State Role in Public Transportation

Task 3: Identify Efficiency and Accountability Measures

1.0 Purpose and Key Findings

The Washington State Legislature wishes to identify the state role in public transportation and to develop a statewide blueprint for public transportation to guide future state investments. A final report will be developed in three stages over the six-month project duration. Each stage will be documented using a white paper format that provides an opportunity for on-going feedback with the JTC and the Public Transportation Advisory Panel assembled for this effort. The three white papers envisioned for this work include:

- Unmet Public Transportation Capital and Operations Needs
- Assessing the Current State Role in Public Transportation
- Public Transportation Efficiency and Accountability Measures to Inform Future State Investment

1.1 Overview of Task 3

This document is the third white paper in this series, presenting preliminary findings on performance measures for public transportation in Washington State. It was used to inform discussions with the Public Transportation Advisory Panel at its September 2010 workshop. The paper's contents, as well as the discussions with and among the Panel, are reflected in recommendations submitted to the Legislature in December 2010. As such, this draft does not include specific performance measures recommendations. Recommendations will be documented in the final summary report. This paper is intended, however, to accomplish the following objectives:

- Provide an overview of performance management;
- Describe current public transportation performance management practices at the federal, state, and local levels;
- Summarize how performance management is currently used in Washington for public transportation;
- Present peer review findings regarding the relationship between state roles and the use of performance management; and
- Present questions that will help inform discussions at the Public Transportation Advisory Panel workshop in September, 2010.

Report contents include:

- A Common Understanding of Measurement
- National and Best Practices
- Application to Washington State

1.2 Summary of Major Findings and Key Questions

This document provides background necessary to help assess which performance measures –as part of a broader performance management framework– inform how and whether state public transportation goals are being met. Major outcomes from the report include:

1.2.1 Findings:

- Performance management is a process that allows an organization's leaders to make informed decisions, communicate successes, and revise or develop new policies/programs.
- To the degree a state plays a role in public transportation, performance measures should be clearly tied to a state's goals and its role.
- Washington's current use of performance measures are generally aligned with its current roles in public transportation. Some are directly aligned with state goals.
- Washington transit agencies currently submit statistics at the federal, state, and local levels. These measures are not explicitly aligned with state goals.
- Other states' use of performance measures is generally consistent with their established levels of involvement in public transportation.

1.2.2 Key Questions for Discussion:

- What role does public transportation play in meeting state goals? What role does transit play?
- Given the diversity of needs in the state – and the broad range of services provided – how can the state refocus on those elements of the public transportation system that are most critical for achieving its policy goals?
- Given the volume of data that is collected and reported, what are the most appropriate measures for assessing how public transportation system is meeting state goals?
- Given the limited role that the state plays in funding and operating transit, what performance measures should the state use and why?
- What sources of information should be used and how should it be collected?

2.0 A Common Understanding of Measurement

The ultimate and desired outcome of this research is a better definition of how public transportation performance-related measures might be used in Washington State as they relate to public transportation. However, effectiveness, efficiency and accountability measures developed in a vacuum will have little meaning and limited impact; rather, they need to be recognized and managed for what they are – part of a broader framework. Such a framework is most commonly known as **performance management**. As defined by Transportation Cooperative Research Program.

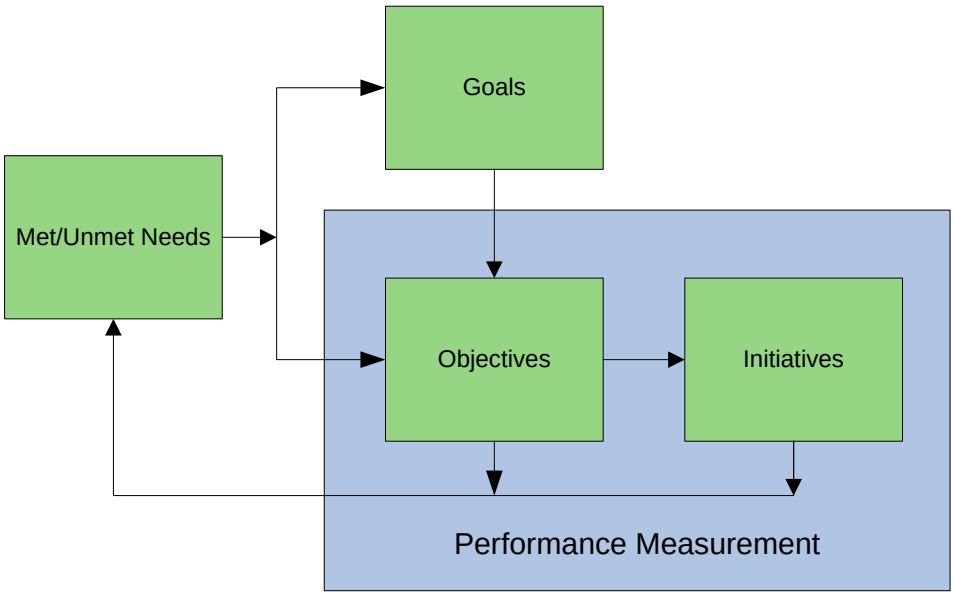
"Performance measurement involves the collection, evaluation, and reporting of data that relate to how well an organization is performing its functions and meeting its goals and objectives. The measures used in the process ideally relate to the outcomes achieved by the organization; however, descriptive measures can also be used to provide context and help identify underlying reasons for changes in performance."[1]

