

**FINAL REPORT**

# **Salem County Human Service Transportation Plan Implementation Study Update**

*submitted to the*  
**Salem County  
Department of Planning**

*in cooperation with the*  
**Salem County  
Transportation Committee**

*prepared by*

**Mundle & Associates, Inc.**

1520 Locust Street • Suite 801 • Philadelphia, PA 19102

Phone: (215) 731-9350 • e-mail: [mundle@aol.com](mailto:mundle@aol.com)

**June 2010**

**Salem County Board of  
Chosen Freeholders**

Lee R. Ware  
Director

*Chairman – Administration  
Committee*

David Lindenmuth  
Deputy Director  
*Chairman – Public Safety/Shared  
Services Committee*

Beth E. Timberman  
*Chairman – Transportation, Tourism  
& Agriculture Committee*

Bruce Bobbitt  
*Chairman – Public Works*

Ben Laury  
*Chairman – Social  
Services/Planning Committee*

Dale Cross  
*Chairman – Health Committee*

Julie A. Acton  
*Chairman – Public Services  
Committee*



**FINAL REPORT**

**Salem County  
Human Service Transportation  
Plan Implementation Study  
Update**

*submitted to the*  
**Salem County  
Department of Planning**

*in cooperation with the*  
**Salem County  
Transportation Committee**

*prepared by*

**Mundle & Associates, Inc.**

1520 Locust Street • Suite 801 • Philadelphia, PA 19102  
Phone: (215) 731-9350 • e-mail: mundle@aol.com

**June 2010**

## Table of Contents

	<u>Page No.</u>
1. Introduction.....	3
1.1. Objectives .....	6
1.2. Report Organization.....	6
2. Update of Existing Transportation Network.....	7
2.1. Salem County Fixed-Route Services .....	7
2.2. Salem County Demand Response Services .....	8
2.3. Operating Data for Salem County Transportation Providers.....	9
3. Funding Alternatives.....	10
3.1. Existing Sources of Revenue .....	10
3.2. Potential Funding Strategies .....	11
4. Coordination, Consolidation and Centralization of Salem County Transportation Services .	12
4.1. Conceptual Framework of Proposed Salem County DOT.....	12
4.2. Organization of a Proposed Salem County DOT.....	15
4.3. Estimated Operating Costs of Salem County DOT .....	17
4.4. Benefits of a Centralized Salem County DOT.....	21
5. Implementation Plan .....	22
6. Summary and Conclusions .....	26

## List of Exhibits

	<u>Page No.</u>
Exhibit 1: Summary of HSTP Recommendations .....	5
Exhibit 2: Summary of Fixed-Route Services .....	7
Exhibit 3: Operating Data – Salem County Transportation Providers .....	9
Exhibit 4: Details of Existing Sources of Operating Revenue.....	10
Exhibit 5: Phase 1 – Coordination of HST Services.....	13
Exhibit 6: Phase 2 – Consolidation of HST Service under the County DOT .....	14
Exhibit 7: Staffing Levels for Existing HST Services.....	16
Exhibit 8: Estimated Number of FTEs.....	16
Exhibit 9: Baseline Costs of Transportation Services.....	17
Exhibit 10: Estimated Costs of Phase 1 Implementation.....	18
Exhibit 11: Estimated Costs of Phase 2 Implementation.....	19
Exhibit 12: Summary of Implementation Scenarios .....	20
Exhibit 13: List of Implementation Activities .....	24
Exhibit 14: Proposed Implementation Timeline .....	25

## 1. INTRODUCTION

In February 2004, President George W. Bush issued an Executive Order on Human Service Transportation Coordination, which established the Interagency Transportation Coordinating Council on Access and Mobility (CCAM), comprised of the Secretaries of eleven Federal executive departments and agencies. The CCAM functions to oversee activities and makes recommendations that advance the goals of the Executive Order: simplify customer access to transportation, reduce duplication of transportation services, streamline federal rules and regulations that may impede the coordinated delivery of services, and improve the efficiency of services using existing resources. One of the outcomes of the CCAM was United We Ride (UWR), a federal interagency initiative aimed at improving the availability, quality, and efficient delivery of transportation services for older adults, people with disabilities, and individuals with lower incomes.

To meet these objectives, UWR is working with states and communities to identify transportation-service gaps and needs, reduce transportation duplication, create more efficient and productive services, and provide assistance in building local partnerships and developing coordination plans. It has three established goals: provide more rides for target populations for the same or fewer assets, simplify customer access to transportation and increase customer satisfaction. UWR's vision is stated as "One Call" – that is transportation for any reason should only require one call. UWR is the basis for coordinated human service transportation plans throughout the country.

In 2006, new requirements in the federal transportation legislation, SAFETEA-LU, stated that projects funded through three federal programs – Job Access Reverse Commute (JARC) (Section 5316), New Freedom (Section 5317), and the Formula Program for Elderly Individuals and Individuals with Disabilities (Section 5310) must be derived from a locally developed, coordinated public transit-human services transportation (HST) plan. The requirements are intended to maximize the efficiency of funding resources to improve the mobility for those that need transportation services the most, defined in SAFETEA-LU as individuals with disabilities, older adults, and individuals with limited income.

As a result of this legislation, human service transportation providers all around the country have developed coordinated plans in their regions and localities. In many areas these plans were developed as a first step towards improving coordination of operations among HST providers. Further actions have been underway to implement the recommendations that were developed in these plans.

Similar to other areas around the country, Salem County completed its first Human Service Transportation Plan (HSTP) in 2007. This was necessary in order to preserve the flow of federal funding in the JARC, New Freedom, and other federal grant programs. The completion and adoption of the plan also marked the starting point for the County to begin work towards implementing the HSTP's recommendations.

