need to focus on the "big picture" rather than operations. In the second case, the council has tried to balance the need for decisive action from a regional perspective with the need for local involvement in the policy process. In the following sections, we discuss both types of accountability for regional transit.

Inter-Agency Accountability

The Metropolitan Council has several formal tools for holding the RTB accountable for its actions. It appoints all RTB members except the chair and it approves the RTB's capital budget and Implementation and Financial Plan. However, the council's ability to hold the RTB accountable depends largely on the quality of its Transportation Development Guide and Policy Plan, which establishes long-range highway and transit policies for the region. State law requires the council to adopt a comprehensive development guide consisting of "policy statements, goals, standards, programs and maps prescribing guides for an orderly and economic development, public and private, of the Metropolitan Area."[11] In general, we found that:

- **The Metropolitan Council's oversight of the RTB during the past three years was relatively weak.**

The council did take some forceful actions, such as requiring the RTB to revise its Implementation and Financial Plan and playing the lead role in the establishment of an RTB provider advisory committee. However, the council and staff wanted to let the new RTB establish its own identity and creatively set its agenda, so they often granted the RTB considerable autonomy. The council's weak oversight also resulted from its long-range transportation policies. We examined the current policies (developed in 1983 and revised in 1984) and found that:

The Metropolitan Council has provided RTB with broad direction but it has lacked good performance measures.

- **Most of the council's 1983 and 1984 transportation policies provided only general guidance to the RTB, with few practical performance measures.**

Of the council's 38 transportation policies, 16 directly mention transit service. Only three policies have specific performance objectives, and the council lacked a means of measuring progress toward two of them.[12] In addition to lacking performance measures, the 1983 plan did not consider peak period traffic congestion a serious problem, contrary to the council's thinking five years later. The plan presented few specific suggestions for integrating transit considerations into major highway decisions, although MnDOT did base its plans for the new Interstate 394 on the council's objective of 1.6 people per vehicle. On the whole, the plan provided the new RTB with only broad direction.

The 1986 Legislature outlined more specific requirements for the council's policy plans, and the council is currently revising its transportation policies ac-

11 Minn. Stat. 473.145.

12 The only performance objective related to existing measures was the council's planned increase in vehicle occupancy rates.

cordingly (the policies become effective in mid-1988). After reviewing drafts of the revised policies in late 1987, we concluded that:

- **The council's proposed revision to the Transportation Development Guide and Policy Plan provides stronger guidance for regional transit and more specific guidance to the RTB than the existing plan.**

For example:

- Most of the council's transit policies now include corresponding strategies and performance measures. The council intends to (1) more closely monitor the transit planning of the RTB and local governments, and (2) evaluate progress toward overall transportation system objectives.

The council's new plan provides stronger guidance for the regional transit system.

- The council's policies clarify its expectations of the RTB, outlining necessary components of the Implementation and Financial Plan and recommending that the RTB devote more staff time to certain activities.

- The policies more closely integrate transit considerations into highway decision-making. The council anticipates playing a more active role in MnDOT's metropolitan highway selection process, and its draft policies give greater priority to highways with ridesharing lanes. In addition, the council will not approve highway investments until adjacent local governments establish plans to "manage" traffic (perhaps through improved transit).

The council should strengthen some elements of the draft plan. In particular:

- **The plan does not adequately define the council's role in encouraging land uses that will facilitate transit.**

In recent years, many U.S. transit organizations have recognized that sprawling land uses inhibit the development of cost-effective suburban transit. However, unlike the Metropolitan Council, most regional transit planning agencies do not have authority to influence land use. We think that the council's transportation plan should provide stronger land use guidance. The draft plan leaves planning for "regional business concentrations" to local governments and does not indicate whether the council will provide assistance or direction in these efforts. Also, while the plan says that cities should not encourage dense development in congested corridors, it does not adequately address the need to limit sprawling development in other parts of the region (such development could reduce the future potential for transit services in these areas).

Overall, although the land use components should be strengthened, we believe that the council's proposed Transportation Development Guide and Policy Plan are a significant improvement over the existing plan. The proposed long-range plan provides the council with a better means of holding the RTB accountable for its performance, and a better means of judging the

council's own performance. Other recent council actions also indicate a more assertive role in RTB oversight. For example, council staff played an important role in getting the RTB to establish an advisory committee of transit providers during 1987. Also, the council recently required that the RTB amend its Implementation and Financial Plan, to make it consistent with the RTB's own 1988 capital budget proposal.

Accountability to Local Governments and the Public

During the past two decades, many people have criticized metropolitan government for being insufficiently accountable to the public. Regional agencies are "special districts" that are not subject to most of the state's formal administrative procedures. In addition, all regional officials are appointed, not elected.[13] However, the Legislature has resisted proposals calling for elected regional officials and stronger administrative controls.[14]

Despite the Legislature's reluctance to make regional agencies formally accountable to the public, we think the Legislature clearly expects these agencies to be responsive to the public. A principal reason for the RTB's creation was the Legislature's desire to increase the role of local governments in transit decisions and to make transit services more responsive to public needs. This report discusses several instances in which the RTB has failed to adequately involve local governments or the general public in its decision-making process. For example, there was little local review of the RTB's Implementation and Financial Plan, and the RTB did not effectively solicit the input of program users during its Metro Mobility implementation planning.