Performance management is important for any organization because it provides a method for leaders at all levels to make informed decisions, communicate successes, and revise or develop new policies and/or programs based on their established goals. To be successful, performance management programs should be consistently implemented, and continuously reviewed and improved, so a culture is established that supports accountability, measurement, and continuous improvement.

Another key to a successful performance management program is establishing a framework that clearly connects an organization's goals to its objectives, initiatives (or activities), and unmet needs. This means that the organization's goals inform its objectives, which inform the initiatives undertaken. Decision-makers can then assess the organization's unmet needs based on how well the initiatives addressed the objectives. Finally, organization's leaders can determine how the goals and objectives should be revised based on the met and unmet needs. This concept is depicted below in Figure 1.

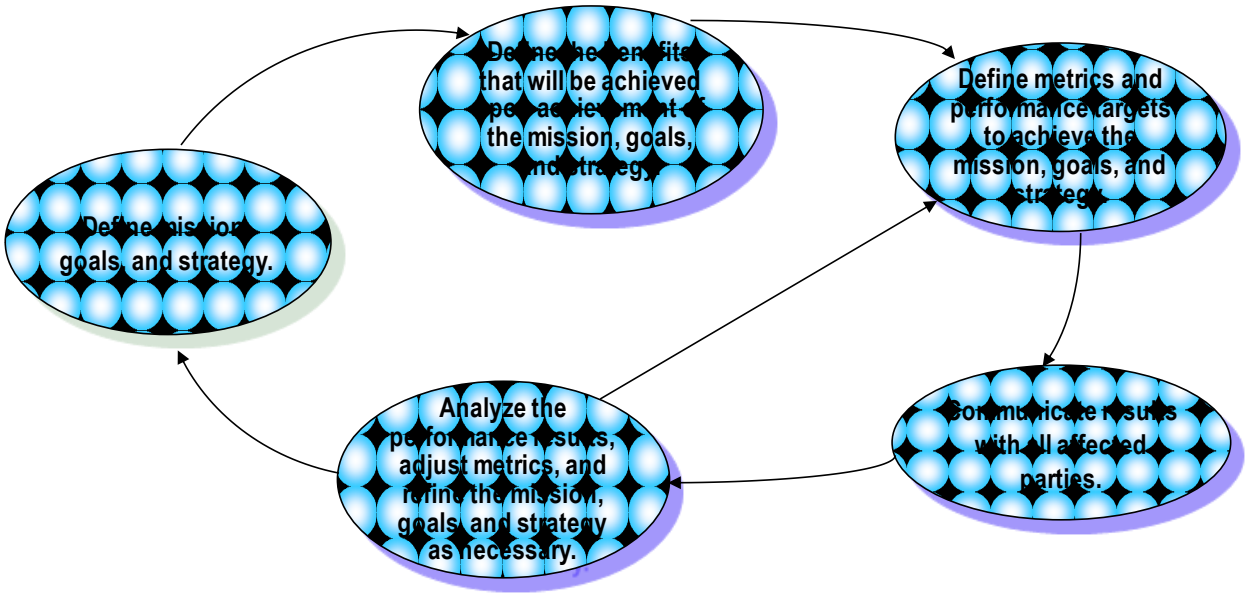
[1] Transportation Cooperative Research Program (TCRP) Report G-11: A Methodology for Performance Measurement and Peer Comparison in the Public Transportation Industry

Figure 1 – Performance Management Framework



Performance *measurement* is a key aspect of the performance *management* framework; it is the structured and systematic assessment of an organization's progress in meeting its goals. Figure 2, shown below, describes how performance measures fit within the performance management framework.

Figure 2 – Performance Measures' Role in Performance Management



Performance measures help the organization's leaders to determine how well the initiatives have addressed the organization's goals and objectives. Measures included in the performance management process may be used by policy makers to decide how funds are allocated or it may be used by managers to evaluate the success of a program. It also gives managers the information needed to re-assess the organization's goals and objectives.