In 2009, an implementation plan was prepared for the Salem County Department of Planning. The focus of this plan was on HST service as well as other County transportation services (i.e., fixed-route and route deviation). The plan recommended strategies for implementing a centralized Salem County Department of Transportation (DOT). Implementation to bring HST services under a coordinated, consolidated and centralized system. The plan also re-framed the recommendations from the 2007 HSTP. Each recommendation was prioritized and the actions towards implementation were identified. These recommendations are presented in Exhibit 1.

**Exhibit 1: Summary of HSTP Recommendations**

Recommendation	Priority	Actions Taken
<b>Coordination Recommendations</b>		
1. Establish a coordinated/consolidated human service transportation system in Salem County under a County Department of Transportation	High	Implementation Study
2. County Coordination Committee should focus on working together to create a framework for greater coordination in the interim and the eventual creation of the consolidated system. This could be done by having the committee address the following agenda:	Low to High	
a. creating a single source of public information for the combined system;	High	Resource Guide
b. establishing a forum for solving problems and sharing expertise;	High	Continuous
c. making joint purchases (which could also result in cost savings);	Medium	None
d. sharing the cost of major purchases;	Medium	None
e. developing a data base of clients and service through the use of common forms and data collection/processing procedures;	High	Implementation Study
f. facilitating joint or reciprocal fare arrangements;	Low	None
g. coordinating the scheduling of difficult or costly trips (e.g., out of county);	High	Implementation Study
h. working to secure the participation of other area organizations; and	Medium	None
i. acting as an advocate on behalf of the public and human service transportation system.	High	Continuous
3. County Coordination Committee should focus on detailed policy issues that will outline the structure and operation of the consolidated system such as:	High	
a. creating policies and procedures for the eventual consolidated system;	High	Implementation Study
b. determining how funding sources will be directed to the consolidated system; that is, will the new Salem County Department of Transportation be the direct recipient of current funding sources or will funding continue to pass through the current recipients.	High	Implementation Study
<b>Service Recommendations</b>		
4. Expanding Inter-Agency's employment transportation service to serve the third shift at Gateway and HMS Host	High	IACTS suspended service in February 2010 due to a lack of funding
5. Expanding Inter-Agency's employment transportation service	Low	None

One significant change in terms of the recommendations is the discontinuation of services provided by the Inter-Agency Council Transportation Services (IACTS). This change is discussed further in Section 2 of this report.

Since the preparation of the Implementation Plan, there have been some significant changes in the delivery of public transportation services in Salem County. This report was prepared in order to respond to these changes and update the Implementation Plan accordingly.

### **1.1. Objectives**

This final report is the culmination of this study. The report presents an update to the proposed organization and structure for implementing coordinated, consolidated and centralized HST services under a Salem County Department of Transportation (DOT) that was prepared in the 2009 study. The update includes an estimation of costs of providing services and a plan for implementing the proposed coordinated, consolidated and centralized system.

### **1.2. Report Organization**

Including this introduction, this report is organized into six sections. These are:

- Section 2: Update of Existing Transportation Network
- Section 3: Funding Alternatives
- Section 4: Coordination, Consolidation and Centralization of Salem County Transportation Services
- Section 5: Implementation Plan
- Section 6: Summary and Conclusions



## 2. UPDATE OF EXISTING TRANSPORTATION NETWORK

The existing transportation network in Salem County includes two fixed-route transit operators – NJ Transit and Salem County Office of Transportation (SCOT) Community Bus Service – and 13 demand response providers. Of the 13 demand response providers, three are included in the Implementation Plan due to the administration and support provided by the County.

### 2.1. Salem County Fixed-Route Services

NJ Transit provides fixed-route services along three routes between Salem County and Philadelphia. As of June 1, 2010, the SCOT Community Bus Service operates only one route under contract with NJ Transit; the Route 423 service was discontinued. In May 2009, Salem County Office on Aging instituted a deviated fixed-route operation called “ZIP-TRIP.” ZIP-Trip consists of three routes and is funded with FTA Rural and Small Urban Area funds (Section 5311). Exhibit 2 presents a summary of the fixed-route operations in Salem County.

**Exhibit 2: Summary of Fixed-Route Services**

Route	Operator	From	To	Locations Served
401	NJ Transit	Salem	Philadelphia	Mannington Township, Pilesgrove Township, Salem, Woodstown Borough
402	NJ Transit	Pennsville	Philadelphia	Carney's Point Township, Oldmans Township, Penns Grove Borough, Pennsville Township
410	NJ Transit	Bridgeton	Philadelphia	Upper Deerfield Township, Upper Pittsgrove Township
468	SCOT	Penns Grove	Woodstown	Carney's Point Township, Mannington Township, Pennsville Township, Penns Grove Borough, Salem, Woodstown Borough
1	Office on Aging	Elsinboro	Salem	Elsinboro, Lower Alloways Creek, Quinton, Salem (operates each Monday and every odd date Friday) NOTE: this route is in the process of changing. The route will go into the center of Bridgeton and

Route	Operator	From	To	Locations Served
				around to Walmart at Carl's Corner
2	Office on Aging	Salem	Woodstown	Salem, Alloway, Woodstown (operates each Wednesday and every even date Friday)
3	Office on Aging	Alloway	Vineland	Alloway, Elmer, Vineland (operates every Tuesday and Thursday)

Sources: 2009 HSTP Implementation Plan; SCOT; and the Salem County Office on Aging

## 2.2. Salem County Demand Response Services

The 2009 Implementation Plan, focused on four services administered and/or supported by Salem County. These are:

- Inter-Agency Council Transportation Service (IACTS)
- Salem County Board of Social Services
- Salem County Office on Aging
- Veterans Services

On February 5, 2010, the Job Access-Reverse Commute (JARC) services operated by IACTS were suspended due to a loss of local contribution and the resultant loss of JARC funding from NJ Transit. This leaves Pearl Transit, a local non-profit transportation provider, as the sole provider of JARC services in the county. Furthermore, in April 2009 the New Jersey Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS) awarded a contract to LogistiCare to provide transportation services to those non-ambulatory Medicaid clients previously served by the Medicaid District Offices. Effective July 2010, non-emergency medical transportation services for ambulatory Medicaid clients and General Assistance clients will be transitioned to Logisticare in a county by county phase in to be completed by January 1, 2011. Salem County is being transitioned on July 1, 2010. In Salem

County these services currently are provided under contract by B.R. Williams and Riverfront Limo.

