TCRP

REPORT 70

Guidebook for Change and Innovation at Rural and Small Urban Transit Systems

TRANSPORTATION RESEARCH BOARD

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Guidebook for Change and Innovation at Rural and Small Urban Transit Systems

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Bethesda, MD

in association with

A-M-M-A
Claremont, CA

SUBJECT AREAS
Planning and Administration
Public Transit

TRANSPORTATION RESEARCH BOARD — NATIONAL RESEARCH COUNCIL

TRANSIT COOPERATIVE RESEARCH PROGRAM

The nation's growth and the need to meet mobility, environmental, and energy objectives place demands on public transit systems. Current systems, some of which are old and in need of upgrading, must expand service area, increase service frequency, and improve efficiency to serve these demands. Research is necessary to solve operating problems, to adapt appropriate new technologies from other industries, and to introduce innovations into the transit industry. The Transit Cooperative Research Program (TCRP) serves as one of the principal means by which the transit industry can develop innovative near-term solutions to meet demands placed on it.

The need for TCRP was originally identified in *TRB Special Report 213—Research for Public Transit: New Directions,* published in 1987 and based on a study sponsored by the Urban Mass Transportation Administration—now the Federal Transit Administration (FTA). A report by the American Public Transportation Association (APTA), *Transportation 2000*, also recognized the need for local, problem-solving research. TCRP, modeled after the longstanding and successful National Cooperative Highway Research Program, undertakes research and other technical activities in response to the needs of transit service providers. The scope of TCRP includes a variety of transit research fields including planning, service configuration, equipment, facilities, operations, human resources, maintenance, policy, and administrative practices.

TCRP was established under FTA sponsorship in July 1992. Proposed by the U.S. Department of Transportation, TCRP was authorized as part of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). On May 13, 1992, a memorandum agreement outlining TCRP operating procedures was executed by the three cooperating organizations: FTA, the National Academies, acting through the Transportation Research Board (TRB); and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established by APTA. TDC is responsible for forming the independent governing board, designated as the TCRP Oversight and Project Selection (TOPS) Committee.

Research problem statements for TCRP are solicited periodically but may be submitted to TRB by anyone at any time. It is the responsibility of the TOPS Committee to formulate the research program by identifying the highest priority projects. As part of the evaluation, the TOPS Committee defines funding levels and expected products.

Once selected, each project is assigned to an expert panel, appointed by the Transportation Research Board. The panels prepare project statements (requests for proposals), select contractors, and provide technical guidance and counsel throughout the life of the project. The process for developing research problem statements and selecting research agencies has been used by TRB in managing cooperative research programs since 1962. As in other TRB activities, TCRP project panels serve voluntarily without compensation.

Because research cannot have the desired impact if products fail to reach the intended audience, special emphasis is placed on disseminating TCRP results to the intended end users of the research: transit agencies, service providers, and suppliers. TRB provides a series of research reports, syntheses of transit practice, and other supporting material developed by TCRP research. APTA will arrange for workshops, training aids, field visits, and other activities to ensure that results are implemented by urban and rural transit industry practitioners.

The TCRP provides a forum where transit agencies can cooperatively address common operational problems. The TCRP results support and complement other ongoing transit research and training programs.

FOREWORD

By Staff
Transportation Research
Board

This report will be of interest to individuals who provide public transportation in rural and small urban areas; local, regional, state, and federal planners and funders of these services; and the administrators of these programs at state departments of transportation. The research, presented in the form of a guidebook, provides a valuable resource to many people who may implement or adapt new concepts to improve public transportation in their community. Much of the information was derived from a careful review of innovative public transportation initiatives undertaken in rural and small urban communities throughout the United States.

Under TCRP Project A-21, "Innovations to Improve the Productivity, Efficiency, and Quality of Public Transportation in Rural and Small Urban Areas," the research team of KFH Group, Inc., in association with A-M-M-A, prepared a guidebook. *TCRP Report 70*, *Guidebook for Change and Innovation at Rural and Small Urban Transit Systems*, is divided in two parts: Part I addresses the culture for change and innovation and Part II presents more than 40 initiatives and innovations implemented by an array of organizations, including public and nonprofit transit systems, regional planning agencies, state transit associations, and state departments of transportation.

Part I, Change and Innovation. Requirements for this project called for identification and compilation of initiatives and innovations that improve transit service in rural and small urban communities, focusing on productivity, efficiency, and quality. Completed research efforts went beyond these requirements, adding an investigation of the culture of innovation to assess how certain transit systems try new things and change. This investigation established the cornerstone for Part I, Change and Innovation. After a review of general management theory on innovation, the researchers selected and examined seven rural and small urban transit systems as case studies. Through the case study examination and review of management theory on innovation, eight elements were identified as influencing change and innovation in rural and small urban transit systems. These elements include quality service, focus on the mission, dynamic leadership, organizational support, community involvement and communication, staff development and motivation, building resources, and seizing opportunity/ serendipity. Part I of the guidebook also addresses common barriers and constraints identified as hindering change and innovation for rural and small urban transit systems, with examples of how transit systems have overcome them.

Part II, Initiatives and Innovations. This part of the guidebook presents more than 40 successful, creative strategies implemented in rural and small urban communities across the country to improve public transportation systems operating in such areas. The initiatives and innovations are grouped into the following six categories: productivity, efficiency, quality, funding, training, and marketing. The categorization is not clear-cut; some initiatives with multiple objectives defy simple grouping and could be placed into several of the categories.

The report includes three technical appendixes. Appendix A provides the results of the case studies that focused on the culture of change and innovation in seven rural and small urban areas. Each case study follows a similar format, with discussion in the following categories: setting, transit services provided, elements significant to the system's culture, and evidence of a culture of innovation. Appendix B presents other resources, including website addresses with information relevant to this project. Appendix C is a listing of the more than 70 initiatives identified in the first phase of this research project. More than 40 of these initiatives were subsequently examined in greater depth during this research project and are presented in Part II of the guidebook.

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CHAPTER 1: INTRODUCTION

CHANGE AND INNOVATION

"That's The Way We Have Always Done It"

Have you heard someone on your staff say, "We tried that 10 years ago and it didn't work"? Or, have you had a colleague tell you "That's the way we have always done it"? Or how about a board member that cautions against new programs as "there just isn't any funding for that"? These individuals represent the status quo, complacent with what exists now, lacking the spirit or the will to try something new, explore different ideas, take risks, and try *change*.

We Fear Change

Most of us have a natural aversion to change. Change is hard; it is much easier to maintain the status quo. Change, however, is important to improvement, something every transit manager should be striving for.

As a transit manager, you can ask yourself two questions to determine if change is needed for your system:

- Is your system meeting all of the needs in the service area?

- Is your system perfect in every way?

If you answered "yes" to either question, then you probably do not need to change or improve. If you could not answer "yes," then maybe you should consider changing to improve your system's performance.

Why Change?

Transit systems in rural and small urban areas face many challenges—this is nothing new. These smaller providers must meet the diverse transportation needs of their riders, operate in low density and often very large geographic areas, make do with limited funding, coordinate with other local organizations, ensure accountability to funding programs from multiple sources, and meet other constraints particular to each area. Added to these challenges, there are various "myths" that have evolved, confusing decisions over specific actions and initiatives that can and cannot be undertaken in providing service.

Faced with such challenges, some rural and small urban transit systems have found they must change—try new things—to remain responsive to riders and their communities, sometimes just to stay in business: perhaps "necessity has been the mother of invention." But there are many smaller systems that do not try new things; they operate services as they always have because "that's the way we have always done it."

But such systems *can* change, given a nudge and perhaps some guidance. That guidance is offered in this Guidebook—for both those transit systems that need a nudge and those that already recognize the value of *new ideas*, *creating change,* and *innovation.*

Defining Innovation

In its distilled form, *innovation* can be defined as the *introduction of something new or to effect change.* Management theorists expand the definition to become the introduction of change for the purpose of improving something.[1, 2] Innovation results from creativity and new ideas, with innovative practices or products coming from creative ideas that work.[3] Innovation can also result from the unexpected—there may be an element of serendipity.[4]

For purposes of the research project and within the context of rural and small urban transit, we used a broad definition of innovation—defining innovation as change for a useful purpose. With the focus of innovation on change, we see innovation with three components, each requiring change to improve some aspect of transit service or the transit system. That is, innovation includes:

- New, different, and unique techniques, practices or approaches (changes that improve a part of the organization);

- Techniques, practices or approaches that are newly applied to a rural or small urban transit setting but not necessarily unique; and

- Modification of a practice that has been previously implemented, but with a nuance or twist that makes it different or innovative.

DEVELOPING THE GUIDEBOOK: RESEARCH APPROACH

This *Guidebook For Change and Innovation at Rural and Small Urban Transit Systems* has been prepared under the TCRP research project A-21, *Innovations to Improve the Productivity, Efficiency, and Quality of Public Transportation in Rural and Small Urban Areas.* To conduct the TCRP project, the research team followed a defined research plan, with a focus on:

- Investigating, understanding, and defining the culture of innovation, in order to determine how transit systems change and innovate; and

- Identifying an array of noteworthy, new initiatives and innovations that transit systems in rural and small urban areas have implemented to improve their service, particularly productivity, efficiency, and quality.

We conducted both primary and secondary research and also built upon the research team members' collective experience and field work with rural and small urban transit systems across the country. Our research approach is

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[1]James, Jennifer, Thinking In The Future Tense, Simon and Schuster, 1996.

[2]Drucker, Peter, "The Discipline of Innovation," Harvard Business Review, November-December, 1998.

[3]Epstein, Robert, Creativity Games For Trainers, McGraw-Hill, 1996.

[4]Robinson and Stern, Corporate Creativity, Berrett-Koehler Publishers, 1997.

briefly described below. Most of this Guidebook is devoted to presenting what we found through the research.

Investigating The Culture of Innovation: Why Do Some Transit Systems Try New Things?