Organizations measure performance for one of the following three reasons:

1. Reporting and regulatory requirements (e.g., for federal grant reporting purposes)
2. Internal decision-making (e.g., for funding priorities, operational improvements, etc.)
3. Stakeholder reporting (interest groups, the public, etc.)

Key attributes of successful performance measures include the following key principles:

- **Linked to goals** – An organization must have established goals to which performance measures can be clearly connected. This allows the activities of the organization to be focused on achieving the goals by improving the performance.
- **Accepted by stakeholders** – Performance measures are only worthwhile if the intended audience agrees.
- **Actionable** – A review of the performance measures should provide some input into organizational strategies and action items. Performance measures are most useful when they are provided within some context. For example, organizations typically compare performance data against comparable peer data, an established target, or against historic data (to assess trends).
- **Credible and timely** – Performance measures should be up-to-date and accurate.
- **Appropriate number of measures** – There is no rule for the number of performance measures; however, the number of performance measures should generally decrease as the audience becomes more removed from the day-to-day operations. So, for example, a maintenance worker will be focused on many more detailed measures (e.g. individual vehicles' age and reliability) while a policy maker will be more interested in a few targeted measures (e.g. the whole agency's on-time performance).

It is important to note that data and statistics gathered by an organization are not informative performance measures unless they follow the principles listed above.

3.0 National and Best Practices

3.1 Overview

State policy makers around the country generally use performance measures to evaluate the following general areas:

1. **Policy and Planning** - States often are involved in state-wide planning efforts, so this may involve inter and intra-modal coordination or policy development. Additionally, the state may communicate with stakeholders by providing accumulated performance measures.
2. **Operations** – Some states are involved in transit agency operations. Even where they are not directly involved in operations, most states are interested in evaluating or tracking agencies' performance or compiling the state's public transportation needs.
3. **Funding**–All states are responsible in the allocation of some federal funding to agencies. However, if state funds are also provided, they need to identify how to allocate those resources between public transportation providers. This allocation varies between states and can be based upon size, performance or to the extent the agencies meet state goals and objectives.
4. **Oversight and Coordination** – States often have interests in promoting regional activities, including joint procurements and/or encouraging seamlessness between different transportation modes and jurisdictions. Additionally, many states require audits or reporting to ensure that the state is complying with policies or funding requirements.

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

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

example, they may consider the productivity of a specific bus route to determine whether service levels should be increased, reduced or eliminated.

3.2 Federal Requirements

The federal government requires all transit agencies and ferry systems that receive Federal Transit Administration (FTA) grants under the Urbanized Area Formula Program (5307) or Other Than Urbanized Area (Rural) Formula Program (5311) to submit annual statistics for the National Transit Database (NTD)[2]. Congress established the NTD as a "primary source for information and statistics on the transit systems of the United States." The FTA uses the data for allocation of federal funding, but it is also used for planning and reporting purposes and is accessible to anyone. The information collected includes service area characteristics, operating statistics, and financial summary information.

[2] The National Transit Database can be accessed here: http://www.ntdprogram.gov/ntdprogram/.

Table 1 below shows the types of data included in the NTD.

Table 1– National Transit Database (NTD) Overview

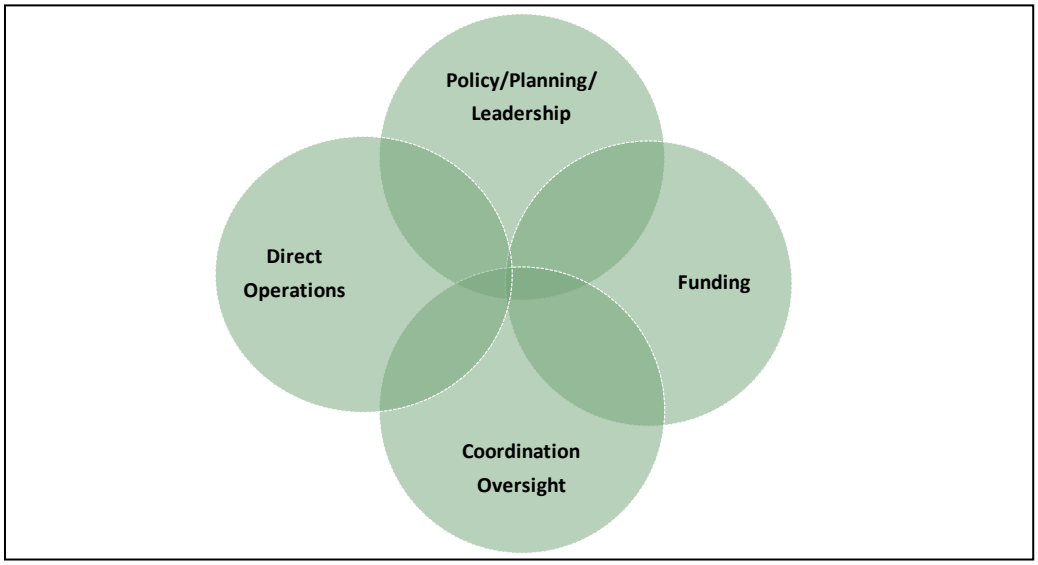
NTD Categories	NTD Statistics
Agency Information	Name Website Address CEO information
General Information	Square mileage Population*
Service Consumption & Service Supplied	Annual passenger miles Annual unlinked trips* Average weekday/Saturday/Sunday unlinked passenger trips Annual vehicle revenue (and non-revenue) miles* Annual vehicle revenue (and non-revenue) hours* Vehicles operated in maximum service Vehicles available for maximum service Fixed guideway directional route miles
Financial Information (total and by mode)	Fare revenues earned* Fare revenues applied to operations Sources of federal/state/local operating funds expended* Summary of operating expenses: • Salaries, wages, and benefits • Materials and supplies • Purchased transportation • Other operating expenses Sources of federal/state/local capital funds expended* Uses of capital funds • Rolling stock • Systems and guideway • Facilities and stations
Modal Information	Average fleet age Peak to base ratio Percent spares
Performance Measures	Operating expense per revenue vehicle mile/hour* Operating expense per passenger mile/trip* Unlinked passenger trip per vehicle revenue mile/hour*