### 2.3. Operating Data for Salem County Transportation Providers

Operating data for the five agencies providing transportation services are presented in Exhibit 3. Updated information was received from only two agencies – SCOT and Office on Aging. All other data is from the 2009 HSTP Implementation Plan.

- The fixed-route service operated by SCOT is the most cost effective of the service provided with a cost of \$6.39 per passenger trip. The least cost effective service is operated by the Board of Social Services with a cost of \$68.45 per passenger trip.
- SCOT's service is also the most productive providing 15.5 passenger trips per hour. The Office on Aging, which operated both fixed-route and demand response service averages 2.9 passenger trips per hour. Productivity information for the Board of Social Service and Veteran's Services were not available.

#### Exhibit 3: Operating Data – Salem County Transportation Providers

Agency	Source	Operating Costs	Unlinked Passenger Trips	Service Hours	Cost per Passenger Trip	Passengers per Hour
SCOT	FY2009	\$1,256,391	196,637	12,716	\$6.39	15.5
Office on Aging	FY2009	\$721,162	28,487	9,969	\$25.32	2.9
Board of Social Services	FY2008	\$392,507	5,734	(a)	\$68.45	(a)
Veterans Services (b)	FY2007	\$13,000	486	(a)	\$26.75	(a)

(a) Not available

\* \* \* \* \*

The remainder of the Implementation Plan Update will focus exclusively on the service provided by the Office on Aging, the Board of Social Services and Veteran's Services. The services provided by SCOT are not eligible to be consolidated under a County Department of Transportation due to the nature of SCOT's agreement with NJ Transit and the sources of funding used to support SCOT's operations.

### 3. FUNDING ALTERNATIVES

Salem County human service transportation providers rely on a variety of funding sources and amounts of funding that are available to the County for public and human service transportation. Sources of funds include federal, state and local programs as well as private donations, and in some cases medical insurance.

#### 3.1. Existing Sources of Revenue

The focus of the original Implementation Study was on four of the transportation providers that were considered as the likely candidates for coordination and/or centralization of human service transportation services in the near term. However, only three of those agencies continue to operate transportation services. The existing sources of revenue used to fund operations for these agencies is detailed in Exhibit 4.

**Exhibit 4: Details of Existing Sources of Operating Revenue**

Agency/Description	Source	FY2009 Actual	FY2010 Budgeted
<b>Salem Co. Board of Social Services</b>			
DHS (Medicaid/GA)	Federal	\$530,000	(a)
<b>Salem County Office on Aging</b>			
Title III Older Americans Act	Federal	\$6,250	\$3,500
Section 5311 Rural and Small Urban	Federal	\$0	\$151,921
SCDRTAP	State	\$749,912	\$659,045
Salem County	County	\$40,500	\$40,500
Subtotal		\$796,662	\$854,966
<b>Veterans Services</b>			
Dept. of Military and Veteran Affairs	State	(a)	(a)
<b>GRAND TOTAL</b>		<b>\$1,326,662</b>	<b>\$854,966</b>

Source: Funding as reported by each agency.

(a) Not available

The total amount of funding received by these agencies cannot be calculated since complete information was only provided for one of the agencies, the Office on Aging.

### **3.2. Potential Funding Strategies**

The original Implementation Study identified potential funding strategies to support coordinating and/or consolidating services in Salem County. Although complete information from all three candidate agencies is not currently available, the potential strategies as stated in the June 2009 Implementation Plan remain the same. The focus of funding a coordinated/consolidated human service transportation system is to increase efficiency and effectiveness of operations, which can lead to greater flexibility in using existing revenues to optimize services. Examples of how available funding can be optimized through the sharing of resources include:

- Maximizing the use of vehicles among all of the participants by scheduling trips based on origins and destinations rather than by type of client.
- Developing cost sharing arrangements among the participants in order to achieve a more balanced per trip cost.
- Coordinating purchases to take advantage of potential discounts on services, fuel, parts, etc.
- Efficiently managing vehicle acquisitions to avoid unnecessary purchases, thereby potentially freeing up resources for operations.
- Explore opportunities to extend partnerships and involve private transportation providers and smaller non-profit organizations that also provide transportation.

In addition to leveraging existing resources, the availability of additional revenue sources also can be explored. With a coordinated/consolidated system in place, the agencies can develop plans to further enhance the transportation system. Agencies working together generally have improved opportunities for securing funding, as opposed to individual agencies attempting to secure smaller portions of the same funding on their own.