The research team explored the *culture* of innovation—why is it that some transit systems willingly try new things and succeed? Building on a literature review of management theory of innovation, we visited and investigated a selected number of transit systems to try and determine the organizational characteristics that may foster innovation. Our findings from this investigation are presented in Part I, Chapter 2 of this Guidebook.

Identifying Initiatives and Innovations

This part of the research effort was structured to build on peer referrals of innovations by transit professionals in a variety of organizations, including state departments of transportation (particularly Rural Transit Assistance Program staff), state and regional transit/transportation associations, and university transportation research centers, among others. We also reviewed targeted secondary sources.

We found, through the research, a wide range of interesting projects, programs, and practices, many initiated at the local level, but a number at the regional and state level as well. These initia-

tives were implemented to solve some local or state issue or to meet particular needs within a specific rural or small urban setting and were *new* to the particular agency when implemented. This is important for our project—what we found were local, regional, and state responses to particular issues or needs—not necessarily programs or practices that are totally new—"never been done before"—for rural and small urban transit. But the initiatives involved a *change*, *something new* for the implementing agency that produced positive results.

From the many programs, projects, and practices that we found in the early research, we culled a smaller number to detail in the Guidebook—those that represent a cross-section of the many we found and those with transferability to other transit systems and support organizations. These are presented in Part II of the Guidebook.

WHAT'S IN THE GUIDEBOOK

The results of the research project are presented in this two-part Guidebook. Part I includes this introductory Chapter 1, findings from the investigation of the culture of innovation are presented in Chapter 2, and a discussion of common barriers and constraints which have been said to hinder change and innovation at rural and small urban transit agencies is presented in Chapter 3. There is much *food for thought* on innovation and its culture in Part I, as there appear to be organizational attributes and practices that may encourage change and innovation, something

that should be of interest to transit systems and agencies that would like to foster an environment of change, creativity, and innovation.

Part II is devoted to presenting the project's more than 40 selected initiatives and innovations. For each of these, details are provided on the process of change, results, and transferability as well as the contact organization and person.

Following Part II are three appendices. Appendix A includes details on the case studies conducted for the investigation of the culture of innovation. For each of the sampled transit systems, the case study summary presents information on the setting and transit services provided and discussion of organizational elements significant to that transit system's culture as related to the system's ability to change and innovate.

Appendix B provides a listing of resources for rural and small urban transit agencies. Such resources include specific references related to change and innovation as well as many resources available on the Internet and elsewhere that could be of interest for transit system managers and others interested in improving rural and small urban transit.

Finally, Appendix C gives the listing of the many programs, projects, and practices that we found in the early stages of the research when searching for noteworthy and creative projects, practices, and services. It is from this listing that we selected those to present in Part II of the Guidebook.

The Guidebook is intended to be an active resource for transit professionals—those who are out in the front lines running transit systems as well as those who are in planning and funding organizations that support local transit in rural and small urban areas. Within the Guidebook, you may find some ideas for your own transit agency or organization and perhaps implement or adapt one or two of those ideas for your own organization—with an objective of improving public transportation within our rural and small urban communities.

What's Not In This Guidebook

Following the parameters of the research project, the Guidebook does not focus on projects that are "high tech" or "hardware" oriented (we have included a few such initiatives in Part II), though there are many of such projects that are innovative. These subject areas have been addressed in other TCRP projects. For those interested in advanced technology and other Intelligent Transportation Systems solutions and practices for smaller transit systems, there are additional resources listed in Appendix B of this Guidebook.

CHAPTER 2: DEVELOPING A CULTURE OF INNOVATION

INTRODUCTION

What are the traits and elements that help make a transit system innovative, one that is willing and able to change and improve? Is it simply a dynamic manager with entrepreneurial skills, or is it more than that? Are there organizational attributes that lead to innovation?

Requirements for this TCRP research project called for the identification and compilation of initiatives and innovations at rural and small urban transit systems targeted to improving transit service (these are presented in Part II of this Guidebook). The completed research went beyond a compilation of innovations, augmenting that with an investigation of the culture of innovation—how is it that some transit systems try new things, change, and implement new initiatives to improve, while others do not? This investigation is presented in this chapter. Transit systems that hold to the status quo may find it difficult to successfully implement an innovation taken from the experience of another system's innovative culture. That is why part of the focus of the research project has been identifying those elements of a transit system that foster innovation and describing those elements so that other systems can develop a similar ability to initiate *change*.

In this chapter of the Guidebook, we present a brief review of general management theory regarding organizational innovation that was conducted early in the research project. Following this review is a discussion of the ele-ments identified during the project's case studies that influenced innovation. (Case study details are provided in Appendix A.) These elements are significant in that it appears there are common characteristics that foster a culture of innovation at rural and small urban transit systems. The chapter concludes with suggestions on the types of activities and strategies that a transit system can adopt to foster its own organizational climate conducive to *change* and *innovation*.

What is a *Culture of Innovation* and Why Develop Such a *Culture*?

What is a culture of innovation? If we define *culture* as the values, attitudes, beliefs, orientations, and underlying assumptions prevalent among people in an organization, then the *culture of innovation* is based on values, attitudes, beliefs, and assumptions of *change*. The culture of innovation suggests that an organization is able and willing to change and improve when necessary.

Through this research project, we found that much of what is suggested in general management theory on *change* and *innovation* holds for the sampling of rural and small urban transit systems that we investigated to explore the *culture of innovation.* But we also found through the case study investigation that rural and small urban systems have some different characteristics that influenced and helped spark innovation.

GENERAL MANAGEMENT THEORY - INNOVATION

In recent years, considerable thought and research have focused on innovation and how it happens in organizations. Summarized below is a condensed version of our research project's review of management theory on innovation.

Ideas, Creativity, and Innovation

The process of innovation needs ideas as well as creativity. According to one of the management theorists reviewed, creativity can lead to innovation, but to do so, lots of creative ideas and a mechanism to sift through those ideas are needed.[1]

Where Do Ideas Come From?

If ideas are critical, organizations interested in innovation should encourage ideas. According to one management expert, organizational creativity—which leads to ideas—has three components: creative thinking skills, expertise, and motivation.[2]

Some management theorists believe that ideas and creativity can come from anyone, anywhere in the organization.

A key, though, is encouraging and fostering those ideas—creating the climate for development of ideas. And it is up to management to foster this climate and follow through on those ideas with real merit.[3]

Yet another theorist believes that creativity and ideas require hard, focused work and knowledge, more so than strokes of genius, although there can be the opportunity for creativity from unexpected occurrences.[4]

Can Creativity and Innovation be Developed?

According to various management experts, there are ways to develop creativity and innovation within an organization. One researcher has identified six categories of approaches (elements) that management can use to encourage creativity and resultant innovation in organizations. Another research team identified a different, though similar set of approaches. These components are presented in Table 1, with the similar elements listed side-by-side.

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[1] Epstein, Robert, Creativity Games For Trainers, McGraw-Hill, 1996.

[2] Amabile, Teresa, "How To Kill Creativity," Harvard Business Review on Breakthrough Thinking, Harvard Business School Press, 1999, pp 1-28.

[3] Robinson and Stern, Corporate Creativity, Berrett-Koehler Publishers, 1997.

[4] Drucker, Peter, "The Discipline of Innovation," Harvard Business Review, November-December 1998.

Table 1

ELEMENTS OF INNOVATION: BASED ON MANAGEMENT THEORY

Teresa Amabile	*Elements of Innovation*	*Robinson and Stern*	*Elements of Innovation*
Challenge	Matching the right person to the right job. Finding the right fit for each employee.	**Alignment**	Ensure that the interests and actions of all employees are directed toward the company's goals, so that anyone can recognize and respond to a potentially useful idea.
Freedom	Clear understandable goals and the freedom to determine how to get there.	**Self-Initiated**	Allow employees to pursue ideas that may help the organization. This type of activity requires intrinsic motivation.
Work Group Diversity	Diversity, enthusiasm, teamwork, and respect for team members.	**Diverse Stimuli**	Exposure to new thoughts and ideas through training and meetings with peers.
Supervisory Encouragement	This is the connection to intrinsic motivation, widely considered the most valuable motivational approach.	**Unofficial Activity**	Activities that occur in the absence of direct official support, with the intent of doing something useful for the organization.
Organizational Support	Leadership must embrace new ideas, ensure follow-up on each, and respond to the appropriate staff. Never discourage any ideas.	**Within Company Communications**	Ways for a company to promote ideas from within.
Resources	Time and money are the key determinants here. Management must be careful in allocating funds and staff.		
		Serendipity	Defined by Robinson and Stern as a combination of fortunate accident (luck) in the presence of sagacity (keenness of insight).

References: Amabile, Teresa, "How To Kill Creativity," <u>Harvard Business Review on Breakthrough Thinking</u>, Harvard Business School Press, 1999, pp 1-28.

Robinson and Stern, <u>Corporate Creativity</u>, Berrett-Koehler Publishers, 1997.

THE RURAL AND SMALL URBAN TRANSIT CULTURE OF INNOVATION

Do rural and small urban transit systems follow general management theory regarding innovation? The research team built upon the project's review of management theory on change and innovation, looking at selected transit systems through the lens of general management theory and adjusting our observations through numerous interviews and discussions during the project, as well as the collective experience of research team members. Through this process, a number of elements have been identified as influencing change and innovation in rural and small urban transit systems.

Looking at the Innovators

The research team examined a sample of rural and small urban transit systems in detail, to look for common characteristics relating to innovation and to see if those fit with the elements of innovation found in the management theory literature review.

A Sample of Innovators

The sample was composed of transit systems that appeared to be "innovators" based on our research to that point—those transit systems that had implemented two or more innovations identified through the research. This selection was balanced for geographic representation, small urban and rural systems, and a cross section of governing bodies to include a mix of

public and non-profit transit systems. The selection is by no means an exhaustive list. There were a number of other "innovators" that could easily have been selected.