To address the need for better local involvement in RTB planning, we made several recommendations in Chapter 4, including: more frequent use of the Metropolitan Council's Transportation Advisory Board and city staff; RTB solicitation of local service proposals; and development of a regional transit newsletter. In addition, Chapter 2 recommends that the RTB improve public discussion of issues by limiting its retreats to internal matters.

COMMUNICATIONS

Poor communications between the Metropolitan Council and the MTC were a factor in the 1984 Legislature's decision to alter the regional transit planning structure. We examined inter-agency relationships since 1984 and found that:

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13 An elected official, the Governor, appoints regional agency heads.

14 For a more detailed discussion of the accountability of regional agencies, see Tom Todd, Minnesota House of Representatives Research Department, *Metropolitan Governance Project: Working Papers*, November 1985.

- **Communications between the Metropolitan Council and RTB have generally been cordial and mutually beneficial, particularly among staff. However, the formal liaison system between the council and RTB has not been very effective.**

The staffs of these agencies communicate frequently. Their offices are adjacent, and the staffs have worked together on transit needs assessments and corridor studies.

RTB needs to improve its relations with the Metropolitan Council and the MTC.

Relations between members of the board and the council are less frequent; they hold joint meetings twice a year. Each agency's chair appoints a member to serve as liaison to the other agency. However, the RTB's liaison rarely attends council meetings and attended none of the council's discussions on the proposed long-range transportation policies (two other RTB members did attend). The council's liaison occasionally attends RTB meetings.

We also found that:

- **There have been many disagreements between the RTB and MTC since late 1986, and relations have been strained by a lack of open communications.**

It is not surprising to find tensions between the agencies, since the perspective of a transit operator will often be different from that of a regional planning agency that wants to be "provider-neutral." The RTB's interest in competitive bidding of transit services and its $2.5 million reduction in the MTC's 1988 budget request heightened this tension. However, from our interviews and observations, it is also clear that each agency has a fundamental mutual distrust of the other's intentions and motivations.

The RTB and MTC meet quarterly, and the RTB's executive director meets weekly with the MTC's chief administrator. Neither the MTC nor RTB appoint formal liaisons to the other agency. There have been some useful joint efforts between the MTC and RTB, such as the development of cost-effectiveness standards for MTC bus routes in 1986, and the analysis of potential service improvements in Anoka County.

RECOMMENDATIONS

The Legislature worked to define transit planning responsibilities during the past several years, but some responsibilities need further clarification. In particular, there is a need for regional coordination of locally-initiated LRT services. Although counties and regional agencies have expressed willingness to coordinate future LRT development, we think that regional coordination is too important to leave solely to the good intentions of these parties. We recommend that:

- **The Legislature should authorize the Metropolitan Council to approve or disapprove the plans of regional rail authorities, just as**

it now approves county and municipal plans that are consistent with council plans and policies.

Also, we think that the RTB should play a larger role in LRT planning and coordination than it now does. It seems counterproductive to prohibit the region's transit implementing agency from participating in light rail planning. We recommend that:

The Legislature should give RTB and the Metropolitan Council a greater voice in light rail transit planning.

- **The Legislature should authorize the RTB to: (1) participate in LRT planning throughout the region by repealing that 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 standards for light rail transit, with assistance from an advisory team of local and regional officials.**

We also recommend that:

- **The Legislature should clarify whether the RTB has authority to (1) initiate fare changes, (2) enforce sanctions against transit operators, and (3) delegate certain transit contracting responsibilities to the MTC. The Legislature should give the RTB clear authority to set transit performance standards in opt-out cities.**

In this chapter, we discussed several responsibilities needing agency clarification. In many instances, regional agencies have relied on informal understandings about agency responsibilities. We think the agencies involved in regional transit planning should establish more formal agreements on agency responsibilities, whenever possible. Of particular importance, we recommend that:

- **The RTB should play the lead role in clarifying responsibility for emergency service planning, transit station site planning, and quality assurance monitoring. The RTB should also clarify the roles of its advisory committees.**

- **The Metropolitan Council should clarify responsibility for regional ridesharing and transportation management organization planning in its 1988 Transportation Policy Plan. The council should also help cities plan future land use development in ways that accommodate transit.**

Regarding inter-agency accountability, we think that the Metropolitan Council's updated transit policies (now in draft form) provide a stronger tool for council oversight of the RTB. However, to further strengthen accountability, we recommend that:

- **Every six months, the RTB should prepare for the council a brief written summary of progress in implementing council policies.**

- **Each biennium, the Metropolitan Council should prepare for the Legislature a brief summary of trends in its transportation 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 their consideration.**

We think that the council can use these and its existing tools to more effectively oversee the RTB, without diverting the council's attention from broad policy issues.

DISCUSSION

Chapter 9

Our study focused on (1) progress toward metropolitan transit planning goals established by the Legislature in 1984, and (2) the overall performance of the Regional Transit Board. In this chapter, we summarize our conclusions on these issues.