#### **4. COORDINATION, CONSOLIDATION AND CENTRALIZATION OF SALEM COUNTY TRANSPORTATION SERVICES**

This section of the report presents the proposed organization and structure under which coordination, consolidation and centralization of transportation services in Salem County can be realized. The proposed structure accounts for the changes that have occurred in Salem County since the original Implementation Plan was developed. These changes include:

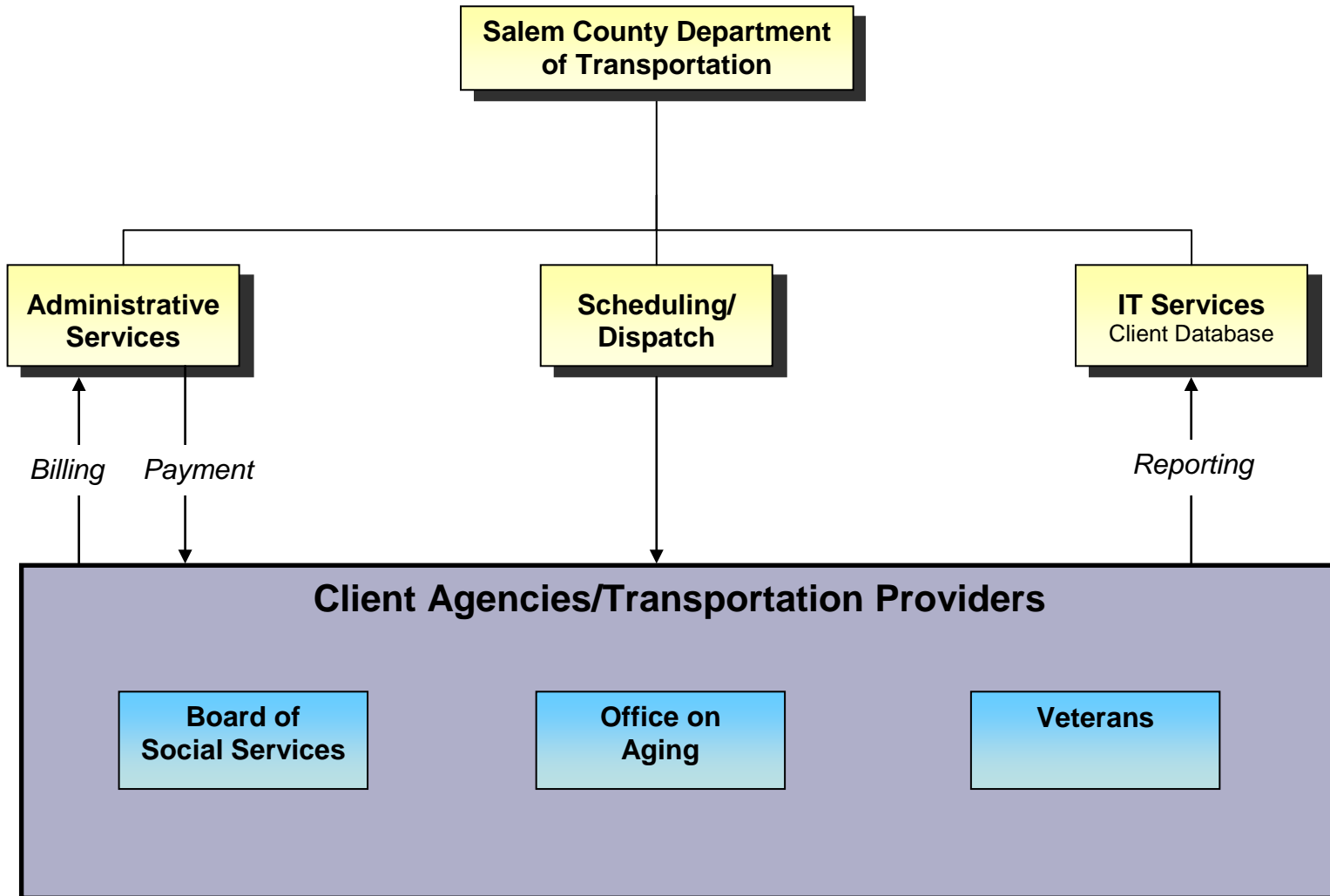
- The discontinuation of JARC services provided by IACTS;
- The consolidation of certain Medicaid trips under the State of New Jersey's contract with LogistiCare; and
- The fact that fixed-route services operated by SCOT are not eligible to be consolidated under a single County transportation department.

Originally two conceptual frameworks were presented in the June 2009 Implementation Plan. This update modifies these frameworks based on the changes described above and presents a proposed organization for a Salem County Department of Transportation.