The research team conducted detailed case studies of the sampled innovators, with field visits to enrich our understanding of the system's characteristics and culture. These field visits allowed the research team to:

- Investigate the transit system's culture, with a better understanding of the setting, management philosophy, observations of staff in their work environment, and opportunity for detailed discussions with management, and

- Obtain information and gain insights on the specific creative initiatives and innovations implemented by the transit system.

In addition to those visited, the research team also conducted telephone interviews with managers of a number of other systems that had implemented two or more innovations identified in our early research efforts, giving insights into their innovative efforts.

Sampled Innovators: Who Are They?

Seven rural and small urban systems were selected. The sampled systems include:

Baldwin Rural Area Transit System (BRATS), Baldwin County, Alabama - BRATS is a rural system operating in one large and diverse county in Lower Alabama. The system is a department of county government, but operates like a business. BRATS provides a variety of services both for the public and under contract to various businesses, including large national corporations such as Hilton Hotels and Burger King. BRATS operates a combination of flex-route, paratransit, and subscription service.

City of Lubbock (Citibus), Lubbock, Texas - Citibus is operated by a private for-profit contractor for the City of Lubbock, on the high plains of Texas. Citibus provides fixed-route service in the city and under contract to Texas Tech University as well as the Americans with Disabilities Act (ADA) complementary paratransit. The system also offers general public dial-a-ride service during the evening hours (as an alternative to fixed-route service). Citibus generates significant funds from contracted services and from advertising, predominantly its bus wrap program.

Council on Aging and Human Services, Colfax, Washington - COAST is the transportation program operated by the Council on Aging and Human Services, a not-for-profit organization serving a very large area comprised of nine counties in far eastern-central Washington and north-central Idaho. COAST operates a variety of paratransit services both within the service area and to long distance medical destinations. The mission of COAST is to *build community resources*, rather than simply operate transportation service. As part of this mission, the agency has created a *vehicle pool*, distributing used vans to agencies that COAST cannot economically serve; provides an *insurance pool* allowing small agencies in the region access to affordable insurance coverage; and trains drivers for many smaller agencies in the region. COAST also contracts to operate a *postal bus*.

Fredericksburg Regional Transit (FRED), Fredericksburg, Virginia - FRED is a small urban system operated by the City of Fredericksburg. The system operates route-deviation service for Fredericksburg and parts of an adjacent county. FRED also functions as the Greyhound agent from its central office (FRED Central), which is the former Greyhound station. The transit system relied on local and state funds without any Federal funding for its first five years, generated through a creative and aggressive partners/sponsorship program. Its partners include the local college, a regional hospital, a local developer, and a number of non-profit and public organizations in the area.

Rabbit Transit, York, Pennsylvania - Rabbit Transit is a public authority, created by York County in 1974 through state-enabling legislation. The transit system operates a range of services, including traditional fixed-route service in the urban core, county fixed routes, local routes, shuttle and employment-oriented services, paratransit including ADA service, and demand-responsive feeder service to the county routes. York County's transit system was

"born" into crisis, through a forced merger between a public fixed-route system sponsored by several municipalities and a private, non-profit paratransit program operated by a community service agency. This merger itself was innovative, as it resulted in one of the first transit systems in Pennsylvania to bring fixed-route and paratransit under the same roof.

Rabbit Transit is constantly looking for opportunities for new services and partners, to find new revenue sources and expand its base. The director indicated that part of the top job is "keeping an ear to the ground," looking for new opportunities.

Sierra Vista Public Transit/Catholic Community Services of Cochise County, Sierra Vista, Arizona - The City of Sierra Vista, a small city located in southeastern Arizona, contracts with the non-profit Catholic Community Services of Cochise County to operate transit services which include route deviation service, military base service, and services for local colleges. The city uses 100 percent of a new local tax fund to provide public transit funds, which in other Arizona communities are split between transit and road maintenance. This is consistent with the City Council's broader policy focus on the needs of seniors, low-income residents, and persons with disabilities. Sierra Vista has an extensive driver training program emphasizing customer service and, through its contractor Catholic Community Services, is now taking the lead in improving inter-community transportation for residents throughout Cochise County.

SunLine Transit Agency, Thousand Palms, California - SunLine is a joint powers authority with a board comprised of elected representatives from the nine cities and Riverside County located in the Coachella Valley of Southern California. SunLine operates a 54-bus fleet and uses its small system as a test bed for alternative fuel transportation and to provide various related services. SunLine Transit operates SunBus, a fixed-route service with 15 routes, and SunDial, a 23-vehicle demand-response paratransit. The new SunLink Express Service is a 57-foot "super bus" fitted to look like an Amtrak train, a service the region expects to see in 2004, providing service to connect with the regional commuter rail system. Part of the SunLine organization, the SunLine Services Group provides a number of related services including SunSweep street cleaning services; regional graffiti removal; taxi regulation; and, through SunGas, the provision of public compressed natural gas (CNG) fueling stations.

Elements of Innovation

Through the case studies and their field visits, the research team found that a number of the elements discussed in management theory were evident at the rural and small urban systems. In addition, we found a number of other characteristics or elements not found in general management theory that seemed key to the culture of the sampled systems and their ability to try new things, create new programs, and *innovate*.

Eight elements of transit system culture have been identified as being related to the rural and small urban transit systems' culture of change. Most of the sampled systems had less than all eight elements, but in each case study, the sampled system exhibited a majority of the elements. Importantly, many of the elements are interrelated and in some cases dependent on others. Table 2 compares the elements found in rural and small urban transit systems with the elements of innovation cited by management experts that the research team used as a starting point for investigating the culture of innovation. Each of the identified elements is described below, with discussion of the various approaches and strategies used by the sampled innovators. More detailed discussion of each of the case studies is provided in Appendix A, where the reader can gain considerable

Table 2

COMPARING ELEMENTS OF INNOVATION: CASE STUDY RESEARCH AND MANAGEMENT THEORY

Rural and Small Urban Transit: Case Study Research	Management Theory on Innovation
1. Quality Service	Not specifically addressed in management theory
2. Focus on the Mission	Alignment
3. Dynamic Leadership	Not specifically addressed in management theory
4. Organizational Support	Organizational Support
5.Community Involvement and Communication	Self Initiated Activities
6. Staff Development and Motivation	Work Group Diversity/Diverse Stimuli and Alignment
7. Build Resources	Resources
8. Seize Opportunity/Serendipity	Serendipity, Organizational Support, Self Initiated.

insight into each system's culture and accomplishments.

1. Quality Service

While only a few of the sampled systems spoke directly to the notion of quality service as an ingredient in their ability to introduce change, a focus on quality was clearly evident in each of the sampled systems. Each innovator operated a quality service, gaining respect from the community and its leaders as well as the system staff. As a result, the community, its leaders, and staff of the system have pride in the service. This gives the system support, provides latitude to try new things, and creates a willingness among local agencies and businesses to partner with the transit system. Quality is one of the essential elements to innovation.

Without quality service, the transit system will find it difficult to gain credibility and respect. Without quality and respect, the transit system's decision-making body as well as the staff will not be supportive, and innovation is unlikely to occur.

Quality was not an element addressed by the management theorists, but quality clearly is important to public transit systems in order to gain community standing and credibility, which then offers leverage to try new and different things.

Related to quality service, another element characteristic of the sampled transit systems is communication and community involvement (discussed later in this chapter). Communicating with leaders and residents of the community about the transit system and its services provides information to the community and can build support; when the system's services are high quality, this is a message that the community hears.

Attributes of quality service were evident in varying ways at the sampled transit systems, including:

- Quality, Respect, and Pride - These terms were used frequently at several of the case study systems. Management at Citibus, for example, noted the importance of running quality service in order to generate respect and to provide a service that the community and staff can be proud of. Building on the operation of quality service, several other systems used awards that had been received to generate respect for the transit system. This in turn helps create trust between management and the governing board, giving the manager latitude to pursue new ideas, programs, and activities. Whatever the transit system does, it should do well.

- A Passion for What You Do - The innovative systems' managers showed a passion for their work and communicated that to others. For SunLine, for example, this translates to a search for excellence in everything—continually striving to do the very best job possible, from the general manager through each of the departments and functional areas that make up the transit program.

- Vehicles and Facilities Look Good - Very often, systems (like many other businesses) are judged on appearance and first impressions. The vehicles must look good. They should be free of dirt, grime, rust, and dents. One of the managers was insistent on operating very clean vehicles and facilities. Another manager instituted a color scheme and logo that was well-thought out, in keeping with the community's history. One of the systems, Rabbit Transit, had just recently invested considerable time and effort for a new logo, name, and paint scheme.

- Staff Looks Good, Focus on Customers - Uniforms typically convey a professional image and can foster pride in the system. Staff should be very presentable, as well as customer service oriented. As one manager stated, "Each bus is a store, and the drivers are the managers of the stores." In Sierra Vista, the hiring of the right individuals, coupled with on-going training and numerous types of staff recognition, is viewed as critical to building and maintaining the quality of the service. Dispatchers' on-going training emphasizes how to work with the public and the needs of a broad mix of passengers. Staff are the system representatives.

2. *Focus on the Mission*

A well-articulated mission statement as well as goals and objectives set the transit system and its staff in a common direction and help the system articulate its need for improvement and change—in order to meet its objectives. According to management theory, this common direction and focus are labeled *alignment*.

When an organization collectively understands its mission and goals, where staff are in the right positions and believe in the goals, where there is effective intra-organizational communication, and all levels of staff understand change and its purpose, there is alignment.