MEETING THE LEGISLATURE'S TRANSIT GOALS

RTB has fostered few transit innovations, but it has improved transit planning.

Although it is too early to make final judgements on many of the efforts undertaken during the past few years, here is our assessment of progress toward the Legislature's goals (outlined in Chapter 1):

- *Improve transit service planning.* This goal has been met, but the RTB needs to further improve its internal work planning and program implementation planning. The RTB devoted considerable time during the past three years to documenting the region's transit needs and developing options for new service, as intended by the Legislature. The RTB also addressed the need for major changes in the Metro Mobility system although it failed to adequately resolve some key issues prior to program implementation.

- *Foster innovations responsive to local needs.* With the exception of Metro Mobility expansion and restructuring, this goal has not been met. The RTB did not make the implementation of suburban service improvements a priority in the past three years, and it will not implement new service in the transit taxing district until mid-1988, at the earliest. While the RTB could not have implemented extensive new services during its first three years, it should have tried some service experiments.

- *Increase local involvement in transit planning.* The RTB's record is mixed. It worked well with local governments during its service needs assessment and Interstate 494 planning, but it has not established formal means of soliciting local service proposals or involving local

governments in decision making. This has undermined the RTB's Implementation Plan and its planning in the Interstate 394 corridor.

- *Obtain stable funding for transit.* The Legislature made no significant changes in transit funding during the past several years. State funding for transit is less than half of what the 1984 Legislative Commission on Metropolitan Transit recommended, and property taxes are financing an increasing share of the transit system.

- *Improve transit's cost-effectiveness.* The RTB has taken some important steps toward this goal, including: (1) joint development of bus route performance standards with the MTC, (2) development of competitive transit guidelines, (3) encouragement of more competition in the Metro Mobility system, and (4) improved scrutiny of transit providers.[1] In addition, the RTB's interest in competitive bidding apparently contributed to a 1986 settlement between the MTC and its union that included smaller wage increases than those granted in the past.[2] While the RTB's efforts may ultimately improve the transit system's *cost-effectiveness*, the system's *total costs* will probably not decline, since the RTB wants to use cost savings to address currently unmet needs. For example, the RTB reduced Metro Mobility subsidies per ride, but ridership growth increased program costs.

- *Shift the Legislature's focus from operations to policy issues.* The progress toward this goal is mixed. In 1987, the Legislature reduced its role in fare-setting by lifting some statutory restrictions on the regular route fares. On the other hand, the Legislature became involved in Metro Mobility program details that the RTB had not satisfactorily addressed.

- *Improve oversight of the MTC, while preserving its integrity.* There is more oversight, since the RTB now reviews and approves transit operating budgets. No regional agency had this authority prior to 1984.[3] As to the preservation of the MTC's integrity, the MTC and RTB have agreed on all MTC service reductions implemented so far. Since 1986, the RTB's unnecessary failure to define which services would be eligible for competitive bidding has caused MTC fears about service reductions.

- *Clarify agency responsibilities.* This goal has been partly met, but some responsibilities need further clarification by the Legislature and by the agencies themselves. The creation of the RTB, its advisory committees, and a new Metro Mobility Administrative Center

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1 Some of these efforts are not completed. The MTC route performance standards have not been finalized, and the RTB has not developed standards for other providers. The competitive bidding guidelines will not be used until early 1988.

2 The MTC and its union negotiated a three-year contract that calls for two percent annual wage increases and more use of part-time bus drivers.

3 The RTB's impact on the MTC's budget was minor in the first three years, but it reduced the MTC's 1988 budget request ($103 million) by $2.5 million.

increased the potential for confusion about roles and responsibilities. The regional agencies need to reach formal agreement on agency responsibilities whenever possible and improve inter-agency communications. In addition, the Legislature has not provided for adequate regional oversight of light rail transit development, and it should empower the RTB to play a role in the light rail planning process.

- *Improve the integration of highway and transit issues.* During the past three years, the Minnesota Department of Transportation and regional transit agencies cooperatively planned improvements for Interstates 394 and 494. But the most important indication of progress toward this goal is the Metropolitan Council's proposed Transportation Policy Plan. For example, the council intends to approve local comprehensive plans in congested highway corridors only when these plans include strategies for managing travel demand.

- *Relate local transit property taxes to services received.* The RTB implemented "tax feathering" in 1985 as mandated by the Legislature. However, we found that the transit property tax relief provided in 1986 and 1987 was less than the Legislature intended, and reliance on property taxes as a transit revenue source continues to grow.

The Legislature had high expectations for transit service improvements during the past few years. The most notable progress toward the 1984 Legislature's goals is the improvement in short- to mid-range transit planning, particularly through the RTB's Transit Service Needs Assessment. On the other hand, there was too little progress toward the implementation of new service and the involvement of local officials in transit planning, and the Legislature has not reversed the transit system's increased reliance on property taxes.

ASSESSING THE RTB

The creation of the Regional Transit Board was a bold legislative experiment, and many national observers point to the Minneapolis-St. Paul transit structure as a model for other cities. The 1984 changes occurred because of the Legislature's belief that the existing planning structure was fundamentally flawed and its frustration with the performance of existing planning agencies. For the Legislature to continue the present structure, it must be convinced that the RTB (1) has a fundamental "reason for being" and (2) is capable of performing its tasks.

