



Peer Analysis Summary Report:

Identifying the State Role in Public Transportation in Washington

Performance Management Overview

The peer analysis represents one step of the task aimed at developing efficiency and accountability measures. Performance management is an important area within this topic. State policy makers around the country generally use performance measures to evaluate the following general areas:

1. **Policy and Planning** - States often are involved in state-wide planning efforts, so this may involve inter and intra-modal coordination or policy development. Additionally, the state may communicate with stakeholders by providing accumulated performance measures.
2. **Operations** – Some states get involved in transit agencies’ operations; however, most states are interested in evaluating or tracking the agencies’ performance, assessing employee satisfaction, or compiling the state’s public transportation needs.
3. **Funding**–All states are responsible to pass-through some level of federal funding to agencies. However, if state funds are also provided, they need some basis for how to allocate that funding to the public transportation providers. States may choose to allocate more funding to agencies that have low performance and need to improve, or they may reward agencies with additional funding if they have improved performance measures.
4. **Oversight and Coordination** – States often have interests in promoting regional activities, including joint procurements and/or encouraging seamlessness between different transportation modes and jurisdictions. Additionally, many states require audits or reporting to ensure that the state is complying with policies or funding requirements.

On the other hand, public transportation providers and local/regional public transit agencies will frequently use performance measures to meet many other system management and funding decisions tailored to their specific issues or requirements, such as:

1. **Regulatory requirements** – Public transportation providers must often report on performance measures that the federal, state, and local governments require of them. It’s important that they track these in order to maximize the funding that those governments may provide to them (e.g., federal formula funds).
2. **External reporting** – As public organizations, public transportation providers are often required to communicate performance for budgeting and reporting purposes or for insurance/liability documentation. Most importantly, public transit agencies are in place to serve the public, so there’s an expectation of regular communication and reporting to external stakeholders and the public as a whole.
3. **Agency management decisions** – To varying degrees, public transportation providers use performance measures throughout the organization. Measures may be customer oriented (e.g. on-time performance or average speed) or for internal purposes (e.g. mean time between failures). Many agency boards require some level of performance reporting, including measures like farebox recovery ratio and annual ridership. Many transit agencies use performance measures to make service allocation decisions. For example, they may consider the productivity of a specific bus route to determine whether service levels should be increased, reduced or eliminated.

Process and Decision Criteria for Choosing Peers

As part of the peer analysis, the Consultant Team interviewed representatives from seven state DOTs. The process for this effort is detailed below:

1. Select peers based on identified criteria; peers may have both similar and opposite features to Washington.
2. Develop an interview request and questionnaire.
3. Schedule, conduct, and document interviews.
4. Analyze information gathered from interviews to assess the relationship between the state's role, public transportation services provided, and performance management practices.

The criteria used to identify potential peer states included:

- Rural/urban mix.
- Level of public transportation service provided.
- Level of service overlap (degree to which more than one agency provides services in same geographic area).
- Level of involvement in providing special needs services.

The Consultant Team worked with the JTC staff to identify those states that reflected the largest mix of these criteria. As a result, seven states were selected for interviews: California, Maryland, Tennessee, Florida, Pennsylvania, New Jersey, and Texas.

Members of the Consultant Team then conducted interviews by phone with one or more representatives from each of these organizations discussing a list of standardized questions which had been provided in advance. These questions focused on the level and type of public transportation services in the state, state policies and performance measures, and reflections on lessons learned for Washington.

How States Matched Decision Criteria

The peer analysis was conducted with the intent of including states that matched Washington's characteristics, along with states that had opposite characteristics. Washington provides a mix of urban and rural public transportation services, including commuter and light rail, bus, intercity bus and passenger rail, ferries and HOV lanes. There is significant service overlap within urban areas. Special needs service is readily available in the form of paratransit services, human services (public and private), vanpools, and demand response.

Most states offered a mix of urban and rural services, although California, Maryland, and Florida provided a perspective on services that were primarily urban-focused and Pennsylvania gave a perspective on mostly rural service. California, Maryland, New Jersey, and Florida (to some extent) have systems with significant service overlap; alternatively, Tennessee, Pennsylvania, and Texas have minimal overlap. All states were on par with special needs services, generally offering both paratransit and human services.

Summary of Key Findings

States can play a range of different roles related to public transportation, which implies that their use of performance management can vary accordingly. Indeed some states provide significant levels of funding and/or oversight without an established performance management program.