This element ensures that the interest and actions of the staff, management, and board are directed toward the system's goals, so that anyone can recognize and respond to a potentially useful idea. The mission should be articulated to staff in initial training and be posted in a conspicuous location. An organization that is aligned is one where all staff, management, board, customers, and community at large understand and work towards the organization's purpose and role in the community.
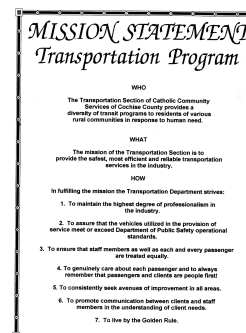
We saw this focus on the mission in a number of ways:

- Organizational Goals - Most of the transit systems studied had articulated goals, mission statements, or other guiding principals. The goals serve to give the board, management, and staff a direction and a purpose. At COAST, the entire organization is very focused on its mission of *enhancing lives and strengthening communities* by *building resources in the community*. A number of COAST's creative initiatives stem directly from this mission, such as its vehicle pool, where COAST shares vehicles obtained through the Section 5310 program with smaller human service agencies in the region. SunLine's goals include the idea of innovation in its 18-word mission statement, as well as its commitment to excellence and environmental leadership.

- Understanding Expectations - Part of the alignment process is ensuring that transit riders and the community at large understand the mission and capabilities of the system. FREDericksburg Regional Transit, for example, spends considerable time out in the community, with its Advisory Committee and local leaders explaining FRED's purpose in the community. At Rabbit Transit, management is careful to document its responsibilities as well as those of partner organizations when implementing new services for those partners. COAST has developed agreement-to-participate,

indemnification, and waiver forms for use in its extensive volunteer transportation program, sharing responsibility among the parties for the service and providing protection to the volunteer program itself. Sierra Vista Transit works extensively with many community representatives—through its governing body, advisory bodies, and informal associations—to maintain alignment and focus. Its planning documents are seen as living tools, both to help provide direction and to keep changes on the right track.

- Staff in Correct Positions - In order to be properly aligned, staff must be in job positions best suited to them. One innovative manager said he had moved a person three times before that person found his niche. That employee has been with the system for 12 years since that time.

3. *Dynamic Leadership*

The selected transit systems have strong leaders willing to try new things. The leaders are not afraid of failure; they are persistent, seemingly unfazed when a service or program does not work, and typically try again. These managers do not say, "We tried that ten years ago and it did not work." In the pursuit of new programs and services, they either dismissed barriers as inconsequential or referred to them as just issues to be addressed. In no case was the manager stopped by barriers.

Managers at the systems are also entrepreneurial, looking for new ideas to expand services, capture new funding,

serve new markets, and grow their system. There is a "sales" attitude at most of the sampled systems.

The managers spend considerable time communicating about their system. Public speaking is an important activity and the managers have become adept at this and aggressive in pursuing speaking opportunities. The managers also need to be able to articulate the system's mission and objectives, able to convince staff, the community, and decision-makers when it is time for a change. This is closely related to another common element—community involvement and communication.

Most of the managers were very experienced transit professionals. Some came from a human service background, one from a military background, and one came from department store management.

Management theory does not specifically address the need for dynamic leadership, but it is implied in many of the elements found in the literature. There is no question that innovation at small urban and rural systems is enhanced by a dynamic leader.

Common themes found at the sampled transit systems include:

- Entrepreneur/Sales Orientation - A theme throughout the field visits was an entrepreneurial spirit. A number of managers talked about selling their system and operating their system like a business. The BRATS manager said, "The bus is a pie; we keep selling slices until

there's no pie left." In Fredericksburg, the transit system had no federal funds and only limited state funds at the outset, so the manager realized she had to "sell the system" to the community to find needed funds. This was the impetus of FRED's successful partnership program that generates considerable public and private funds for the transit system.

- No Fear of Failure - Managers at the innovative systems have faced failure and know they will face it again. The key is to not let failure stop the manager from trying again. If an idea is worth pursuing but the first attempt fails, then the strategy should be revised and the idea tried again. When one of the managers was asked about aspects of his

organization that might foster change and innovation, he replied, "[For] a complete look....[we must] talk about some failures as well, and we have a couple of those to discuss!" Another manager stated that she had more failures than successes, but the failures are quickly forgotten, while the successes stay.

- <u>Active In The Community</u> - Sampled system managers are closely involved in their community, participating in various activities, serving on boards, the Chamber of Commerce and other local organizations, and setting a tone for the transit system as an organization closely involved in the community. This aspect was so prevalent that it has been called out as a separate element.

- <u>Good Public Speaking Skills</u> - The managers at the sampled systems regularly speak to groups and organizations throughout the community. These individuals must be able to speak effectively and not shy about presenting the system and its services as often as possible. One of the managers indicated that close to half of her time is spent getting out into the community, speaking to many and varied groups, and cultivating relationships and partnerships that support her small system.

- <u>Articulate the Mission</u> - The manager must be able to convey the mission or direction for the organization and its staff. This is related to the focus on the system mission and helps the manager pursue change with new projects and services when they "fit" with the mission.

- <u>Solving Problems</u> - For several of the managers, they interpreted their responsibility to their mission as one of solving problems. What problems exist within their community that can be addressed with the resources of the transit program? For SunLine, this meant responding to a need to clean the streets with its fleet scheduling and alternative fueling capabilities. For Sierra Vista, this meant responding to the needs of military personnel to get off-base to the new retail center or adapting service to the college student needs, while drawing in a new revenue source as well. At Rabbit Transit, management found they could help the regional hospital solve employee parking problems with their services.

4. Organizational Support

General management theory recognizes organizational support as a key element to innovation, and the research team found this to be common at all the systems sampled. At each of the transit systems visited or interviewed, the manager credited a large part of the success in trying new programs and activities to a supportive board or decision-making body. Such support of the manager and his or her quest for change and improvement was found from conservative City Councils and County Commissioners to liberal human

service boards. Leadership in each of these cases supported change.

Characteristics of the decision-making body in terms of conservative/liberal or government/private do not, by themselves, seem to affect the ability of the system to be innovative. Some of the more conservative government decision-making bodies oversee some of the more innovative systems. A key is to gain the respect and trust of the board and to maintain a fiscally sound, quality service. Organizational support also serves to ensure alignment throughout the transit system, where the board or governing body understands the direction of management and supports the manager's activities and strategies.

Organizational support was seen in various ways:

- Strategic Planning - Several of the systems mentioned the role of strategic plans in establishing a positive and strong relationship with the board. In one case, the strategic plan, developed carefully with board and management involvement, was specifically credited as providing the overall policy structure within which the manager can pursue specific activities that "fit" within the policy structure, giving the manager a framework in which to experiment without micro-management by the board.

- Close Communication/Trust - Each of the managers stressed the importance of maintaining excellent communication with its policy makers.

A relationship of trust and respect is necessary. Through monthly reports (one places reports on tape so board members can listen in their car), retreats, training, and annual strategic plans, the innovators stay in close touch with their boards. One manager met regularly for breakfast with individual board members, for easy communication. A board member at one of the sampled systems spoke of the "safety net" her manager had built over time, through his track record. He always did what he said he would or explained why he couldn't if that became the case. This safety net allowed the board to trust the manager when new and innovative projects were proposed.

- Willing to Change - There was evidence that, in at least one case, the decision-making board is willing to change. When the idea of "wrapped buses" was introduced, the Lubbock City Council was not initially supportive. Moreover, there was a sign ordinance prohibiting such advertising. Citibus management felt that there were many advantages to wrapped buses and articulated that to the City Council to ensure members understood the value of the bus wraps. The Council reversed its decision and the resulting program has been a success. SunLine's management was also not initially supportive when asked to expand operations into street sweeping. The

SunSweep program was finally embraced, in part due to the strong relationship between the board and the system's manager and their trust in his leadership. The board came to see that this new street sweeping

service fit within the organization's overall mission, filling a particular niche that no one else was filling, using the resources and expertise of the transit operation.

5. *Community Involvement and Communication*

Community involvement and communication were prevalent at all of the case study transit systems. The involvement in the community, with all types of organizations and entities, not just those representing traditional rider groups, facilitates communication and serves two purposes. First, it helps management and the transit system stay in touch with the community and learn of needs or transportation problems that the transit system can then address by designing new services or modifying others. Second, management can inform and promote the system to make sure the community knows and understands the transit system. With a quality system, this helps build

respect for the system, which in turn can provide new opportunities.

This characteristic of community participation by innovative rural and small urban transit systems does not fit neatly with the innovation elements of management theory. It does share aspects of "unofficial activity/self initiated activities" and perhaps "serendipity."

All of the managers interviewed were closely involved with the community through participation on boards, the chamber of commerce, and various community activities. A number of the managers indicated that they never pass up an opportunity to speak and represent the system. Some of the managers included their staff in this endeavor. Promotion of the organization and new programs is a key aspect to building support for the system. Community involvement and communication were seen in several ways:

- Representation and Participation in Community Organizations - Most of the systems were active in community organizations, such as the chamber of commerce, charitable groups, and on boards of human service agencies. Some of the systems encourage staff to participate in volunteer efforts and other community activities. One system had a management retreat where the managers helped build a house for Habitat For Humanity. Another system manager saw such involvement as a way to look for new opportunities for transit, and he described all

the meetings and community activities as "kissing a lot of frogs to find the prince."

- Always Looking for an Opportunity to Address a Group - Most of the managers visited would not hesitate to speak anywhere about their systems. Most actively seek opportunities to explain to others what the system is all about. One system believes, literally, in communicating with the world. More specifically, the system's philosophy is "If it works, tell everyone. If it doesn't, don't."

- Have a Presence at Community Functions - Whether it is county fairs, 4th of July parades, the Shrimpfest or Homecoming at the local college, these innovators ensure the transit system is present in one form or another.

- Understanding and Responding To Community Needs - Management gains an understanding of community needs through direct involvement in the community. By attending meetings and keeping in touch with the community, the system can identify needs and then work to develop solutions. A number of the sampled systems have advisory committees that provide specific input and guidance to the decision-makers. Several managers described listening very carefully for "opportunities" they might find, as they come to understand the community's needs.