Overall, RTB's track record is mixed.

Regarding the RTB's "reason for being," there remains a clear need for an agency with a regional perspective to arrange for and evaluate transit service, although these tasks do not necessarily have to be carried out by a separate agency. The region's public transit agency (the MTC) cannot objectively perform these tasks because it has a stake in the outcome. In contrast, the Metropolitan Council *could* perform these functions and conduct "mid-range" transit planning. It seems appropriate for the council to play a more active role in transit, which is quickly becoming one of the region's most pressing is-

sues. On the other hand, many recent assessments of the council criticized its tendency to become immersed in program details. We also question whether the council could devote the necessary time to transit issues on an ongoing basis, given its many other responsibilities. In sum, it is not structurally necessary to have a separate regional transit agency, but there may be practical reasons for assigning transit brokering and mid-range planning responsibilities to an agency other than the Metropolitan Council.

However, for the Legislature to maintain the current transit planning structure, the RTB's performance in achieving regional and legislative goals must improve. The RTB's short track record contains many mistakes and missed opportunities. This may not be unexpected for a new agency that is breaking new ground in transit planning, but the RTB needs to make several improvements.

- **The RTB must be more attentive to the process by which policies are implemented.**

The board needs a stronger Implementation Plan, one that it can use on a regular basis to guide its actions. In planning major activities, the board should more explicitly consider: (1) what issues should be addressed, (2) what board decisions should be made and in what sequence, and (3) how to involve outside parties in the decision-making process. The board spent too much time in its first three years responding to "brush fires," partly because key issues caught it by surprise and because its planning process did not include enough opportunities for outside participation.

RTB must improve its attainment of key goals, and the Metropolitan Council must provide better oversight.

- **The RTB needs to be more of a forum for ideas.**

The board often gives chances to speak to advisory groups, local governments, and the general public, but it needs to *encourage* more public discussion and react less defensively to public criticism. The 1984 Legislature wanted a regional planning agency that was responsive to local needs and that solicited local opinions, but the RTB's record shows considerable room for improvement. Also, the board should restrict its "retreats" to internal matters whenever possible, so that policy issues may be discussed more fully in regular meetings.

- **The board needs to innovate.**

The RTB acted boldly when it restructured the Metro Mobility program. But the board has not been aggressive in discussing and implementing suburban service improvements. We are encouraged that the board plans to "test market" new services during 1988, but we think it should continually solicit and discuss possible ideas for new service.

- **Inter-agency accountability must improve, and all RTB actions should be consistent with Metropolitan Council policy.**

During the past few years, the Metropolitan Council has not been particularly assertive in its oversight of the RTB. In Chapter 8, we suggest ways in which the council can oversee transit planning and implementation activities more

closely without devoting too much time to "management" of the RTB. If the council's increased oversight and policy leadership does not adequately improve accountability, then the Legislature should consider making the RTB an "agency of the council," like the Metropolitan Parks and Open Space Commission. An "agency of the council" is staffed by the council but has a separate board, with all members appointed by the council. Policy-making authority rests with the council, although the board can propose or implement council policies.

- **The RTB must improve its internal oversight.**

The board should examine its current year's expenditures and staffing patterns before finalizing a workplan for the next year. Staff activities sometimes varied considerably from workplans, and it is important for the board to understand the consequences of these variations. The board also should involve its members more closely in ongoing major projects, perhaps through the establishment of ad hoc committees.

- **The RTB needs to formalize its relationships with other agencies on key responsibilities.**

During the past three years, the RTB sometimes assumed that the responsibilities of its advisory committees, the MTC, and the Metro Mobility Administrative Center were understood, when in fact they were not. Improving agency coordination and communications should be an ongoing task in a planning structure as complicated as the one for metropolitan transit.

Overall, we conclude that:

It is premature to alter the transit planning structure now; RTB should be given more time to prove itself.

- **It remains unclear whether the Legislature's innovation in creating the Regional Transit Board has been successful. The RTB must yet prove itself to be an effective problem solver, and we recommend a follow-up review of the board's performance by our office in two or three years.**

We do not recommend major structural changes at this time. Major changes now would be premature, disruptive, and threaten progress that is currently being made by the RTB. While we think that having a transit planning agency "between" the Metropolitan Council and transit operators can succeed, such an arrangement complicates agency coordination, communication, accountability, and decision-making processes. Each of these issues presented difficult problems since 1984, and the RTB needs to ensure that they are adequately addressed. In addition, the board and staff need to more skillfully execute policies and implement programs, and the Legislature and Metropolitan Council should hold the RTB to high standards of performance. We think there is reason to hope that the RTB can meet this challenge. Board members seemed to be more assertive in late 1987 and had good discussions on competitive bidding and MTC budget issues. Also, the RTB staff is developing test cases for suburban service and competitive bidding, and staff showed greater responsiveness to the concerns of Metro Mobility users and providers in 1987.