*Indicates that same information also required by the State of Washington currently reported in the Annual Summary of Public Transportation published by the WSDOT.

3.3 Selected State-by-State Experiences

States can play a range of different roles related to public transportation, which implies that their use of performance management will vary accordingly. Figure 3 below shows the mix of potential state roles with regards to public transportation. This mix of roles is more fully described in White Paper #2.

Figure 3 – Mix of Potential State Roles with Public Transportation



However, some states provide significant levels of funding and/or oversight without an established performance management program. This section will highlight a sampling of states and describe both their role and their use of performance management.

3.3.1 Overview

Over time, states have chosen varying levels of involvement in public transportation. Some states, like Maryland and New Jersey, are on one end of the spectrum, being actively involved in both funding and direct operations. These states are the direct owners and operators of transit services, so goals and performance are also measured and assessed at the state level.

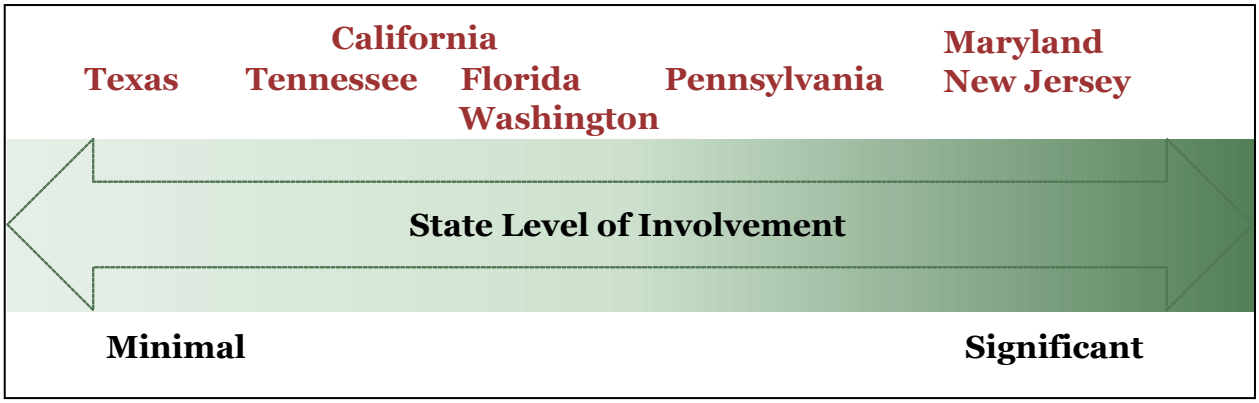
Texas is an example of a state at the other end of the spectrum. Texas passes through federal funds and, like Washington, encourages the formation of local and regional public transit agencies and provides local funding authority. In Texas, transit agencies are the direct owners and operators of the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

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

While not scientific, an idea of where some states fall along this spectrum is shown in Figure 3 below. The State of Washington was placed on this continuum for purposes of comparison and discussion. Its placement to the left of middle reflects that:

- Like Maryland and New Jersey, Washington plays a direct and active role in funding and operating the Washington State Ferries and the HOV system;
- Like Texas, Washington plays a very limited role in relation to funding and operating local and regional transit service; and
- Where Washington plays a direct role, it also has more direct oversight (WSF, HOV) and where it plays a limited role, its oversight role is focused on coordination and data reporting.