- Winning Awards - Winning awards is good for the transit system. Managers indicate that their boards/ governing bodies gain new respect for the system with such awards. It is a great way to get local press and be noticed by the business community and the community at large. The Fredericksburg transit system aggressively promotes its system by building on its various awards, and this in turn helps attract additional support and funding, a constant objective for a small system.
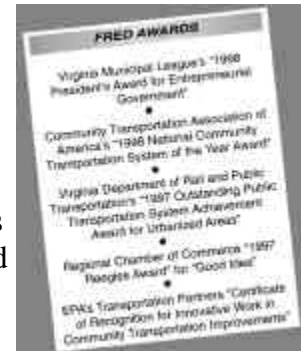
6. Staff Development and Motivation

Experienced, well trained staff that are intrinsically motivated appear to be the rule rather than the exception at the sampled transit systems, and managers gave credit to their staff for the ability to change and innovate, to be flexible.

Management at these systems talked about the goal of hiring the right types of individuals for driver positions—those "with a good heart," those who have "people" skills—recognizing that such individuals can be taught to drive a bus, but customer service skills are more difficult to learn. Other staff must also understand the service mission of their transit systems. Staff members should have an opportunity to articulate and pursue ideas that can help the organization. The result should be a staff

that understands and participates in change as needed.

Training was stressed by most of the managers as essential for staff development and innovation through the exposure to new ideas. Such training is targeted to all levels of staff and includes internal, in-house training as well as outside training, attending conferences, workshops, and other opportunities for exchange of ideas.

Intrinsic motivation is a powerful force. Staff that are motivated by helping people and performing important work add to the success of a system. Most systems had tenured staff throughout the organization.

Staff development and motivation correspond with "diverse stimuli" and "alignment" in management theory, which speak to the importance of exposure to new thoughts and ideas and to ensure that staff are focused on the mission of the organization and able to recognize and respond to useful ideas.

At the sampled transit systems, staff development and motivation include:

- Opportunities for Training - Most of the systems were strong on staff training. Management staff were afforded opportunities for training and conferences; drivers in many of the systems participated in "roadeos." Where they could not provide the training needed, some managers sought additional training opportunities through their Rural Transit Assistance Program (RTAP) coordinators and others.

- Hiring the Right Kind of Person - A number of managers stressed that they hire drivers with a personality. One manager described the type of person they hire as a "People person." Another stated that they hire people for their sales skills. Three managers stated that they can teach recruits to be good drivers, but they can't teach personality.

- Celebrate with Staff - Recognizing staff and the important work they do is critical for any industry and in a service-oriented business takes on added importance. Each system celebrated/motivated in its own way. BRATS has an employee award program where employees select the award winners. Citibus uses money from its vending machines to celebrate with its staff. SunLine and Citibus use their in-house newspaper both to celebrate the organization's accomplishments and to highlight the contributions of individuals.

- Gathering Staff Input/Ideas - Most of the systems have a mechanism for generating ideas. Smaller systems such as BRATS, FRED, and COAST have readily accessible managers. Since these managers are hands-on they are very approachable on a daily basis. With

larger staff, more formal mechanisms such as regular meetings and suggestion boxes help as well, but still require an "attitude of listening" which SunLine's manager characterizes as critically important to promoting an environment in which staff are comfortable presenting their ideas and even negative comments. One system organized its staff meetings to include staff across departmental and functional lines to improve staff's understanding of the entire system and to provide a more fertile environment for generation of ideas.

- Understanding the Mission - Most of the systems reviewed had clear philosophies and missions statements. COAST in particular keeps going back to its mission of *building community resources*. The mission guides the transportation staff and has them all working in the same direction.

7. Build Resources

Management theory addressed the need for organizations to allocate "resources"—time and money—to pursue change and innovation. The sampled transit systems are typical of other rural and small urban transit agencies in that their funds—resources—are limited, but the innovative systems went beyond and created new funding resources for their systems. In fact, the pursuit of funding often spawned creative and innovative programs and services. The resource of time is also limited, and a number of the sampled system managers spoke about wanting more time for their various activities.

The sampled systems considered traditional government funding a starting point. They vary in their receipt of public funds: one system relied on state and local funds (until just recently), not wanting to be encumbered by federal regulations. Others do not receive state funding, and none of them receive enough funding to meet all of their needs.

But the innovators have found ways to generate revenue to pay for their services. Some aggressively sell their services, one has developed an innovative approach to procuring vehicles for regional needs, one developed a partnership program that generates significant revenues, another receives significant funds through advertising. Most do not depend solely on state and federal transit assistance for their funding. There was significant pride in this matter among those with little or no federal funding.

To generate revenue, some of the sampled systems operate like a business. One of the innovators is perceived in the community as a private business, rather than the arm of county government that it is.

Managers do not appear to let funding issues get in their way. They realize that if the service has merit, someone will pay for it. The innovators receive funding from the traditional state, federal, and local governments. They also receive an assortment of funds from large corporations, human service agencies, sponsors/partners, malls, colleges, a military base, and hospitals, as well as a number of other sources for pro-

viding transportation, advertising, or other related services, such as a Medicaid brokerage.

At the sampled innovative systems, the research team found the following characteristics related to resources:

- Not Dependent on Government Funds - While all operators except one received federal funding, most had numerous sources for funds, including private sector contributions. One board member commented that the agency's culture requires that it not be "victimized by the ebb and flow of federal dollars" but develop some independent revenue sources.

- Entrepreneurial Spirit - For some of the innovators, aggressive sales and private business practices are keys to finding funds. The innovators typically have unique ways to fund their system. One of the managers interviewed had 25 years experience in retail business. He has taken his sales background and applied it to transit, organizing the business to bring in customers and offering them various "products" through the transit organization. Another manager summed up her practices as "sell, sell, sell."

- Advertising - Advertising has been a revenue source for transit for over 100 years. It is an excellent source of funding that a number of the innovators take advantage of. FRED had TVs and VCRs installed on all its buses, allowing it to advertise its own services, but also providing

this capability to its local partners who help fund the service, giving them the opportunity to advertise their services. Citibus has a formal bus wrap program, generating significant revenues.

- Sponsorships and Partnerships - Most of the sampled systems have business and agency sponsors that either contract for service, generate funds for service, or can help generate funds for the system. Rabbit Transit has formal arrangements with the regional hospital and other local employers to provide employment-oriented services, with funding from the employers covering the fully allocated costs of service in one case or full operating costs in others, with services open to the community as well. Sierra Vista levied a transit charge on student registration in exchange for a free pass for college students. SunLine provides innovative services to its member cities such as SunSweep and regional graffiti removal; these generate revenues to fully cover costs and contribute to the agency's overall overhead.

- Distributing Resources - COAST has a very innovative way to build community resources by distributing used vehicles to a variety of organizations and then supporting

those vehicles with insurance and driver training.

8. *Seize Opportunity/Serendipity*

This last element is related to previous elements, notably community involvement/communication and building resources. The research team found that most of the sampled systems actively took advantage of opportunities that were presented—to try a new service, meet another need, and expand the service area for a particular ridership group or purpose. In some cases, such opportunities were serendipitous, just appearing in the community. Serendipity is one of the elements of management theory on innovation—defined as a combination of luck and the ability to see that luck as an opportunity.

The ability to seize opportunity and build on serendipity comes from the transit system's freedom to try new things and to change. Many of the previous elements found at the sampled systems lead to or enhance this freedom to try new things and change. For example, gaining support and respect of the board and policy makers (organizational support), providing quality service, and demonstrating the ability to generate funds (build resources) work together to give the transit system the latitude to try new things and seize opportunities when they arise. Moreover, another element seen at the sampled systems—community involvement/communication—allows the transit system to look for opportunities and develop plans to take advantage of those opportunities.

Recognizing an opportunity is a key ingredient to serendipity. Being able to take advantage of the opportunity is the other key. The innovators are typically able to seize an opportunity quickly, without having to ask for approval for each new idea and service.

This element can be seen having several components:

- Identify an Opportunity - Through community involvement, the systems are able to identify community needs. Through communication with staff, management can identify internal operating needs. The key is to take the need and turn it into an opportunity. One system manager saw in the newspaper the bad press that a regional grocery store chain was receiving for closing a store in an inner-city neighborhood. The manager quickly telephoned the grocery store, offering to provide shuttle services from the inner-city neighborhood to the new suburban grocery store—seizing the serendipitous opportunity that arose. The resulting shuttle service has been successful, with additional transit services now provided to the grocery store chain.

- Funding - In some cases, the innovative managers developed an idea for a new opportunity without funding for the service, but believing that funding would be found if the idea was worthy. At one sampled system, the manager wanted to offer new employment oriented services, believing that the strong economy and concerns about hiring entry level workers provided a good opportunity for such a service. Without funding to start up the service, however, the manager had to find local funding, something she was able to do with a creative payment scheme for local businesses.

- Ability to Move Forward - With organizational support and alignment throughout the organization, the sampled transit systems were able to move forward with their ideas once they found an opportunity. Except in one case when the opportunity was something very new for the transit system, these systems had the freedom to develop a new service. Asking permission from the board or City Council to move forward with a new idea for service was generally not an issue for the transit systems.

Getting a Start

According to one management expert, there is a process to making change happen.[5] (And based on this research project's case studies, there are com-

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[5]Kotter, John P., "Leading Change - Why Transformation Efforts Fail," Harvard Business Review, March-April, 1995.

mon elements to the culture of change and innovation, which, when put together, can be seen as a process.)

Once a transit system has established quality and has incorporated appropriate elements of innovation as found through this research, change can be initiated. But change should be approached incrementally—not trying to do too much at one time. The following steps can be used as a guide to implementing change one step at a time.

1. Identifying Needs - What is the need/problem that should be addressed?

2. Generating and Processing Ideas - Ideas can come from anyone in the organization, and even outside the organization.

3. Articulating Vision to Staff, Board, and Community - The manager must "sell" the idea to staff and the board, then the entire organization sells to the community.