Some states, like Maryland and New Jersey, are on one end of the spectrum, being directly involved in both funding and direct operations. These states are the direct owners and operators of transit services, so goals and performance are also measured and assessed at the state level.

Texas is an example of a state at the other end of the spectrum. Texas passes federal funds through and, like Washington, encourages the formation of local and regional public transit agencies and provides local funding authority and accountability. In Texas, transit agencies are the direct owners and operators of the system, so they establish their own policies, raise their own funds and measure and manage their own performance.

Some states, such as California, Florida, and Pennsylvania, vary in the degree of funding, policy setting and operations.

The peer states' roles with regards to the four areas of emphasis vary significantly:

- **Operations:** Maryland and New Jersey are the only two states directly involved in the operations of all public transportation services. Some of the states directly operate intercity passenger rail service. However, most of the states are generally not involved in local transit agencies' operations.
- **Funding:** While the table shows many of the states as funders of public transportation, the level of investment varies significantly. For example, Maryland (as a direct operator of all public transportation services) allocates 35% of its transportation capital funding to public transportation and 53% of its transportation operations funding to public transportation. New Jersey falls in a comparable range. On the other hand, Texas, which plays a relatively "hands-off" role, dedicates approximately 1% of its transportation budget to public transportation.
- **Policy & Planning:** Many of the states have policies in place to support multi-modal planning and coordination. Additionally, many states are required to develop state-wide transportation and/or mobility plans; however, only some of the states have developed public transportation-related policies. For example, California's transportation investments are driven by two legislative policies; one is focused on greenhouse gas reduction and the other is focused on multi-modal planning as it pertains to land use. Maryland has many policies in place for smart sites programs, stronger transit coordination, and transit oriented development.
- **Oversight & Coordination:** While many states encourage and/or are involved in coordination, the level of state oversight varies significantly.
 - **Coordination:** Most of the states provide some level of coordination, whether it be through joint procurement programs (Florida and California), coordination between the high speed rail program and local agencies (California and Tennessee), or through coordination with bordering states (Tennessee).
 - **Oversight:** States like Maryland and New Jersey, which operate the public transportation systems, provide significant oversight. New Jersey develops a planning document every four years that must be presented to the State legislature and

Maryland develops its Transportation Plan and Annual Attainment report annually. Florida requires that all of the public transit agencies develop TDPs every five years, and Pennsylvania requires annual audits.

Peer States' Goals and Performance Measures

The Consultant Team asked each state's interviewee(s) what state transportation goals exist and what performance measures, if any, are tracked by the state.

There is surprisingly little overlap in state transportation goals. Some of the goals mentioned more than once include:

- Improve mobility and accessibility through quality of service
- Linking transportation, land use, economic development, and environmental stewardship
- Supporting/strengthening the economy
- A safer and more secure transportation system
- System preservation and performance

Key public transportation measures also came with little overlap between states. The performance measures mentioned by our interviewees are summarized in the following table.

Summary of State's Performance Measures

State	Key Public Transportation Performance Measures
California	<ul style="list-style-type: none"> • Greenhouse gas legislation requirements resulting from AB 32 mandate GHG emission caps to reduce emissions by 25% in 10 years
Florida	<ul style="list-style-type: none"> • Growing transit ridership at twice the rate of population growth • Other operational statistics are monitored, such as revenue hours and revenue miles
Pennsylvania	<ul style="list-style-type: none"> • Cost per hour • Passengers per hour • Cost per passenger • Operating revenue per hour
Tennessee	<ul style="list-style-type: none"> • Increased ridership
New Jersey	<ul style="list-style-type: none"> • On-time performance • Safety figures • Capital expenditures
Maryland	<ul style="list-style-type: none"> • Percent of service provided on time • Revenue versus operating expenses • Transportation-related greenhouse gas emissions • Average weekday transit ridership
Texas	<ul style="list-style-type: none"> • Percentage change in the number of public transportation trips • Administration and support costs as a percent of grants expended

Conclusion

The information gathered from this peer analysis has helped to inform both the task related to efficiency and accountability measures and the overall final report with recommendations regarding the state role in public transportation. This final report will bring together all the research, information and recommendations developed in the previous tasks into a summarized report for the Joint Transportation Committee and Advisory Panel. Included in the final report will be highlights of the major assumptions, policy issues, conclusions and recommendations that are identified as a result of this process. These elements will inform potential changes in the state's overall participation in and oversight of public transportation. The report will provide a targeted and concise summary of the state's current role and recommendations for legislators to consider.

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