DESCRIPTION OF RTB WORK ACTIVITIES

Appendix A

The following RTB work activities are referenced in Table 2.4:

RTB Policy Management. Setting board's overall policy directions; staff assistance to the chair and board; legislative program and intergovernmental coordination.

Executive Director's Office. Manage work program and budget; coordinate strategic planning, staff planning, and legal services; appoint and direct employees.

Public information. Media relations; develop public and legislative information; RTB annual conference; develop public participation strategy; RTB annual report (1988); develop RTB and Minnesota Public Transit Association conferences (1988).

Planning and Programs Administration. Prepare technical memos and reports responding to legislative and community requests; participate in budget development; management support for board, staff, and general public; staff hiring (1987, 1988); staff training (1988); RTB and Minnesota Public Transit Association conferences (1986).

Transportation Planning Process. Review and approve plans and projects; participate in community meetings and task forces, metro area planning process, Transportation Improvement Program preparation, unified metro work program preparation; RTB and Minnesota Public Transit Association conferences (1987); implementation plan (1988); review Metropolitan Council Policy Plan (1988).

Highway Corridor Studies. Participate in advisory committees; coordinate activities with service needs assessment; review project documents.

Urban Travel Analysis and Policy Plan Update. Participate in committees and task forces to ensure that transit is adequately considered in metropolitan urban travel analyses, long-range highway plans, and Metropolitan Council plans.

Handicapped Transportation Planning. Design, implement, and evaluate service changes; implement and evaluate MTC accessible bus demonstration project; advisory committee meetings; issue papers and reports.

Regional Rideshare Coordination. Advisory committee meetings; staff assistance; develop rideshare evaluation and implement recommendations; marketing plan (1986); implementation plan (1986).

I-394 Planning and Implementation. Management team and marketing committee meetings; review and coordinate plans and programs; lead role in transit working group on implementation of service improvements; coordinate design of transit stations with MnDOT (1988).

Transit System Planning and Implementation. Studies; technical assistance to communities; review plans and programs; participate in meetings.

Transit Programs and Administration. Negotiate and administer provider contracts; jobseekers program (1987) capital plan (1987) transit disadvantaged program (1987, 1988); Metro Mobility (1987); opt-out (1987, 1988); regular route, small urban and rural programs (1988); implement performance auditing (1988).

Competitive Transit Services. Develop work program and cost models (1987), implement and evaluate bidding process.

Preliminary Engineering for Transit Corridors. Update and issue LRT request-for-proposal; select consultants; initiate preliminary engineering activities.

Taxicab Planning and Coordination. Advisory committee meetings; reports, memos, and other documents.

Service Needs Assessment. Phases I and II drafts and final reports; implementation plan; project management and committee meetings; public hearings.

Sources: Regional Transit Board, Work Program and Budget, 1986, 1987, 1988; Metropolitan Council, 1987 Transportation Unified Work Program for the Twin Cities Metropolitan Area.

DESCRIPTION OF THE TRANSIT SERVICE NEEDS ASSESSMENT

Appendix B

The study, completed by RTB in late 1986, used five indicators of need for transit services: (1) population and employment concentrations; (2) the number of "transit-dependent" residents;[1] (3) travel desire, as indicated by current metropolitan travel patterns; (4) highway congestion; (5) existing access to transit services. These data already existed but had never been analyzed in a comprehensive study of the region's transit needs.

Besides reviewing existing demographic data, the RTB developed new information for the needs assessment. Consulting staff interviewed 81 residents to obtain qualitative information about transit attitudes and perceptions.[2] On the basis of the interviews, staff developed surveys that were given to 1,000 residents of the western and northwestern parts of the metropolitan area (both users and non-users of transit). The surveys provided information on respondents' travel behavior, use of transit, attitudes toward transit, and willingness to use transit services other than those currently available. In addition, staff conducted surveys on four existing bus routes to determine demographic characteristics, rider destinations, and trip purposes.

A key element of the needs assessment was an analysis of existing transit routes. The RTB developed a "four-factor cost model" for the purpose of more accurately determining the costs of bus routes.[3] Using these cost estimates, routes were assessed on the basis of several performance indicators, such as subsidy per passenger.[4] Staff then identified routes that rated poorly on the performance indicators.

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1 "Transit-dependent" included residents over age 64 or under age 18, low-income residents, and members of households without cars.

2 The residents were selected to represent various subgroups of the population, such as suburban commuters, the disabled, and the elderly. A consultant conducted group interviews with each subpopulation.

3 The RTB's model considers cost per vehicle mile, cost per base platform hour, cost per peak platform hour, and the peak number of vehicles. The model differs from cost models previously used by the MTC, which did not fully consider peak hour costs.

4 The performance measures were cost per revenue hour, subsidy per passenger, subsidy per hour, farebox recovery ratio, passengers per mile, and average fare.

Finally, the needs assessment described existing transit and suggested possible transit strategies in each of 22 "sub-areas" of the region. The strategies considered included park-and-ride lots, various forms of bus and paratransit service, Metro Mobility, preferential freeway access for transit vehicles, improved route scheduling, and ride-sharing.