4. Develop Plan and Identify the Funding Sources - The innovators proved that a system does not have to depend on government funds to be successful.

5. Train Staff and Educate Public - Keep expectations reasonable, do not promise too much at one time.

6. Determine Goals and Objectives - Look for small successes, celebrate, and then raise the bar. Do not try to do too much at once.

7. Monitor Performance - Closely monitor the change to ensure success. If it is not working, don't give up, try a different approach. If the idea is a good one, it is worth trying until the system gets it right.

8. Go Back to No. 1 - Now that the change has been successful, address the next need and start the process all over again.

Summary - The Culture of Innovation

The research project has found common organizational characteristics and elements among a sample of rural and small urban transit systems that foster their ability to try new things, change, and innovate. The sample represents a variety of types of systems in smaller communities. Each was able to make innovation happen. The sampled systems did not all have the same elements—some had all, most did not— but each had enough elements to show their commonality and their influence on change.

The innovative operators that were investigated supplied the research team with an abundance of examples of how to foster and maintain the elements of a culture of innovation.   These serve as examples that are not hard and fast. Like any innovator, readers should take these ideas and bend and shape them to meet their objectives.

Change and Innovation Require Hard Work

It was clear from the case studies that change and innovation require effort, time, and hard work. The managers spend considerable time during workdays as well as evenings and weekends speaking to groups, attending meetings, overseeing service, designing new programs, and participating in various other activities in the community and for the system. Smaller systems such as BRATS, COAST, and FRED have very few staff and most of the work falls on the manager and one assistant. At other systems, the manager may have more staff, but the time and effort required are still significant. The sampled systems share not only common elements that relate to change and innovation, but dedicated time, effort, and hard work in pursuing change and improvement.

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CHAPTER 3: OVER-COMING BARRIERS AND CONSTRAINTS

WHAT BARRIERS?

Various barriers and constraints have been cited by some as inhibiting innovation at rural and small urban transit systems. But this was not the case with the transit systems we visited through the research project's exploration of the culture of innovation. The managers at those transit systems indicated that they were not deterred by barriers or constraints in trying new programs, services, or other initiatives. Some of the managers we interviewed specifically dismissed barriers. This attitude might best be characterized by the reply of one of the managers we visited, when asked whether there had been any barriers in her transit system's implementation of its various innovative initiatives: "Barriers, what barriers?" she replied. Other managers acknowledged that they sometimes face constraints or issues, but they are not deterred, regularly seeking out new strategies to overcome such constraints.

Perhaps these attitudes towards barriers and constraints reflect strong leadership and management determination; maybe it's a better understanding of what rules and regulations allow, or perhaps these transit systems have established an organizational attitude of "can do." It may be a mix, but certainly the latter is important.

BARRIERS AND CONSTRAINTS: REAL AND PERCEIVED

While the innovative transit systems may scoff at barriers and constraints,

many transit managers and professionals contacted throughout this research project did indicate that various barriers and constraints impact their operations. Many of such barriers are perceived, however, and should not prevent change and innovation. And some of the barriers are more misperceptions relating to rules and regulations evolving over the years as myths about what can or cannot be undertaken under certain funding programs. Indirectly, and directly in some cases, these barriers and misperceptions may inhibit change and innovation.

The barriers and constraints identified through interviews, surveys, and contacts as part of the research project include:

- Attitudes and perceptions,
- Limited funding,
- Regulatory complexities,
- Operational issues,
- Isolation,
- Older Americans Act prohibition on charging fares,
- Prohibition of charter services, and
- Problems using vehicles and resources for other than clients of funding program.

OVERCOMING BARRIERS AND CONSTRAINTS

There are various approaches to overcoming barriers and constraints, real and perceived. We present within this chapter an array of approaches identi-

fied in this research project as creative, innovative strategies to overcoming a number of identified barriers and constraints. For other barriers, such as the prohibition on charter services, we offer suggestions based on existing regulations.

Attitudes and Perceptions

Attitudes toward change and innovation are often negative—"if it's not broken, don't fix it." It is not uncommon to find people who specialize in identifying why a new idea will not work, rather than how to make it work.

Our research indicates that the presence of a strong, dynamic manager helps a transit system to pursue change and innovation, but there may be some specific strategies to combat system-wide negative attitudes. For example, several innovations presented in the Guidebook might be useful:

- *Transit 101*: This innovative training program, put on by the Arizona Department of Transportation Rural Transit Assistance Program (RTAP) staff, is designed for transit board members including elected officials as well as transit system staff and is geared towards educating participants in the fundamentals of transit, how it works, what levels of funding are needed to run individual service components, and where that funding comes from. An important secondary purpose is to bring together various transit system participants—board members, transit management and community members—for informal communi-

cation, indirectly working towards improved relationships. Such a training program can better *align* all the participants towards common goals. It may also serve to foster more creative thinking on the part of transit management, particularly if the board members become more supportive of transit management and give management more latitude to think outside the box. *(See Part II, page II-101 for more information.)*

- *Defining and Incorporating Core Values*: Special Transit in Boulder, Colorado—by identifying its organizational values and principles—fostered consensus building within the organization between the board and senior management staff. This process also addressed day-to-day problems of employee recruiting and retention. While Special Transit initiated the program to combat a specific operational issue (employee recruitment and retention), such an exercise—designed to help a transit agency articulate its primary purpose and values—could lead to a more positive attitude about what the transit system *can* do, possibly encouraging *new* thinking and *change*. *(Part II, page II-55)*

- *Public-Private Partnerships*: While this innovative program at the Fredericksburg (Virginia) Regional Transit System is focused on finding new sources of funding (both private and public) for the community's transit system, such an initiative may help a transit system move beyond its traditional "we've al-

ways done it this way" attitude by exploring new programs or services to woo potential partner organizations in the community. *(Part II, page II-81)*

A perception that *volunteer drivers are not safe* was a commonly-held perception that surfaced through our research efforts. Where transit systems stretch their operations to serve additional persons with transportation needs using volunteer driver-based programs, such a perception is problematic. One of the innovations identified through the research project directly attempts to counter this perception:

- *Formal Volunteer Program*: Operating in rural Illinois, the Voluntary Action Center's *volunteer driver program* for long-distance medical trips has developed several successful strategies to mitigate the perception that volunteers are not safe, including required training for all volunteer drivers (initial training of 20 hours and ongoing training) as well as increased "professionalism" of the volunteers, including the outfitting of volunteers with uniform jackets and hats. *(Part II, page II-41)*

Limited Funding

Funding is a very real constraint for most smaller transit systems. And it is a problem that sparked a large number of initiatives identified through the research. Transit systems around the country have found creative programs to augment their funding base, often turning to private sector entities in their communities as partners. A sample of creative approaches includes:

- *Selling Bus Seats To Employers*: In a southern Alabama county, the rural transit provider has developed an innovative program to sell bus seats to employers in its coastal resort area. For $100 per month per seat, employers can purchase a "seat"—essentially guaranteed, prepaid transportation for employees, a creative benefit to attract employees in an area where employers are competing for entry-level service workers to serve the tourist market. *(Part II, page II-97)*

- *Shuttle Services for Community Employers*: Many transit systems operate shuttle services to support local employers, and several are highlighted in Part II of this Guidebook. One of the systems is Rabbit Transit in York, Pennsylvania, which has implemented special all-day routes to serve the community's largest single employer—the regional hospital—as well as shuttle services at specific times of the day to support smaller employers' welfare-to-work efforts. These routes are fully funded by the benefiting employers, yet are open to the general public, expanding the community's transit travel options and, significantly and successfully, the system's revenue base as well. *(Part II, page II-85)*

- *Transit Services Targeted to Grocery Stores*: Food shopping is a critical purpose for many transit users in small communities. Citibus

in Lubbock, Texas, has a long and successful relationship with its community's largest grocery store chain. Implemented both to use excess fixed-route capacity during off-peak hours and to meet needs identified within the senior community, Citibus initiated shopper shuttles for seniors years ago, now providing 4,900 vehicle service hours annually on behalf of the grocery store chain, which fully funds the service, providing about $180,000 to Citibus in FY 2000. *(Part II, page II-88)*

- ***Public-Private Partnerships***: Fredericksburg (Virginia) Regional Transit has developed an innovative program to generate local funds for its small transit system. The transit system actively and aggressively seeks Partners—local private and public organizations that benefit from the community transportation program—to provide financial support for the transit system. Partners include the local college, hospital, a local "big box" developer, as well as the City of Fredericksburg and adjoining county. The Partners program is formalized, with different "levels" of annual giving and specified benefits for each "level" of financial support, including acknowledgment on all of the transit system's marketing and informational materials and a detailed annual report tailored to each Partner. This successful program generated close to two-thirds of budgeted revenues for FY 2000 as well as strong community support for the small system. *(Part II, page II-81)*

- ***Pursuing Human Service Funding***: Numerous small and rural operators use funding sources that originate through federal Department of Health and Human Services (DHHS) authorizations. Among others, these include the Older Americans Act Title IIIB for transportation as a support service and Medicaid medical transport reimbursements. These funding sources place additional requirements on the operators and make it critically important that the system fully understands its full costs of providing service. Such additional funding may provide a broader base over which to spread agency overhead costs, if the direct costs of the trips provided are covered. In cases where the fully-allocated costs are not covered by the new funding opportunity, the agency has to seriously consider whether these are trips they should provide.