Figure 4 – Spectrum of State Involvement in Public Transportation



3.3.2 Peer Analysis

Peer analyses are useful tools for any organization seeking to identify how its organization compares to its peers – in strategies, approaches and performance – with the intent of identifying best practices and lessons learned. For this analysis, several representatives from state departments of transportation (DOTs) were interviewed to better understand the range of state roles in public transportation and the use of performance measures.
As part of the peer analysis, the Consultant Team interviewed representatives from seven state DOTs. The analysis followed the process detailed below:

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

The criteria used to identify potential peer states included:

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

The Consultant Team worked with the JTC staff to identify those states that reflected the largest mix between these criteria. As a result, seven states were selected for interviews: California, Maryland, Tennessee, Florida, Pennsylvania, New Jersey, and Texas. The following two tables show these states' attributes with regards to the criteria described above. Washington is listed first for purposes of comparison.

Table 2 – Peer States Assessed Against Criteria

State	Rural/Urban Mix	Public Transportation Services	Service Overlap	Special Needs/Services
Washington	Mix of urban and rural	Local and regional bus, commuter and light rail, intercity bus and passenger rail, ferries and HOV system	Significant overlap within urban areas (primarily central Puget Sound)	Paratransit services, human services (public and private), vanpools, demand response
California	Mostly urban; few rural	Local and regional bus, heavy rail, light rail and commuter rail, HOV, intercity passenger rail	Significant overlap within northern and southern regions	Paratransit services, demand response
Maryland	Mostly urban and suburban; few rural	Local and express bus, heavy, light and commuter rail, and HOV	Significant overlap	Paratransit services, human services
Tennessee	Mix of urban and rural	Local and regional bus, rail and intercity bus	Minimal overlap	Paratransit services, vanpools
Florida	Mostly urban	Local and express bus, commuter rail and light rail	Only overlap occurs in Southern Florida	Paratransit and, human services, demand response
Pennsylvania	Mostly rural except 2 urban areas	Local and express bus, heavy, light and commuter rail, shared ride services	Minimal overlap	Paratransit services, human services
New Jersey	Mix of rural and urban	Local and express bus, heavy, light and commuter rail, some HOV and ferries	Significant overlap	Paratransit services, human services, demand response, vanpools
Texas	Mix of rural and urban	Local and express bus, light rail commuter rail	Minimal overlap	Paratransit services

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

Summary of Key Peer Analysis Findings

The following section provides an overview of the peer states' roles with regards to transportation and then describes the performance measures and management processes used by each of the states. Washington is included in all of these findings for the purposes of comparison.

As shown in Table 3, the peer states' role with regards to public transportation varies significantly.

- **Operations**: Maryland and New Jersey are the only two states directly involved in the operations of all public transportation services. Some of the states directly operate intercity passenger rail service. However, most of the states are generally not involved in local transit agencies' operations. In comparison, Washington is directly involved in funding and operating the Washington State Ferries and HOV systems but is not involved in operating transit services.
- **Funding:** While the table shows many of the states as funders of public transportation, the level of investment varies significantly. For example, the State of Maryland (as a direct operator of all public transportation services) allocates 35% of its transportation capital funding to public transportation and 53% of its transportation operations funding to public transportation. The State of New Jersey falls in a comparable range. On the other hand, Texas, which plays a relatively "hands-off" role, dedicates approximately 1% of its transportation budget to public transportation. In comparison, Washington funds the state ferry and HOV systems, but is more like Texas in the level of funding that it provides to transit (averaging about $40 to $50M per biennium).
- **Policy & Planning**: Many of the states have policies in places to support multi-modal planning and coordination. Additionally, most states are required to develop state-wide transportation and/or mobility plans; however, only some of the states have developed public transportation-related policies. For example, California's transportation investments are driven by two legislative policies; one is focused on greenhouse gas reduction and the other is focused on multi-modal planning as it pertains to land use. Maryland has many policies in place for smart sites programs, stronger transit coordination, and transit oriented development. In comparison, as was shown in White Paper #2, Washington has broad policies related to and/or affecting public transportation.
- **Oversight & Coordination**: While many states encourage and/or are involved in coordination, the level of state oversight varies significantly.
    - *Coordination*: Most of the states provide some level of coordination, whether it be through joint procurement programs (Florida and California), coordination

between the high speed rail program and local agencies (California and Tennessee), or through coordination with bordering states (Tennessee). Washington plays a comprehensive and ongoing coordination role through the WSDOT Public Transportation Division, in particular in rural and special needs transportation areas.