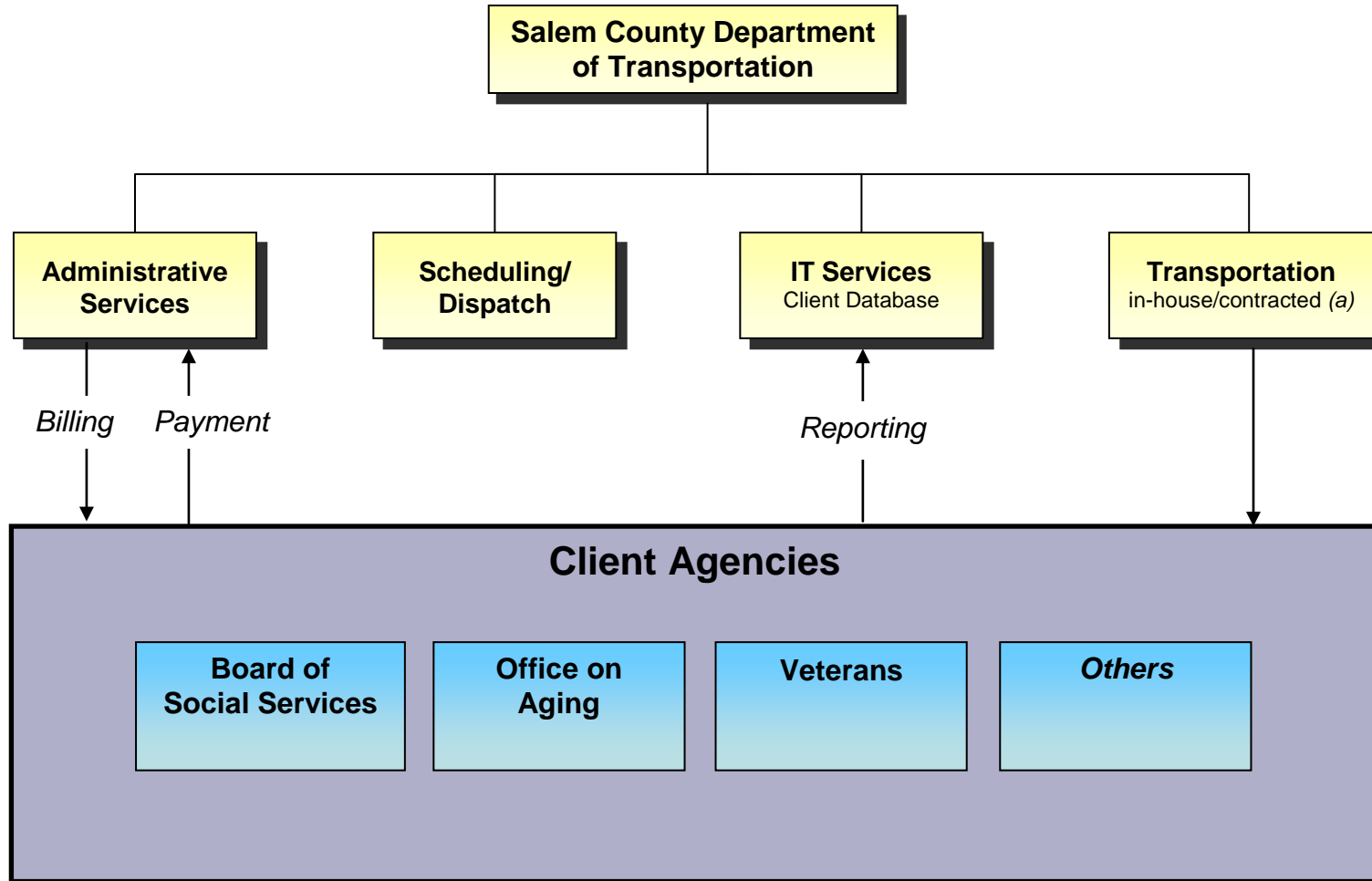
##### **4.1. Conceptual Framework of Proposed Salem County DOT**

The 2009 Implementation Plan recommended a fully centralized human service transportation system that would be phased in over time and incorporate both fixed-route service and demand response services. However, the discontinuation of IACTS' JARC service and the restrictions placed on SCOT's funding necessitate modifications to the conceptual framework. Although these two agencies are no longer included in the framework, the basic objectives of the phased approach can still be achieved – Phase 1: Initial coordination of existing HST services and Phase 2: Consolidation of all HST services under the County DOT. This approach is illustrated in Exhibit 5 and Exhibit 6. These exhibits show how the functional aspects of HST would be structured under a central County Department of Transportation (DOT), which would eventually consolidate all transportation services in the County.

**Exhibit 5: Phase 1 – Coordination of HST Services**



**Exhibit 6: Phase 2 – Consolidation of HST Service under the County DOT**



*(a) Transportation services can be provided using County employees, and/or through contracts with municipalities, private, for-profit providers, and private, non-profit providers.*



The illustration in Exhibit 5 shows the Phase 1 initial implementation framework with a Salem County DOT as the managing agency for coordinated human service transportation. The DOT would establish a common client database and be the central point of contact for scheduling all trips. Trips would continue to be provided by the individual agencies, however, trips would be scheduled by the DOT based on origin and destination with clients from the various agencies perhaps sharing rides resulting in more efficiency. The DOT would act as a clearinghouse for billing by the transportation providers and would reconcile all services supplied and consumed and make payments to the providers accordingly.

The illustration in Exhibit 6 shows a Phase 2, final implementation, which would be the culmination of the phased approach. Under this framework, the DOT would be responsible for the administration, scheduling and provision of all human service transportation in the County. Client agencies would be billed by DOT for the services provided. Under the transportation function, services could be provided either in-house or by contractors, or some combination thereof.

#### **4.2. Organization of a Proposed Salem County DOT**

Currently, all HST services are provided independently by each agency within the County. Among the three agencies, 6.2 employee full-time equivalents (FTEs) are involved in the provision of transportation services. The breakdown of FTEs by position and by agency is presented in Exhibit 7.

A centralized County Department of Transportation (DOT) will need to address the various functions that are currently handled by the individual agencies. Since there is some duplication in the current levels of staffing (e.g., administrative personnel who take calls and reserve trips), the total number of positions for a centralized County DOT will be slightly less. As shown in Exhibit 8, the number of staff positions for initial implementation of a County DOT is 4.5 FTEs (4 full-time positions and one part-time position), slightly less than two FTEs from the existing staffing levels. This exhibit is an estimate of the County DOT staffing requirements and should not be construed as recommending the transfer of existing personnel.

**Exhibit 7: Staffing Levels for Existing HST Services**

Labor Category	Office on Aging	Board of Social Services	Veterans	Total
Program Administrator/Director	--	--	0.02	0.02
Program Coordinator/Manager	1	--	--	1
Supervisor	--	0.3	--	0.3
Intake/Scheduling	1	--	--	1
Admin. Asst./Secretarial/Clerk	--	1.5	--	1.5
Dispatch (Part Time)	--	--	--	0
Drivers (Full Time)	--	--	--	0
Drivers (Part Time)	--	--	--	0
Mechanic	--	--	--	0
Bus Washer	--	--	--	0
Social Worker	--	0.4	--	0.4
Social Service Technician	--	2.0	--	2
Total	2	4.2	0.02	6.22

Source: HSTP Implementation Study, June 2009.

Under Phase 2, the HST services will be operated under one division. In the final implementation 0.5 FTEs are added to accommodate the additional responsibilities of managing all HST transportation delivery, bringing the total number of FTEs to five. Under Phase 2, the demand response services would not change organizationally, but in terms of specific activities and functions (see Exhibit 6).