For example, in Oklahoma, rural transit systems across the state are involved in a brokerage for rural Medicaid transportation. The objective of the brokerage is to capture capacity available through the small operators, often traveling with empty seats from their rural communities to larger cities for various trip purposes. The brokerage provides a safe, reliable network of transportation providers while making a new funding source available to the transit systems. This new funding—through Medicaid—supplements that received through more traditional transit sources such

as the Section 5311 program. *(Part II, page II-46)*

- ***Create New Funding Streams***: SunSweep, in Coachella Valley, California, is an example of using the transit infrastructure to provide an altogether new service and draw in an additional revenue source. SunSweep, established by the transit agency—SunLine Transit—as a separate legal entity to provide street sweeping services, shares administrative staff with SunLine, and as such spreads overhead costs over another funding base. In addition to providing street sweeping for governmental purposes, SunSweep does street sweeping under contract to a number of private communities, with that funding allowing SunLine to accumulate funds for capital match. Overall, the program must fully cover its own costs and does not create a "profit" that can be turned over to the transit operations. *(Part II, page II-95)*

Beyond these creative approaches, many rural and small urban transit systems are tapping into new federal funding programs and a handful are using federal funds in new ways to augment their funding base. Such new monies open opportunities for new and different services, with room for creativity and innovation. These opportunities include:

- ***Welfare-to-Work Programs***: Transit systems across the country have become involved with welfare-to-work transportation programs in the last several years. With reforms to the federal welfare system beginning in 1996 focused on moving individuals from welfare assistance to employment, new programs have been implemented by the federal government as well as at the state and local level. Transportation is a key element in such programs, and transit systems of all sizes, including those in rural and small urban areas, have initiated new services which provide access to employment sites and support services such as day care. At the federal level, there are three primary programs: FTA's Job Access and Reverse Commute grants; DHHS's Temporary Assistance to Needy Families (TANF) block grants; and the Department of Labor's Welfare-to-Work formula and competitive grants.

These funding sources bring their own challenges to small urban and rural systems because the funding is time-limited. They are valuable, however, to assist in building new partnerships and alliances between smaller systems and local, regional, and other agencies involved in the broader economic development and employment service network. New alliances have also been formed at the community level between the smaller transit systems and local businesses, strengthening the link between public transit and economic development. These new partnerships strengthen the role of local public transit systems in smaller communities, as they become more than just the operators of "the old peoples' bus"—they

provide access to jobs and job opportunities and help foster economic development by improving job access. The new alliances and roles for rural and small urban systems have created opportunities for new and different services, fostering some innovative approaches to employment-oriented services.

For example, Z-Bus in Zanesville, Ohio, implemented a novel child-care shuttle service, specifically to assist lower income families where parents are transitioning to employment. This service, which uses a brightly decorated bus appealing to youngsters, transports young children from their homes to their child care facilities, with a trained assistant on board to help. This program has been very beneficial for families reliant on public transportation as they move from public assistance to work. *(Part II, page II-64)*

Resources for accessing more information on federal welfare-to-work programs are included in Appendix B.

- ***Flexible Funds***: The ability to use certain federal transportation funds for either highway or transit projects, specifically Surface Transportation (STP) and Congestion Mitigation and Air Quality (CMAQ) funds, was a new provision in 1992 with the federal transportation legislation, the Intermodal Surface Transportation Efficiency Act (ISTEA), and continued with its re-authorization in 1998 through the Transportation Equity Act for the

21st Century (TEA-21). This flexibility is a significant change from earlier legislation, now allowing states more latitude in funding their transportation priorities. For example, the State of New Hampshire, using the flexibility of these federal funds, purchased buses with CMAQ funds, then leased them to private operators who operate (unsubsidized) commuter-oriented services from rural communities into urban employment centers.

- ***Revisions to FTA's 5310 Program***: FTA's Section 5310, Capital Assistance Program for Elderly Persons and Persons with Disabilities, saw revisions through ISTEA in 1992 and its re-authorization in 1998 through TEA-21. Some of these revisions provide opportunities for new and creative approaches for smaller transit operators. For example, the ISTEA legislation added new eligible expenses for the 5310 program, including "acquisition of transportation services under a contract, lease, or other arrangement."

Through this change, a handful of states have supported eligible entities with the purchase of transportation services from organizations already operating transportation service, rather than providing funding for the entity to purchase its own vehicle. Texas is one such state, where a not-for-profit agency and large rural transit provider in Bastrop County piloted a program where the not-for-profit uses 5310 funds (with the required 20 percent local match) to buy bus tickets from

the rural provider that are then provided to the agency's clientele. Texas supports this program as part of broader coordination objectives. *(Part II, page II-8)*.

Other funding sources, particularly those available at the federal government level, are numerous and have been researched extensively. For example, the Community Transportation Association of America (CTAA) provides information on federal funding programs in its annual *Resource Guide* and has published information on close to 90 funding programs provided through more than a dozen federal agencies in a report titled *Building Mobility Partnerships: Opportunities for Federal Funding*. See Appendix B of this Guidebook for more information.

Regulatory Complexities

Public transit systems must deal with a vast array of regulatory requirements, including among others, the Americans with Disabilities Act (ADA), federal drug and alcohol testing, and federal grant requirements. Coordination efforts face additional regulations, including, for example, regulations on student transportation and school bus use.

To help transit systems in rural and small urban communities address regulatory complexities, many states have focused training assistance programs to such issues. For example:

- *Nebraska's Statewide Training Program* includes a drug and alcohol testing and training program to help smaller transit systems comply

with federal regulations. This program was adapted for transit from a program built originally for the state trucking association. It was identified as useful to transit operators through a state safety and training agency with responsibilities for training of both groups, as well as school bus drivers. *(Part II, page II-103)*

Training programs provided by several other states are included in the research project's listing of initiatives provided in Appendix C. These include, for example, training and support provided by the State of Arizona Department of Transportation where staff assist rural and small urban operators with completion of federal grant applications by combining the Section 5311, 5310 and select welfare-to-work grants into a single grant training session. California's RTAP funds scholarships to a ten-session Transit Management Certificate Program that is provided by Pepperdine University and carried to various parts of the state.

Pursuit of training opportunities was common among the transit operators visited through the project's investigation of the "culture of innovation" (as discussed in Chapter 2). Exposure to a broad range of training opportunities helps small operators boil down complex regulations into practical, pragmatic operational responses they can implement.

Regulations concerning school bus transportation have been an issue in certain coordination projects where local transit systems attempt to coordi-

nate with school transportation; "school bus regulations" were identified as a barrier in this research project. School bus regulations vary across states, hindering common approaches to solving regulatory complexities, but there are a number of successful examples of coordination, including a creative project in rural Washington:

- *Using School Buses to Provide Public Transit*: In Mason County, Washington, the transit provider approached the school district to provide new service oriented to after-school needs, but open to the general public as well. Various regulatory and operational issues were addressed, including those relating to safety, FTA mandated drug and alcohol testing, and private sector competition, the latter of which was resolved by defining the transit system and school district relationship as "resource sharing" which does not constitute a lost competitive opportunity for the private sector. *(Part II, page II-28)*

Operational Issues

Barriers and constraints on day-to-day transit operations are many and varied. Articulated through this study, among other issues, were limited staff resources, insurance issues specifically with volunteer drivers, performance issues and monitoring, coordination among funding programs and agencies, and need for replacement vehicles in a timely fashion, particularly given the high mileage accumulated quickly on vehicles operated in rural areas. Several of the creative initiatives identified

through the research project address these issues, including:

- *Volunteer Driver Programs to Expand Driver Staff and Service*: Volunteer-based programs are used in many areas of the country to supplement paid staff and provide additional needed transportation service. In DeKalb County, Illinois, the Volunteer Action Center's successful and formalized volunteer program for long distance medical trips augments the agency's more traditional program staffed with paid drivers. While the volunteer program was initiated first, it has been retained as it serves a critical need for the community's elderly and disabled residents. *(Part II, page II-41)* In Riverside County, California, the county transportation planning agency funds the Transportation Reimbursement and Information Project (TRIP) to provide basic mobility for seniors and disabled individuals whose needs are not well met by public transit services, essentially supplementing public paratransit and fixed-route services. Heavily utilized by seniors, this volunteer program seems to fill an important gap in protecting the mobility needs of increasingly frail individuals who need the one-to-one assistance a volunteer can offer. *(Part II, page II-43)*

- *Insuring Volunteer Driver Programs*: In rural Washington State, the Council On Aging and Human Services recognized the need to safeguard its volunteer transportation program and the volunteers

who make the program possible. To do so, the agency developed, with legal assistance, specific "risk-sharing" tools, including waivers, indemnification, and agreement-to-participate forms. These are designed to provide protection to all parties involved in its volunteer transportation program and to recognize that there is a shared responsibility among the rider, the referring agency, and the transportation provider. *(Part II, page II-34)*

- ***Standardized County-Wide Performance Reporting System***: The county transportation planning agency in San Bernardino County, California developed a standardized transit performance assessment tool, focusing on route level performance. Agency planners believe county transit systems, which include very small rural systems as well as large fixed-route operators, can make more effective management decisions with route level performance details. The assessment tool is stand-alone software, planned to soon be available from the agency's website and provided to the systems so they can regularly and easily monitor and improve their services. *(Part II, page II-20)*

- ***Coordination of Funding Sources***: Many small transit systems patch together funding from multiple sources, as typically no one source can meet financial needs. Some transit systems are more adept at this coordination, and Zuni Entrepreneurial Enterprises, Inc. (ZEE) in New Mexico is an example. The

non-profit agency, located on the Zuni Nation Reservation in western New Mexico, brings in operating revenues from: an FTA Jobs Access and Reverse Commute welfare-to-work grant, State vocational rehab funding, federal HUD monies for transportation as a support to a housing facility, and a federal Tribal scholarship program supporting higher education opportunities for Tribal members, in addition to FTA Section 5311 funds and periodic Section 5310 capital grants. The transit system manager advises that one should never ignore a possible funding source just because it does not seem appropriate—it is often possible to link the objectives of the transit system with the requirements of the funding program, to the benefit of the system's financial base. *(Part II, page II-90)*

- ***Maximizing Number of Paratransit Vehicles in the Community Through Innovative "Vehicle Pool":*** As one strategy to ensure adequate vehicles and transportation resources in the community, one agency developed a "vehicle pool," where the dominant not-for-profit agency—Council on Aging and Human Services in Colfax, Washington—applies annually, and successfully, for vehicles through the state-administered Federal 5310 grant program and then "shares" these vehicles with the smaller social service agencies in the large region through a creative and cooperative arrangement. *(Part II, page II-15)*

Isolation

Transit systems, particularly in very rural areas, may be distant geographically from peer agencies and support organizations, and some perceive that this distance isolates the transit system, its manager and board professionally as well. This is increasingly less of an issue with air travel and improved road networks reducing such isolation, with computers and Internet access becoming more universal, and with widespread training resources available through the transit industry. Various initiatives undertaken by transit industry associations and state and regional transportation organizations, among others, help address this issue, including:

- *National Transit Resource Center*: Funded by CTAP (Federal DHHS's Community Transportation Assistance Project) and FTA's RTAP and housed at the offices of the CTAA in Washington, D.C., this center provides technical assistance, information and support to community-based transit systems across the country. Most of the services and materials are available without charge. The Resource Center can be contacted through a toll-free "hotline": (800) 527-8279.