- *Oversight*: States like Maryland and New Jersey, which operate the public transportation systems, provide significant oversight. New Jersey develops a planning document every four years that must be presented to the State legislature and Maryland develops its Transportation Plan and Annual Attainment report annually. Florida requires that all of the public transit agencies develop TDPs every five years, and Pennsylvania requires annual audits. Washington provides considerable oversight of the systems it directly funds and/or operates, specifically the ferries, the HOV system and intercity rail. Conversely, it plays a limited oversight role for transit.

Table 3 – Peer States' Roles with Regards to Public Transportation

State	Operations	Funding	Policy & Planning	Oversight & Coordination	Notes
Washington	*	*	●	●	* Washington funds and operates the state's HOV system, the ferry services, and intercity passenger rail (Cascades). It provides some grant funds (as described in White Paper #2). Otherwise it is not involved in regional or local transit agencies' operations and funding.
California	*		●		* California operates Caltrain, an intercity rail service, and partners with Amtrak on three additional routes. Otherwise, it is not involved in transit agencies' operations.
Maryland	●	●	●	●	
Tennessee		●	●	●	
Florida	*	●		●	* Florida is developing SunRail, a commuter rail project in Central Florida. The state will operate it for the first 7 years.
Pennsylvania		●		●	
New Jersey	●	●	●	●	
Texas			●	●	

The Consultant Team asked each state's interviewee(s) what performance measures, if any, are tracked by the state and how those performance measures are used.

Table 4 – Summary of State's Performance Measures

State	State Transportation Goals	Key Public Transportation Performance Measures
California	• Improve mobility and accessibility • Preserve the transportation system • Support the economy • Enhance public safety • Enhance transportation system security • Connect transportation and land use planning • Enhance the environment and conserve environmental resources[3]	• Greenhouse gas legislation requirements resulting from AB 32 mandate GHG emission caps to reduce emissions by 25% in 10 years
Florida	• A safer and more secure transportation system for residents, businesses, and visitors • Enriched quality of life and responsible environmental stewardship • Adequate and cost-efficient maintenance and preservation of Florida's transportation assets • A stronger economy through enhanced mobility for people and freight • Sustainable transportation investments for Florida's future[4]	• Growing transit ridership at twice the rate of population growth • Other operational statistics are monitored, such as revenue hours and revenue miles
Pennsylvania	• Move people and goods safely and securely. • Improve quality of life by linking transportation, land use, economic development, and environmental stewardship. • Develop and sustain quality transportation infrastructure. • Provide mobility for people, goods, and commerce. • Maximize the benefit of transportation investments.[5]	• Cost per hour • Passengers per hour • Cost per passenger • Operating revenue per hour
Tennessee	• Increase transportation system safety • Address customer needs and priorities • Maximize and manage resources • Develop workforce capabilities and capacity[6]	• Increased ridership
New Jersey	• Maintain and renew the transportation infrastructure • Integrate transportation and land use planning • Increase safety and security • Improve mobility, accessibility, reliability • Operate efficiently • Respect the environment • Optimize freight movement • Continue to improve agency effectiveness[7]	• On-time performance • Safety figures • Capital expenditures

[3] http://www.dot.ca.gov/hq/paffairs/about/mission.htm
[4] http://www.dot.state.fl.us/planning/FTP/goals.pdf
[5] http://www.pamobilityplan.com/
[6] http://www.tdot.state.tn.us/osp/pdfs/strategicplan2008.pdf

State	State Transportation Goals	Key Public Transportation Performance Measures
Maryland	• Quality of service • Safety and security • System preservation and performance • Environmental stewardship • Connectivity for daily life[8]	• Percent of service provided on time • Revenue versus operating expenses • Transportation-related greenhouse gas emissions • Average weekday transit ridership
Texas	• Reduce congestion • Enhance safety • Expand economic opportunity • Improve air quality • Preserve the value of transportation assets	• Percentage change in the number of public transportation trips • Administration and support costs as a percent of grants expended

[7] http://www.state.nj.us/transportation/works/njchoices/pdf/2030plan.pdf
[8] http://www.mdot.maryland.gov/Planning/Maryland_Transportation_Plan/Goals.html

4.0 Application to Washington State

4.1 Current Use of Performance Measures

As described in White Paper #2, Washington's role can be summarized as follows:

"The state currently serves several roles in public transportation. The state has an active role in setting policy and providing authorization for the provision of public transportation services. In addition, the state provides a planning function through the Washington Transportation Plan (WTP) policies and strategies, along with other policy goals related to growth management, traffic congestion, and greenhouse gases that were established by the State Legislature and/or the Governor. The State is also a direct funder and operator of public transportation services through its ownership and management of areas such as the high occupancy vehicle (HOV) lanes and state ferry system. In addition, the State provides funding for and/or contracts for the operation of intercity bus and rail services."

