

**City of Lawrence Coordinated Public Transportation Development Plan  
Chapter 9  
Funding and Governing Transition Plan**

**Introduction**

After review and discussion of alternative transit governing and funding structures with city staff, University of Kansas (KU) administration, and KU students, it is evident that a plan is needed to guide a transition from the current governing structure to one that is more coordinated in its approach. Consistent with feedback received at the series of meetings and workshops in September 2006, there appears to be consensus among representatives of the city, university administration, and KU students that Alternative 4 is the best long-term governing and funding option. There also is general agreement, however, that a transition to an interim governing structure (Alternative 2) would be necessary before ultimately transitioning to Alternative 4. As a reminder, Alternatives 2 and 4 are described as follows:

- Alternative 2 - Separate Systems, Separate Funding, Coordinated Service
- Alternative 4 - One System, Separate Funding Sources, One Representative Policy Board

The proposed transition plan provides a blueprint for the City of Lawrence and KU in their effort to transition from their existing operating structures to a temporary Alternative 2 scenario and then to an Alternative 4 scenario within two to three years.

**Transition Plan**

The flowchart in Figure 87 illustrates the proposed transition plan, which reflects 8 major actions that will be required to facilitate transition from the current governing and funding structure to Alternative 4. In addition, the actions are associated with a proposed timeline for implementation. The critical actions for facilitating transition are reflected under funding and governance while actions under service and capital improvements result from funding and governing actions. The actions in the flowchart are color-coded to represent the alternative governing structure under which each action will take place. In addition, new or increased funding opportunities are also color-coded. The color codes in the flowchart are summarized as follows:

- Alternative 1 (current governing structure) – orange
- Alternative 2 – yellow
- Alternative 4 – blue
- New or increased funding opportunities - green

Each action in the transition plan is summarized below. For ease of reference, the actions described below are numbered to coincide with the flowchart.

**1. Operate Using Existing Funding & Governance Structure**

The existing governing structure is represented by this task.

## 2. Adopt Interlocal Agreement

An interlocal agreement between the City of Lawrence and the KU will be developed and adopted by both agencies in order to transition coordination efforts from Alternative 1 to Alternative 2. The interlocal agreement will identify coordinated service and policy efforts between the university and the city and will emphasize the willingness of the parties to transition to a more coordinated transit governing and funding structure.

The agreement would include the establishment of a Transition Coordination Committee (TCC), which would meet regularly to oversee and discuss the implementation of the transition plan. In addition, to be consistent with the proposed financial plan, the interlocal agreement would need to include an increase in student fees at KU and the implementation of the first phase of service improvements. These two items are discussed below.

### ***Increase in Student Fees***

It is recommended that student fees be increased to the levels identified in the proposed financial plan. With the increase in student fee revenues, KU will have the opportunity to purchase fully-accessible, used but newer vehicles to replace its existing fleet. A vehicle replacement plan is included as part of the financial plan. The student fee increase also envisions an unlimited access program for KU students, as described in previous chapters.

The philosophy behind this action is that the City cannot be expected to take responsibility for the condition of the existing KUOW fleet. At the same time, it is not required that KUOW and the University come to the table with an entirely new bus fleet.

### ***Implement Phased Service Plan***

Implementation of the first phase of service improvements is proposed to take place towards the end of 2007. Subsequent phases of the plan are proposed to occur as follows:

- Phase 2 – Middle of 2008
- Phase 3 – Late 2009
- Future Phases – In 2010 and beyond

For additional information on service improvements, refer to the Service Alternatives and Recommendations chapter earlier in this report.

## 3a. Begin Collection of Joint National Transit Database (NTD) Reporting Statistics

With the signing of the interlocal agreement in Step 2, the two agencies can begin to collect the performance and financial statistics required for NTD reporting. NTD statistics will be collected for the remainder of fiscal year 2006/07 in preparation for submittal of the first consolidated NTD report in late 2007/early 2008. The consolidated NTD report will increase the federal Section 5307 formula allocation through the Small Transit Intensive Cities (STIC) program (currently estimated at an additional \$260,000 annually).

**3b. Appoint Transition Coordination Committee**

Consistent with the interlocal agreement, a Transition Coordination Committee (TCC) will be appointed to oversee the transition plan and coordination/consolidation efforts. The membership and composition of this committee is recommended to be consistent with the representation on the existing Project Oversight Committee (POC) plus representation from KU students.

***Potential Increase in Comprehensive Transportation Program funds, FTA Section 5309, Student Fees, and Local Funds***

It is expected that coordinated service efforts will enhance the city's ability to receive more Federal Transit Administration (FTA) Section 5309 funding and possibly more state Comprehensive Transportation Program (CTP) funding. With more state and federal funding and an increase in student fees, the city and university will increase its ability to purchase replacement and expansion vehicles and also implement other phases of the proposed service plan. The city will also need to increase existing local funding levels to meet the estimated costs of the phased service plan. The proposed financial plan specifies the estimated additional local funding needed to implement the service plan and includes a vehicle expansion and replacement plan.

**4. Consolidation of NTD Reporting**

Beginning in January 2007, efforts should be made to begin the collection and consolidation of NTD statistics in order to meet the FTA July due date for FY 2006/07 reporting. Collection and coordination is already taking place with regard to the park & ride service operated by KU. Generally, added funds become available one year after the new report is submitted to FTA.