- *Resources on the Internet*: There are many, many resources available to rural and small urban transit systems through the Internet that provide information, support, and training. These include the websites of the state departments of transportation around the country, the

CTAA, and the FTA, among others. In California, for example, the State Department of Transportation—Caltrans—funds a Rural ITS (Intelligent Transportation Systems) website that includes a link to a "Simple Solutions" URL that provides rural operators with ideas on how to utilize emerging new technologies. Included in Appendix B of this Guidebook is a listing of the websites of some excellent transit-related sources. A number of these websites include on their sites hot links to other valuable websites.

- *Take Training Directly to Isolated Transit Systems*: Nebraska Department of Roads in collaboration with two other organizations implemented an effective training program for rural transit systems that recognizes that these systems are often in very isolated and remote locations with limited staff who cannot go off to distant training without severely impairing operations. This program, among other innovative aspects, selects training sites dispersed throughout the state to provide close access for the rural systems and pays wages for relief drivers, ensuring that systems can still function while operating staff attend off-site training. *(Part II, page II-103)*

- *E-mail "Heads-Up" Notices and Information Networks*: From the FTA Region IX headquarters, a transit analyst maintains several large e-mail notification groups and routinely sends out information on grant announcements or new

funding opportunities, training resources, and release of new regulations. Several RTAP coordinators and transit associations report similar information networks, seeing value for small transit operators who cannot easily monitor all national, state, or even selected regional activities that may impact their transit service.

- ***Provide RTAP Funds for Travel to Transit Conferences and Training***: Federal RTAP funds, administered through each state's RTAP program, can be used to fund travel to transit industry conferences and training opportunities. Managers and staff at smaller transit systems benefit from attending conferences and training sessions, with exposure to other professionals, training, and workshops on a variety of topics, new ideas, and networking with other smaller transit systems.

Older Americans Act Prohibition on Charging Fares

The Federal Older Americans Act, Title III-B Supportive Services Program provides funding for supportive services for older persons, including senior centers. Funds are provided to states which then award funds to area agencies on aging (AAA), and these monies can be used for transportation services that support senior programs. However, the Older Americans Act prohibits *denial of services and means testing* for transportation purposes, meaning that fares cannot be required for those

services funded with Title III-B. Some transit systems, however, perceive that this requirement applies to their entire transit program if they use any Older Americans Act funds. This is not the case.

The recent reauthorization of the Older Americans Act—in November 2000—includes *new* language that provides, for the first time, opportunity to charge fares for transportation services funded through Title III-B. The language provides for "cost sharing" through "consumer contributions" by seniors for those services, including transportation, funded by Older Americans Act Title III-B. The legislation includes various exceptions and requirements, including a prohibition on cost sharing for lower income seniors. And the legislation allows an AAA to request a waiver from a state's cost sharing policies with specific findings. Administrative guidelines will be issued by the Federal DHHS spelling out how states are to implement these new provisions for cost sharing. This change is significant for rural and small urban transit systems because many use Title III-B funding. New latitude for charging fares, rather than just asking for donations, will help smaller transit systems generate operating funds and coordinate services with programs that do not have such a fare prohibition.

Prohibition of Charter Services

When a transit system receives FTA funding assistance, there are FTA regulations governing the extent of "extra" services that can be provided under contract. A number of transit systems identified through this research project indicated that, in the words of one system manager, "FTA's charter regulations quash entrepreneurial activities" and that these are a barrier. Charter service is defined, for federal purposes, as transportation funded by a group of persons, through a contract and at a fixed charge, who have acquired exclusive use of the vehicle or service to travel together on a trip specified by the group.

According to current FTA regulations, transit systems that receive federal funds through Sections 5307, 5309, and 5311 can use federally funded equipment and facilities to provide charter service only on an incidental basis and then only under qualified exceptions. The charter regulations do not apply to Section 5310. The exceptions include, among others:

- if there are no willing and able private operators to provide the service;

- in a rural area, if the service is provided under contract to a public or not-for-profit entity that certifies that more than 50 percent of the riders will be elderly;

- if the service is for a not-for-profit or public entity where the trip is for a majority of disabled persons;

- if the service is for an organization eligible to receive public welfare assistance funds; or

- meeting other specified requirements of the qualified exceptions.

The charter service definition and exceptions allowing provision of such service are spelled out in the FTA Charter Bus Policy (49CFR Part 604) which can be found online at http://www.fta.dot.gov/library/legal/49604.htm. Information is provided on the procedures that must be followed in order to provide charter service.

Essentially, the regulations are intended to ensure that publicly subsidized transit systems do not unfairly compete with private bus and charter companies. As part of this objective, when public transit systems provide services under contract through allowable exceptions, the rates charged to the entity sponsoring the service must equal the "fully allocated cost" of the transportation service, according to FTA regulation. In other words, the fees charged for the special trips must equal the total unsubsidized cost of providing the service, treating the transit system as if it were a private firm in a competitive environment. This is intended to nullify the effect of governmental subsidies received by the transit system and "level the playing field."

While formal charter services may be difficult to offer unless they meet the qualified exceptions, there are many other special entrepreneurial services that smaller transit systems can offer to meet needs within the community. These include, for example, some of

the creative programs listed earlier in this chapter under Limited Funding, such as services for employers on a dedicated or per seat basis and shopper shuttles sponsored by local businesses and merchants.

Problems Using Vehicles and Resources for Other Than Clients of Funding Program

Many rural and small urban transit systems use funding from multiple sources, and coordination, required for certain FTA programs, is well-established for rural and small urban transit. Despite this, some systems perceive that funding program regulations prohibit use of vehicles for other than the specific clients of that funding program. While there may be examples of such prohibitions, there is no general governmental regulation prohibiting shared use.[1] The DHHS does acknowledge that there have been statutes applicable to individual grant programs that restricted use of grant equipment to activities supported by the grant.

Typically, grant programs require that first priority for use of vehicles go to intended clients of the particular grant program. For example, vehicles funded with FTA Section 5310 are to be used primarily for seniors and persons with disabilities. To meet coordination objectives and requirements, the federal program allows vehicles funded with

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[1] U.S. General Accounting Office, Transportation Coordination - Benefits and Barriers Exist, and Planning Efforts Progress Slowly, Report to Congressional Committees, October 1999, p.10.

Section 5310 to be used to meet other federal program needs or for other local transportation needs including those of the general public on an incidental basis as long as such service does not interfere with service for the primary clientele.

Many transit systems in communities across the country successfully mix program funds with shared use of vehicles, including several highlighted in Part II of the Guidebook:

- *Mixing General Public and Medicaid Riders on Flex-Routes*: In central South Carolina, the Santee Wateree Regional Transportation Authority (SWRTA) had problems setting up a fare structure for its new flex-routes where general public riders—picked up at bus stops— were served on the same routes as Medicaid riders—picked up at their residences. Medicaid officials said that SWRTA must charge the same fare for both types of riders, as the contract stipulated an equal or greater fare for anyone on the same vehicle as a Medicaid rider. SWRTA was able to persuade Medicaid officials that a lower fare for the general public was appropriate as the service was not comparable, facilitating the mixing of different types of riders on the same vehicle. *(Part II, page II-11)*

- *Transportation Brokerage in Malheur County, Oregon*: In rural Malheur County, the non-profit Council on Aging created a successful brokerage. The Council,

acting as the centralized broker, coordinates and dispatches operation of vehicles operated by three local senior centers (funded through the Federal 5310 program), the community's "city bus," and its own small fleet of vehicles, providing service to individual riders and a wide range of agencies including local school districts, assisted living facilities, nursing homes, sheltered workshops, Medicaid, worker's compensation, and Welfare-to-Work programs. The Council requires, significantly, that the full amount of participating agencies' transportation funding and/or reimbursement be transferred to the Council as compensation. *(Part II, page II-36)*

CONCLUSION

For rural and small urban transit systems, barriers to *change* and *innovation* are more a perception than a reality. Significantly, there are many rural and small urban transit systems which are not deterred by limited funding, negative attitudes, regulatory complexities, or other barriers and constraints identified in this research project. In many cases, managers at these systems face *issues* or *constraints* that they resolve, not *barriers* that defeat them. These systems, as well as organizations that support them, have successfully implemented a range of new and often creative solutions to meet specific needs and issues—often overcoming constraints that are encountered. Based on our investigation of the *culture of innovation* (see Chapter 2), this ability, to a great extent, represents strong system

leadership and an organizational attitude of "can do." A number of these new and creative solutions—initiatives and innovations—have been highlighted in this section as examples of how other transit systems and support organizations have addressed barriers and constraints. Part II of the Guidebook presents more information on these solutions, with detailed summaries of more than 40 initiatives and innovations identified through this TCRP research project.