Additionally, the state's established transportation goals are as follows:

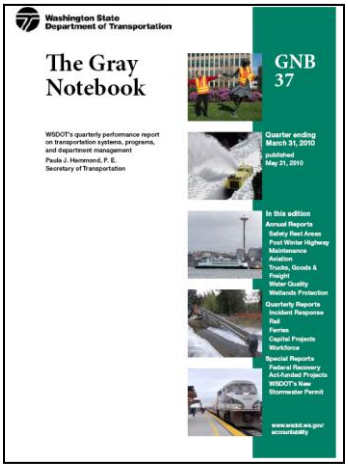
- **Economic Vitality**: To promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy
- **Safety**: To provide for and improve the safety and security of transportation customers and the transportation system;
- **Preservation**: To maintain, preserve, and extend the life and utility of prior investments in transportation systems and services;
- **Mobility**: To improve the predictable movement of goods and people throughout Washington;
- **Environment**: To enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment; and
- **Stewardship**: To continuously improve the quality, effectiveness, and efficiency of the transportation system.

4.1.1 State Reports

The State produces or requires the following reports that contain statistics on the services being provided and, in some cases, identify performance criteria related to specific state goals:

- The Gray Notebook (WSDOT)
- Transit Development Plans (transit agencies)
- The Washington State Summary of Public Transportation (WSDOT)
- Biennial Transportation Progress Report (Office of Financial Management)

Each is described in more detail below.



The **Gray Notebook**[9] is a performance report that the WSDOTprepares on a quarterly basis. It provides performance information on the state's transportation systems, programs, and department management with a focus on highways, aviation, ferries, and freight. The Gray Notebook is recognized nationally as a "best practice" with regards to its clear link between state goals, performance measures, and the State's policy and funding decisions. Information collected and reported in the Gray Notebook is connected to the State's strategic planning efforts, target setting, identification of improvement opportunities, and the budgeting process. For example, for the state goal of "Mobility," the State tracks ferry information such as ridership, reliability, and farebox revenue metrics in the Gray Notebook. Currently, reporting on public transit measures in the Gray Notebook is limited; however, this is because it focuses on the transportation programs and modes in which the State plays a much more active funding, operational and/or coordination/oversight role.

Transit Development Plans (TDPs)[10] are state-mandated reports that transit agencies are required to develop and submit annually. TDPs include current year system information, planned capital improvements, operating changes, and a six-year funding plan. They include how the agency intends to meet state and local long-range planning priorities, and they also have a *narrative* description of the agency's performance towards the agency's goals. The State uses TDPs for the purposes of coordinating between local agencies, regional and state-wide planning, educating and communicating to elected officials and the public, and for marketing and reporting. In other words, because the State does not play a significant role in setting policies or in providing direct funding to transit agencies, the State does not explicitly use TDPs in the same way it uses the Gray Notebook.

Every year, the State (WSDOT Public Transportation Division) compiles the TDP information and federal NTD data into a report called the "**Summary of Public Transportation**." This report includes a state-wide summary and transit agency profiles regarding operating characteristics, services, and achievements. It also presents summary statistics, prepared by WSDOT, grouped by community size (rural, urban, and small urban). The purpose of this summary report is to provide information and communicate performance to transit providers, the Legislature, local and regional governments, and the public. While this provides a substantial amount of summary and local performance data, it does not link performance to any state-wide goals or seem to drive any

[9] The current and past Gray Notebooks can be found here: http://www.wsdot.wa.gov/accountability/graynotebook/default.htm.
[10] Most transit agencies TDPs can be found on their websites. The legislative guidance can be found here: http://apps.leg.wa.gov/rcw/default.aspx?cite=35.58.2795.

policy-setting or decision-making.

Transportation Progress Report: Washington State Transportation Goals, Objective and Performance Measures. This relatively new biennial report has identified key performance measures as they related to the state's transportation goals and objectives. Beginning in 2008, the Office of Financial Management (OFM) was given the responsibility for establishing objectives and performance measures for the state's transportation goals, and for preparing a biennial progress report (also referred to as an "attainment report") for the Legislature and Governor (per RCW 47.01.071 (5)). The purpose of these reports is to assess progress toward the state's goals and to contribute to the overall performance of the transportation system. Rather than report on agency-specific performance, the focus is on overall system performance.

In January 2008, OFM submitted initial proposed objectives and performance measures to the Legislature in a baseline report. The objectives and measures were developed with input from transportation agencies, stakeholders and the Legislature. In some cases, "placeholders" indicate that specific measures have yet to be developed. A baseline was established for each measure and an assessment was made as to whether performance was improving/holding or if it is not improving and is an area of concern. The report also provides a narrative on each goal and measure describing what is being done, current trends and, in some cases, how the measure can be improved. The report includes some measures related public transportation. The table below highlights the measures currently included in the report that either directly or could be used to inform public transportation progress.