**Exhibit 8: Estimated Number of FTEs**

Labor Category	Phase 1 Coordination	Phase 2 Consolidation
Director County DOT	1	1
Operations Manager	1	1
Scheduler/Dispatcher	1	1
Call Takers/Reservationists	1.5	2
Total	4.5	5

### 4.3. Estimated Operating Costs of Salem County DOT

In FY2008 the costs of providing services in Salem County for the five agencies was approximately \$1.56 million. The detailed costs are presented in Exhibit 9.

#### Exhibit 9: Baseline Costs of Transportation Services

Cost Category	Office on Aging	Board of Soc. Svcs.	Veterans	TOTAL
<b>LABOR COSTS</b>				
Program Administrator	\$25,000	(b)	\$829	\$25,829
Program Coordinator/Manager	\$55,000	(b)	(a)	\$55,000
Supervisor	(a)	(b)	(a)	\$0
Intake/Scheduling	\$46,998	(b)	(a)	\$46,998
Admin. Asst./Secretarial/Clerk	(a)	(b)	(a)	\$0
Social Worker	(a)	(b)	(a)	\$0
Social Service Technician	(a)	(b)	(a)	\$0
Subtotal	\$126,998	\$396,000	\$829	\$523,827
<b>CONTRACT COSTS</b>				
BR Williams	\$251,352	(b)	\$13,000	\$264,352
Riverfront Limousine	\$0	(b)	\$0	\$0
NJ Transit (Bus Passes)	\$0	(b)	\$0	\$0
Municipalities	\$250,552	(a)	\$0	\$250,552
Subtotal	\$501,904	\$392,507	\$13,000	\$907,411
<b>OPERATING EXPENSES</b>				
Fuel/Oil	\$90,000	\$0	\$0	\$90,000
Vehicle Maintenance	\$26,779	\$0	\$0	\$26,779
Subtotal	\$116,779	\$0	\$0	\$116,779
<b>ADMINISTRATIVE EXPENSES</b>				
Professional Services	\$3,950	\$0	\$0	\$3,950
Advertising/Promotion	\$725	\$0	\$0	\$725
Computer Support Services	\$3,500	\$0	\$0	\$3,500
Legal advertising	\$100	\$0	\$0	\$100
Subtotal	\$8,275	\$0	\$0	\$8,275
<b>TOTAL</b>	<b>\$753,956</b>	<b>\$788,507</b>	<b>\$13,829</b>	<b>\$1,556,292</b>

Source: FY2008 Operating Costs from HSTP Implementation Study, June 2009.

(a) Not applicable

(b) Details not provided.

Under the Phase 1 implementation framework and organization structure, the various County offices would still act as providers, but services will be administered by the County DOT. The operating costs of this scenario are shown in Exhibit 10 and are estimated at approximately \$1.30 million per year.

**Exhibit 10: Estimated Costs of Phase 1 Implementation**

Cost Category	Headcount	Salary	Fringe Rate	Program Cost
<b>LABOR COSTS</b>				
Director of Transportation	1.0	\$72,000	27.80%	\$92,016
Demand Response Operations Mgr.	1.0	\$50,000	27.80%	\$63,900
Schedulers/Dispatchers	1.0	\$40,000	27.80%	\$51,120
Call Takers/Reservationists	1.5	\$30,000	27.80%	\$57,510
Subtotal	4.5			\$264,546
<b>CONTRACT COSTS</b>				
Board of Social Services				\$392,507
Office on Aging				\$501,904
Veterans				\$13,000
Subtotal				\$907,411
<b>OPERATING EXPENSES</b>				
Fuel/Oil				\$90,000
Vehicle Maintenance				\$26,779
Subtotal				\$116,779
<b>ADMINISTRATIVE EXPENSES</b>				
Professional Services				\$3,950
Advertising/Promotion				\$725
Computer Support Services				\$3,500
Legal advertising				\$100
Subtotal				\$8,275
<b>TOTAL</b>	4.5			\$1,297,011

*Note: all cost estimates based on FY2008 figures. Figures presented are not to be interpreted as final and complete as not all details of the costs for current operations were available.*

Under the Phase 2 implementation framework and organization structure, all County transportation will be brought under the County DOT. For the purposes of this scenario, it is assumed that all service will be operated under contract to third-party providers. The estimated operating costs for this scenario are \$1.54 million per year (see Exhibit 11).

**Exhibit 11: Estimated Costs of Phase 2 Implementation**

Cost Category	Headcount	Salary	Fringe Rate	Labor Cost
<b>LABOR COSTS</b>				
Director of Transportation	1	\$72,000	27.80%	\$92,016
Demand Response Operations Mgr.	1	\$50,000	27.80%	\$63,900
Schedulers/Dispatchers	1	\$40,000	27.80%	\$51,120
Call Takers/Reservationists	2	\$30,000	27.80%	\$76,680
Subtotal	5			\$283,716
<b>CONTRACT COSTS</b>				
Contract Costs (a)				\$1,136,100
Subtotal				\$1,136,100
<b>OPERATING EXPENSES</b>				
Fuel/Oil				\$90,000
Vehicle Maintenance				\$26,779
Subtotal				\$116,779
<b>ADMINISTRATIVE EXPENSES</b>				
Professional Services				\$3,950
Advertising/Promotion				\$725
Computer Support Services				\$3,500
Legal advertising				\$100
Subtotal				\$8,275
<b>TOTAL</b>	<b>5</b>			<b>\$1,544,870</b>

*Note:* labor cost estimates based on FY2008 figures. Contract costs based on average cost per trip and total passenger trips from Exhibit 3. Figures presented are not to be interpreted as final and complete as not all details of the costs for current operations were available.