SURVEY OF LOCAL OFFICIALS IN THE METROPOLITAN TRANSIT TAXING DISTRICT

Appendix C

During July and August 1987, we surveyed officials in the 91 cities in the transit taxing district. Officials from 81 cities returned surveys. This appendix summarizes the results for all responding cities and for those with populations over 10,000. We also surveyed and received responses from officials in all seven of the region's counties.

FOR QUESTIONS 1 THROUGH 16: PLEASE SELECT THE ONE ANSWER THAT BEST DESCRIBES YOUR CITY OR THE VIEWS OF ITS OFFICIALS.

ALL CITIES	LARGE CITIES	
		1) Staff in your city address transit service issues:
6	6	At least once a day;
13	9	About once a week;
13	8	About once a month;
44	19	Less than once a month;
3	0	Not sure;
2	1	No answer.
		2) Your city council discusses transit service issues in its public meetings:
0	0	At least once every two weeks;
7	4	About once a month;
13	7	About once every three months;
58	31	Less than once every three months;
2	1	Not sure.
1	0	No answer.
		3) Compared to other issues facing your city in the past year, transit issues were:
1	1	A very high priority;
7	5	A high priority;
17	12	A medium priority;
26	13	A low priority;
28	12	A very low priority;

ALL CITIES	LARGE CITIES		
		3)	**(continued)**
0	0		Not sure.
2	0		No answer.
		4)	**Five to ten years from now, transit issues in your city will be:**
3	2		A very high priority;
16	12		A high priority;
31	18		A medium priority;
14	8		A low priority;
6	0		A very low priority;
9	3		Not sure.
2	0		No answer.
		5)	**Which of the following statements best describes the extent to which your city's comprehensive plan addresses transit issues?**
10	2		Our plan does not address transit issues;
51	28		Our plan contains general statements about the need for good transit service, but it does not discuss transit plans in detail;
15	13		Our plan contains detailed statements about transit service and how transit needs should be addressed;
5	0		No answer.
		6)	**To the best of your knowledge, how many times did the Regional Transit Board's staff discuss transit with your city's officials in the past year?**
14	12		Three or more times;
22	11		One or two times;
40	17		There were no substantive discussions;
5	3		Not sure.
			If you answered (a) to Question 6, which of these statements best describes the discussions between RTB staff and your city?
6	4		The Regional Transit Board's staff initiated most of these discussions;
6	6		Our city initiated most of these discussions;
2	2		Not sure.
		7)	**To the best of your knowledge, how many times did the Regional Transit Board's chair discuss transit with your city's officials in the past year?**
6	6		Three or more times;

ALL CITIES	LARGE CITIES		
		7)	**(continued)**
11	7		One or two times;
53	25		There were no substantive discussions;
11	5		Not sure.
			If you answered (a) to Question 7, which of these statements best describes the discussions between the RTB's chair and your city?
3	3		The Regional Transit Board's chair initiated most of these discussions;
0	0		Our city initiated most of these discussions;
3	3		Not sure.
		8)	**To the best of your knowledge, how many times did Regional Transit Board members (other than the chair) discuss transit with your city's officials in the past year?**
9	8		Three or more times;
11	9		One or two times;
50	22		There were no substantive discussions;
10	4		Not sure.
1	0		No answer.
			If you answered (a) to Question 8, which of these statements best describes the discussions between RTB members and your city?
2	2		The Regional Transit Board members initiated most of these discussions;
6	5		Our city initiated most of these discussions;
1	1		Not sure.
		9)	**Which one of the following types of transit service would most help your city?**
19	7		Improved bus service to downtown Minneapolis or St. Paul;
26	22		Bus service that helps your residents circulate within your city or travel to adjacent suburbs;
9	6		Light rail transit;
4	0		Improved transit service for disabled residents;
6	3		Improved car-pooling or van-pooling programs;
2	2		Other;
15	3		No answer, not sure, multiple answers.

ALL CITIES	LARGE CITIES	
		10) Given a choice between improved transit services and lower property taxes for transit, your city would prefer:
17	12	Improved transit services;
37	15	Lower property taxes;
25	16	Not sure;
2	0	No answer.
		11) Which of these statements describes your city's view?
21	9	Our city's transit service is adequate, and our property tax contribution in support of metropolitan transit is reasonable;
14	11	Our city's transit service is inadequate, but our property tax contribution in support of metropolitan transit is reasonable;
12	5	Our city's transit service is adequate, but our property tax contribution in support of metropolitan transit is unreasonable;
17	10	Our city's transit service is inadequate, and our property tax contribution in support of metropolitan transit is unreasonable.
11	7	Other;
6	1	No answer.
		12) The 1984 Legislature passed legislation intended to improve transit planning and services in the metropolitan area. Among these changes were the creation of the Regional Transit Board and the removal of mid-range transit planning authority from the Metropolitan Transit Commission.
		Since 1984, transit service to your city has:
3	3	Improved significantly;
9	3	Improved somewhat;
45	25	Remained the same;
0	0	Deteriorated significantly;
12	7	Deteriorated somewhat;
11	5	Not sure;
1	0	No answer.
		13) Since 1984, the role of your city in regional transit decision-making has:
2	1	Increased significantly;
13	11	Increased somewhat;
54	27	Remained the same;
2	0	Decreased significantly;
3	3	Decreased somewhat;