Required data collection for NTD reporting is envisioned to proceed for KUOW in similar fashion to the process for park-and-ride data collection, which just began in 2006. KU's Parking & Transportation Department can provide guidance and oversight for NTD data collection. Drug and alcohol testing can be expanded to cover all KUOW drivers in the same time frame. The contractor for KUOW is also the contractor for the KU park-and-ride service, so this expansion of drug and alcohol testing should not present any significant problems.

**5. Transition Tasks for Alternative 4**

In preparation for the transition to Alternative 4, several administrative issues need to be addressed. This includes the development of a financial and capital consolidation plan and the development of policy board parameters.

***Develop Financial & Capital Consolidation Plan***

In order to support the transition of staff, capital, budgets, and other administrative items to an Alternative 4 consolidated structure, it is recommended that the university and city prepare a detailed financial and capital consolidation plan. This will assist the Alternative 4 governing Policy Board to quickly begin operation of the service and "hit the ground running." It is anticipated that this task will address the transfer of facilities and

equipment, specify how budgets will be consolidated, and identify roles and responsibilities of the Policy Board staff.

An important consideration will be whether to consolidate all operations and maintenance under a single contract. KUOW's current contract ends August 1, 2007. By this point in the transition, it is envisioned that a new short-term contract will be in place that will end at the same time as the T's current contract (December 31, 2008). As noted in the Finance and Governance Alternatives chapter, joint governance does not necessarily require a single contractor. There are several examples in the transit industry of agencies that contract out different portions of their service to more than one contractor, although many of these examples are at systems larger than The T and KUOW. It is prudent at this point in the transition to make this decision.

### ***Develop Policy Board Parameters***

The TCC will identify the composition of the Alternative 4 governing Policy Board. The recommended Policy Board structure is as follows:

- 50% City representation
- 25% University administration representation
- 25% KU on Wheels student representation

In addition to identifying the composition of the Policy Board, bylaws for the board must be developed and adopted to document procedures for member appointments and to clearly define the responsibilities of the Policy Board.

Staffing issues also need to be addressed. Under Alternative 4, this report recommends that the staff of the transit agency be comprised of City employees. This follows the successful CyRide/Iowa State University model. An integrated transit system will be more than double the size of the T. The proposed staffing model would add a senior-level position to the current T staff, and would include the following:

- Public Transit Administrator, with responsibility for system management and oversight. Extensive knowledge of and experience with transit rules, regulations, and operations and a proven ability to work with others in achieving common goals are the critical skills required in this position.
- Transit Planning Director, with responsibility for operations planning, contractor oversight, coordination with KU and the students during and after the transition, and other duties as assigned by the Public Transit Administrator. Knowledge of and experience with transit operations and strong interpersonal and communication skills are prerequisites for this new position.
- Transportation Program Specialist, with responsibility for data collection and analysis, interaction with the public, and other duties as assigned by the Public Transit Administrator. Transit experience, knowledge of Lawrence, and an ability to work well with the public are the needed skills.
- Public Relations Specialist, with responsibility for marketing and market research and other duties as assigned by the Public Transit Administrator. Knowledge of marketing and market research processes and activities and

an ability to work well with the public are the needed skills. Transit experience is a plus, but is not required.

The Transit Planning Director is the new senior-level position recommended for this transition (and post-transition) period. In addition, the T should explore the establishment of an intern program, possibly through the KU Parking & Transportation Department, to provide real-life transit experience for interested students and to enhance overall staff capabilities.

### ***Increased Small Transit Intensive Cities (STIC) funds Resulting from Consolidated NTD Reporting***

As a result of the submittal of a consolidated NTD report, the city will be eligible for increased FTA Section 5307 funding through the Small Transit Intensive Cities (STIC) program. As indicated previously, the STIC is currently projected to result in an additional \$260,000 annually. The additional funding will help support the implementation of the remaining phases of the service plan and will support the joint purchase of vehicles as part of a fully consolidated and coordinated transit effort to be accomplished once Alternative 4 is in place.

## **6. Modify Interlocal Agreement Consistent with Alternative 4**

The original interlocal agreement developed for transition into Alternative 2 will be modified based on the recommendations of the Transition Coordination Committee and subsequent final agreement between the city and KU. Once modified, the city and university will adopt the modified interlocal agreement and enter into an Alternative 4 transit funding and governing structure.

## **7. Commence Monthly Integrated Policy Board Meetings**

It is recommended that the Policy Board begin regular monthly meetings in early 2009 based on the noted transition plan timeline.

## **8. Pursue Earmarks and Other Funding Sources for New Facility**

The city has noted the need for a new administration and maintenance facility to house the joint transit operation. One of the first major tasks of the new Policy Board will be to pursue earmarks and identify funding sources for such a facility. The costs associated with the new facility are noted in the financial plan.

### ***Accumulation of Potential Funding Earmarks and Other Local Funding***

It is not clear whether funding for the new facility will be available by 2010, in the absence of an unexpected earmark. In addition, the phased service plan includes service improvements beyond the 2010 horizon year noted in the transition plan flowchart.

**Figure 1  
Lawrence Coordinated Transit Funding & Governing Transition Plan**