The contract costs for demand response services under the final implementation are estimated based on a weighted average of the current contract costs per passenger. The demand response contract cost per passenger for the three agencies that contract for services – Office on Aging, Board of Social Services and Veteran’s Services – vary significantly. The weighted average (i.e., total contract costs divided by total unlinked passenger trips) is \$32.46 per passenger. While it is reasonable to assume that the cost per passenger may increase under a centralized system, the level of increase could be lower than is assumed in the estimate for final implementation if the County is able to improve effectiveness in service delivery (i.e., more passenger per hour) and improve efficiency (i.e., keep the unit costs as low as possible by maximizing the use of municipalities as contractors).

The baseline costs and estimated costs for initial and final implementation are summarized in Exhibit 12. The implementation of Phase 1 results in a decrease of approximately 17 percent over the costs of the baseline condition. The difference in operating costs is less than one percent. Under the Phase 2 implementation scenario, the estimated cost of administering transportation services is about equal to the existing services. This is due mainly to lower estimated labor costs and higher estimated contract costs. It should be noted that the estimated costs presented in this report are not to be interpreted as a comprehensive and final accounting, as not all details of the costs of current operations were available.

It also should be noted that although the estimated costs of human service transportation will decrease under the proposed implementation scenarios, it may not necessarily translate into an overall cost savings for the County. For example, the estimated number of required FTE employees will decrease under both the proposed Phase 1 and Phase 2 implementation scenarios. This does not guarantee that the County will realize cost savings through reduced labor costs. County employees whose transportation related responsibilities are reduced or eliminated under the new DOT implementation may still be needed in their current positions to fulfill collateral duties not related to transportation. As such, the establishment of a County DOT may require the hiring of new personnel.

**Exhibit 12: Summary of Implementation Scenarios**

	<b>Baseline Condition</b>	<b>Phase 1 Implementation</b>	<b>Phase 2 Implementation</b>
<b>FTEs</b>	6.22	4.5	5.0
<i>% Difference</i>	--	-27.65%	-19.61%
<b>Operating Costs</b>			
Labor	\$523,827	\$264,546	\$283,716
Contract Costs	\$907,411	\$907,411	\$1,136,100
Operating Expenses	\$116,779	\$116,779	\$116,779
Administrative Expenses	\$8,275	\$8,275	\$8,275
<b>TOTAL</b>	<b>\$1,556,292</b>	<b>\$1,297,011</b>	<b>\$1,544,870</b>
<i>% Difference</i>	--	-16.66%	-0.73%

#### 4.4. Benefits of a Centralized Salem County DOT

The costs of providing HST under a centralized Salem County DOT are estimated to be lower than the current costs of providing HST services and in addition, provide significant benefits. The benefits of a centralized system include the following:

- Greater passenger productivity in terms of passenger per hour and mile. In centralizing the process for scheduling trips, the County will be able to optimize the number of passengers carried, thereby improving the level of service i.e., providing more trips and improving its cost effectiveness (i.e., cost per passenger trip).
- Simplifying administration of service delivery. Currently, three entities are involved with the delivery of human service transportation. Consolidating the administration of these services under a single office is likely to improve overall administration, which supports the goals of United We Ride. For example:
  - Relieving staff who currently have collateral responsibilities for transportation to focus on other program priorities;
  - Providing customers with a one-stop shop for meeting their transportation needs; and
  - Providing greater flexibility in meeting service needs through a variety of delivery mechanisms (i.e., clients currently being served by demand response service, might be served more cost effectively through a combination of fixed-route, route deviation and/or demand response services.
- Creating efficiencies in various ancillary functions including: service planning, procurement, marketing and customer information.
- Providing more flexibility in the use of Federal and State funding. Currently, Federal and State funding is dispersed among several County offices. Consolidating transportation funds under one office will enable the County to set specific transportation priorities and program funds in a flexible manner to meet its needs.

## 5. IMPLEMENTATION PLAN

This section of the report presents the implementation plan for bringing HST services in Salem County under a coordinated, consolidated and centralized Salem County DOT. The guiding principles behind the implementation plan are encompassed in the following series of goals and objectives.

- Goal 1: To establish a centralized Salem County Department of Transportation.
  - Objective 1.1: Develop an organizational structure for the Salem County DOT.
  - Objective 1.2: Prepare a mission statement, goals and objectives.
  - Objective 1.3: Prepare a set of general policies and procedures.
- Goal 2: To coordinate human service transportation services under the Salem County Department of Transportation.
  - Objective 2.1: Develop a common database of HST clients.
  - Objective 2.2: Develop and implement operating procedures.
  - Objective 2.3: Develop and implement a public information plan.
- Goal 3: To consolidate human service transportation services under the Salem County Department of Transportation.
  - Objective 3.1: Develop an inter-governmental agreement with municipalities for service delivery.
  - Objective 3.2: Develop a standard operations agreement for private providers.
- Goal 4: To consolidate the transportation system under the Salem County Department of Transportation.
  - Objective 4.1: Develop a staffing and operations plan for consolidation of fixed-route services.
  - Objective 4.2: Develop policies and procedures for planning and operations.

To achieve these goals and objectives, a set of activities is proposed which are designed to advance the overall implementation strategy. These activities are organized into two phases – Phase 1: Initial Implementation and Phase 2: Final Implementation. The implementation plan is formulated in such a way to provide flexibility, allowing the County to make strategic decisions along the way in terms of completing all, some or none of the implementation steps.



The table in Exhibit 13 identifies certain activities to be completed in order to meet each objective. The list of activities is not intended to be an exhaustive list. Other activities may be added as they are identified. A proposed timeline for completion of each objective is presented in Exhibit 14. As shown in this exhibit, it is proposed that Initial Implementation be completed over a 12 month timeframe. Phase 1 would culminate with the implementation of coordinated HST services under the County DOT. Phase 2 implementation would follow and occur over an 18 month timeframe. Phase 2 would culminate with the full implementation of both HST and fixed-route services under the County DOT.