ALL CITIES	LARGE CITIES	
		13) (continued)
5	1	Not sure;
2	0	No answer.
		14) Since 1984, the Metropolitan Transit Commission's responsiveness to your city's transit needs has:
3	1	Increased significantly;
10	7	Increased somewhat;
51	26	Remained the same;
2	1	Decreased significantly;
4	3	Decreased somewhat;
9	4	Not sure;
2	1	No answer.
		15) The Regional Transit Board completed a transit needs assessment for the metropolitan area in 1986. Your city:
15	13	Understands its transit needs better as a result of the needs assessment;
16	6	Has not seen the transit needs assessment;
18	12	Has seen the transit needs assessment but did not find it useful;
29	11	Not sure;
3	1	No answer.
		16) During the past year, the Regional Transit Board completed an implementation plan for the Metropolitan Council's transit policies. Your city:
12	11	Found that the implementation plan provides useful ideas for improving transit service;
26	16	Has not seen the implementation plan;
10	6	Has seen the implementation plan, but did not find it useful;
31	10	Not sure.

FOR QUESTIONS 17 TO 21, PLEASE CHECK ALL ANSWERS THAT APPLY TO YOUR CITY.

		17) Your city provided data, comments, or advice for:
20	19	The RTB's transit needs assessment;
11	9	The RTB's implementation plan;
30	13	Neither the transit needs assessment nor the implementation plan;
27	11	Not sure;
2	0	No answer.

ALL CITIES	LARGE CITIES	
		18) Which, if any, of these transit organizations have personally requested your city's opinion or advice on transit planning issues in the past year?
21	18	Metropolitan Council;
28	21	Regional Transit Board;
18	15	Metropolitan Transit Commission;
27	9	Not sure.
		19) Which, if any, of these transit organizations have personally encouraged your city to do transit planning in the past year?
12	11	Metropolitan Council;
17	14	Regional Transit Board;
7	6	Metropolitan Transit Commission;
38	17	Not sure.
		20) Which, if any, of these transit organizations have provided your city with technical assistance on transit issues in the past year?
10	9	Metropolitan Council;
19	16	Regional Transit Board;
12	8	Metropolitan Transit Commission;
32	16	Not sure.
		21) From which of the following groups have you received requests for improved transit in the past year?
15	12	Employers;
25	21	Commuters;
36	23	Elderly or handicapped;
6	4	Youth;
21	8	Not sure.

QUESTIONS 22 TO 25: YES/NO

			ALL CITIES	LARGE CITIES
22)	Did staff from your city attend any RTB public hearings in past year?	Yes	22	16
		No	50	21
		Not Sure	9	6
23)	If better transit service was available, would transit ridership in your city increase significantly?	Yes	26	18
		No	14	5
		Not Sure	40	19

			ALL CITIES	LARGE CITIES
24)	The RTB is interested in "test marketing" innovative transit services in the region. Would your city be willing to develop a formal proposal for "test marketing" in the next year that would compete with proposals of other cities?	Yes	20	19
		No	26	6
		Not Sure	33	17
25)	Since 1982, the Legislature has permitted cities to "opt out" that is, to use up to 90 percent of their transit property taxes to finance their own system of transit service. Current law says that cities may not enter the "opt-out" program unless they express interest before mid-1988. Should state law be changed to permit cities to "opt out" after mid-1988?	Yes	34	17
		No	24	16
		Not Sure	22	10

QUESTIONS 26 TO 29 ASK YOU TO RATE THE REGIONAL TRANSIT BOARD FROM 1 TO 10 ON A VARIETY OF MEASURES. FOR EACH QUESTION, CIRCLE THE NUMBER THAT BEST DESCRIBES THE RTB ON THE CONTINUUM SHOWN (OR ANSWER "NOT SURE" IF APPROPRIATE).

				MEAN OF ALL CITIES	NOT SURE
26)	RTB not creative	1 2 3 4 5 6 7 8 9 10	RTB very creative	4.8	34
27)	RTB is not willing to involve communities in planning process	1 2 3 4 5 6 7 8 9 10	RTB is very willing to involve communities in planning process	6.0	25
28)	RTB communicates poorly with cities	1 2 3 4 5 6 7 8 9 10	RTB communicates well with cities	5.1	18
29)	RTB is passive	1 2 3 4 5 6 7 8 9 10	RTB os aggressive	5.4	26
30)	RTB is unresponsive to local transit ideas	1 2 3 4 5 6 7 8 9 10	RTB is very responsive to local transit ideas	5.9	29

SUMMARY OF COUNTY RESPONSES

(Note: Counties completed a similar but slightly shorter survey. Below, we summarize their answers to questions that were similar to the city survey's questions. The question numbers correspond to those on the city survey.)

1) Once a day - 3; once a week - 1; once a month - 1; less than once a month - 2.

2) Once every two weeks - 1; once a month - 1; once every three months - 3; less than once every three months - 2.

3) Very high - 2; high - 1; low - 2; very low - 2.

4) Very high - 2; high - 1; medium - 3; low - 1.

5) Does not address transit - 1; general statements but no detail - 5; other - 1.

6) Three or more times - 3; no discussions - 4.

7) Three or more times - 2; no discussions - 5.

8) Three or more times - 3; no discussions - 4.

9) Improved bus service to the downtowns - 1; bus service that helps residents circulate - 1; light rail transit - 5.

12) Remained the same - 4; deteriorated somewhat - 1; not sure - 2.

13) Increased significantly - 2; increased somewhat - 1; remained the same - 4.

14) Increased somewhat - 1; remained the same - 3; decreased somewhat - 1; not sure - 2.

15) Understands its needs better - 3; has not seen - 1; has seen but did not find useful - 1; not sure - 2.

16) Found the plan useful - 2; has not seen - 1; has seen but did not find useful - 1; not sure - 3.

17) Needs assessment - 2; implementation plan - 2; neither - 3; not sure - 2.

18) Metropolitan Council - 3; RTB - 4; MTC - 1; not sure - 2.

19) Metropolitan Council - 0; RTB - 2; MTC - 0; not sure - 4.

20) Metropolitan Council - 2; RTB - 1; MTC - 0; not sure - 4.

22) Yes - 4; no - 1; not sure - 2.

23) Yes - 3; not sure - 4.

26) Mean: 5.8 (not sure - 1)

27) Mean: 7.0 (not sure - 2)

28) Mean: 5.3 (not sure - 1)

29) Mean: 5.7 (not sure - 1)

30) Mean: 6.4 (not sure - 2)

SELECTED PROGRAM EVALUATIONS

Board of Electricity, January 1980	80-01
Twin Cities Metropolitan Transit Commission, February 1980	80-02
Information Services Bureau, February 1980	80-03
Department of Economic Security, February 1980	80-04
Statewide Bicycle Registration Program, November 1980	80-05
State Arts Board: Individual Artists Grants Program, November 1980	80-06
Department of Human Rights, January 1981	81-01
Hospital Regulation, February 1981	81-02
Department of Public Welfare's Regulation of Residential Facilities for the Mentally Ill, February 1981	81-03
State Designer Selection Board, February 1981	81-04
Corporate Income Tax Processing, March 1981	81-05
Computer Support for Tax Processing, April 1981	81-06
State-sponsored Chemical Dependency Programs: Follow-up Study, April 1981	81-07
Construction Cost Overrun at the Minnesota Correctional Facility - Oak Park Heights, April 1981	81-08
Individual Income Tax Processing and Auditing, July 1981	81-09
State Office Space Management and Leasing, November 1981	81-10
Procurement Set-Asides, February 1982	82-01
State Timber Sales, February 1982	82-02
Department of Education Information System,* March 1982	82-03
State Purchasing, April 1982	82-04
Fire Safety in Residential Facilities for Disabled Persons, June 1982	82-05
State Mineral Leasing, June 1982	82-06
Direct Property Tax Relief Programs, February 1983	83-01
Post-Secondary Vocational Education at Minnesota's Area Vocational-Technical Institutes,* February 1983	83-02
Community Residential Programs for Mentally Retarded Persons,* February 1983	83-03
State Land Acquisition and Disposal, March 1983	83-04
The State Land Exchange Program, July 1983	83-05
Department of Human Rights: Follow-up Study, August 1983	83-06
Minnesota Braille and Sight-Saving School and Minnesota School for the Deaf,* January 1984	84-01
The Administration of Minnesota's Medical Assistance Program, March 1984	84-02
Special Education,* February 1984	84-03
Sheltered Employment Programs,* February 1984	84-04
State Human Service Block Grants, June 1984	84-05
Energy Assistance and Weatherization, January 1985	85-01
Highway Maintenance, January 1985	85-02
Metropolitan Council, January 1985	85-03
Economic Development, March 1985	85-04
Post Secondary Vocational Education: Follow-Up Study, March 1985	85-05

County State Aid Highway System, April 1985	85-06
Procurement Set-Asides: Follow-Up Study, April 1985	85-07
Insurance Regulation, January 1986	86-01
Tax Increment Financing, January 1986	86-02
Fish Management, February 1986	86-03
Deinstitutionalization of Mentally Ill People, February 1986	86-04
Deinstitutionalization of Mentally Retarded People, February 1986	86-05
Management of Public Employee Pension Funds, May 1986	86-06
Aid to Families with Dependent Children, January 1987	87-01
Water Quality Monitoring, February 1987	87-02
County Human Services, February 1987	87-03
Employment and Training Programs, March 1987	87-04
County State Aid Highway System: Follow-Up, July 1987	87-05
Minnesota State High School League, December 1987	87-06
Metropolitan Transit Planning	88-01
Farm Interest Subsidy Program, Forthcoming	
Health Plan Regulation, Forthcoming	
Workers' Compensation, Forthcoming	
Non-Instructional Education Expenditures, Forthcoming	
Variation in Educational Curricula, Forthcoming	
Welfare Aid Coordination, Forthcoming	

Evaluation reports can be obtained free of charge from the Program Evaluation Division, 122 Veterans Service Building, Saint Paul, Minnesota 55155, 612/296-4708.

*These reports are also available through the U.S. Department of Education ERIC Clearinghouse.