**Exhibit 13: List of Implementation Activities**

Goals/Objectives	Activities
<b>Goal 1: Centralized Salem County Department of Transportation</b>	
1.1: Develop an organizational structure for the Salem County DOT	<ul style="list-style-type: none"> <li>• Determine organizational and reporting relationships within the County Structure</li> <li>• Determine required staffing levels</li> <li>• Develop a capital and operating budget</li> </ul>
1.3: Prepare a mission statement, goals and objectives.	<ul style="list-style-type: none"> <li>• Define the purpose and scope of the County DOT</li> <li>• Define performance criteria, measures and standards</li> </ul>
1.4: Prepare a set of general policies and procedures.	<ul style="list-style-type: none"> <li>• Develop personnel policies and procedures (e.g., to meet federal, state and local requirements)</li> <li>• Develop administrative policies and procedures (e.g., time and expense reporting)</li> </ul>
<b>Goal 2: Coordinated HST Services</b>	
2.1: Develop a common database of HST clients.	<ul style="list-style-type: none"> <li>• Develop a data survey to collect client information from County Offices</li> <li>• Determine software and hardware requirements and costs</li> <li>• Consolidate information into one database (e.g., ParaPlan)</li> </ul>
2.2: Develop and implement operating procedures.	<ul style="list-style-type: none"> <li>• Develop procedures for establishing client eligibility</li> <li>• Develop procedures for taking client reservations</li> <li>• Develop scheduling procedures</li> <li>• Develop a process to ensure service delivery</li> </ul>
2.3: Develop and implement a public information plan.	<ul style="list-style-type: none"> <li>• Prepare public information materials (e.g., brochures, service guides, etc.)</li> <li>• Conduct outreach through County Offices, non-profit agencies, and area media outlets</li> </ul>
<b>Goal 3: Consolidated HST Services</b>	
3.1: Develop an inter-governmental agreement with municipalities for service delivery.	<ul style="list-style-type: none"> <li>• Schedule discussions with municipal service providers &amp; other agencies (e.g. Pearl Transit)</li> <li>• Develop a draft inter governmental agreement</li> <li>• Obtain input from County Legal Department</li> <li>• Obtain feedback from municipal service providers</li> <li>• Finalize and execute agreement</li> </ul>
3.2: Develop a standard operations agreement for private providers.	<ul style="list-style-type: none"> <li>• Develop operating criteria and standards for private providers</li> <li>• Obtain input from County Legal Department</li> <li>• Prepare draft standard agreement</li> <li>• Solicit Expressions of Interest from private providers (e.g. B.R. Williams, Riverfront Limo)</li> <li>• Finalize standard agreement</li> <li>• Execute individual agreements with interested providers</li> </ul>
<b>Goal 4: Consolidated Transportation System</b>	
4.1: Develop a staffing and operations plan for consolidation of fixed-route services.	<ul style="list-style-type: none"> <li>• Determine organizational and reporting relationships within the County Structure</li> <li>• Determine required staffing levels</li> <li>• Meet with Union to discuss issues and concerns</li> <li>• Consult County Legal Department</li> <li>• Work with Union to make necessary changes to agreement</li> <li>• Develop a capital and operating budget</li> </ul>
4.2: Develop policies and procedures for planning and operations.	<ul style="list-style-type: none"> <li>• Determine planning priorities</li> <li>• Develop and implement standard operating procedures</li> </ul>



## 6. SUMMARY AND CONCLUSIONS

While HST transportation services in Salem County are currently operated by different County offices, all of the components necessary to coordinate, consolidate and centralize these services are in place. This report discusses the framework under which the County can establish a Department (DOT) of Transportation and bring all County HST services under one organizational unit. The study proposes a two phased approach – Phase 1: Initial Implementation and Phase 2: Final Implementation.

- Phase 1: Initial Implementation – during initial implementation, the Salem County DOT is established and human transportation services are administered by the County DOT in a coordinated manner. County offices that currently provide human service transportation continue to do so, however, the DOT will act as the managing agency – taking reservations, scheduling trips and assigning trips among the County offices. Under this framework the County office will continue to maintain their relationships with the transportation providers and ensure service delivery to their clients.
- Phase 2: Final Implementation – during final implementation, all human service transportation will be consolidated under the County DOT. Under this framework, all clients needing human service transportation will be referred to the County DOT, which will be responsible for reserving, scheduling and delivering service. All transportation providers will be under contract with the County DOT.

The implementation of coordinated, consolidated and centralized transportation services is not without any issues or concerns. As mentioned in Section 4.3 of this report, the cost of providing HST services after initial implementation is estimated to be lower than the current cost of providing HST services. These lower costs are estimated only for the cost of providing HST, and do not necessarily translate into overall cost savings for the County. Although the cost of final implementation is estimated to be about equal to the current cost of service, in reality it may be higher depending on demand and the cost of contracting services. The County can take steps proactively to contain the cost of consolidation by:

- Maximizing the use of the municipal providers in providing trips. The municipal providers operate at a much lower cost than the private providers. The County DOT should therefore schedule the majority of HST trips on municipal provider vehicles and use the private providers to fill any gaps.

- Explore whether updates of the County’s trip scheduling software and hardware are needed to ensure that trips are schedule as efficiently as possible. Currently, the Office on Aging uses ParaPlan. It is recommended that the County DOT incorporate ParaPlan into its operation since staff are already familiar with it.
- Explore the possibility of staffing the County DOT with employees who currently have responsibilities for transportation functions at other County offices. For example, employees who spend more than half of their time on transportation functions at the Office on Aging or other County agencies could be transferred over to the County DOT during initial implementation. In this way costs are merely transferred between County offices and the DOT, which minimizes the need to hire new staff to fill positions in the DOT.

The implementation plan provides Salem County with enough flexibility to prioritize the various objectives and pursue the related activities in an order and timeframe consistent with other County goals.