Table 5 – Current Measures in OFM Report Related to State Transportation Goals

State Transportation Goal	Current Measures related to Public Transportation
Safety	• None
Preservation	• Ferry Vessels and Terminals - % of state ferry terminals in fair or better condition
Mobility	• HOV and HOT Lanes – TBD • Commute Modes - % of commute trips taken while driving alone • Ferries - % of trips on time and ridership • Passenger Rail - % of trips on time and ridership on state-supported Amtrak Cascades service • Transportation-Efficient Land Use - TBD
Environment	• Air Quality – Tons of greenhouse gases produced statewide
Stewardship	• Tolling – TBD
Economic Vitality	• Goal recently t added – measures TBD

Also, many of **Washington State's programs and policies** have established goals and associated performance measures. For example, the Commute Trip Reduction Program[11] tracks the percentage of people who drive alone, the number of vehicle trips each weekday morning, and

[11] Commute Trip Reduction Program information can be found here: http://www.wsdot.wa.gov/TDM/CTR/overview.htm#goals

peak travel delay. Similarly, the Green House Gas (GHG) Emissions Reduction program[12] completed a greenhouse gas emissions inventory to identify ways to reduce emissions. This was in support of Washington's "Environmental Stewardship" goal. All of these programs are described in more detail in White Paper #2.

Finally, Washington strongly promotes and plays an active role in coordination of **special needs transportation services.** However, the program goals are not clearly tied to any specific performance measures. In 1998, the Agency Council on Coordinated Transportation (ACCT) was created by the Washington State Legislature to coordinate affordable and accessible transportation choices for people with special needs in collaboration with state and local agencies and organizations. In 2006, ACCT conducted a study to identify opportunities and challenges for special needs transportation. One of the findings stated: *"Performance measures should be developed and implemented … measures will help inform and drive policy decisions and they will demonstrate the benefits of coordination."*

Table 6 provides an overview of the performance measures and the data currently collected and communicated in Washington State related to public transportation. It highlights examples of the types of performance measures and data requirements of public transportation systems and agencies at the federal, state, and local levels.

Table 6 – Overview of Public Transportation Organizations' Performance Measure/Data Requirements

Public Transportation System	Federal, State, and/or Local Requirement	Sample of Performance Measures & Data Requirements
Ferries	**State** (Gray Notebook)	Service reliability Life cycle assessment Condition assessment Ridership Farebox recovery ratio Customer feedback Project delivery (scope, schedule, and budget) Workforce measures (total counts, training completed)
Vanpools	**State** (Gray Notebook)	Number of vanpools Vanpools per vehicle miles travelled (VMT)
Amtrak Cascades Passenger Rail Service	**State** (Gray Notebook)	Service reliability Ridership Farebox recovery ratio

[12] Washington State's Climate Change information can be found here: http://www.wsdot.wa.gov/Environment/ClimateChange/stewardship.htm

Public Transportation System	Federal, State, and/or Local Requirement	Sample of Performance Measures & Data Requirements
Transit Agencies	**State** (TDPs and Annual Summary Report) and Federal (NTD)	Passenger trips/revenue vehicle mile Passenger trips/revenue vehicle hour Operating costs/revenue vehicle hour Operating costs/revenue vehicle mile Operating costs/passenger trip Operating cost/total vehicle hour Revenue vehicle hours/total vehicle hours Revenue vehicle miles/revenue vehicle hour Revenue vehicle hours/total vehicle hours Revenue vehicle miles/revenue vehicle hour Fatalities, injuries, collisions Farebox recovery ratio
Transit Agencies ***Note these are not required by the State and vary by agency***	**Local/Regional**	Project delivery (scope, schedule, budget) Farebox recovery Service reliability Daily boardings Passengers/trip Passengers/revenue hour Customer complaints Preventable accidents/revenue mile

The distinction between performance measures and data is important. The measures in the Gray Notebook are used in the State's strategic planning efforts, target setting, identification of improvement opportunities, and the budgeting process, so these are truly performance measures. On the other hand, data collected for the NTD and TDPs are not actually used for managing performance.

5.0 Major Findings and Key Questions

5.1 Major Findings

What have we learned that will impact future use of performance measures for public transportation in Washington State? Based upon comparison of national and best practices to the current experience in Washington State, the following conclusions can be drawn:

Performance management is a process that allows an organization's leaders to make informed decisions, communicate successes, and revise or develop new policies/programs

- A performance management process is cyclical; the organization's goals and met/unmet needs should be continuously re-evaluated based on how successfully objectives were met.
- The attributes of successful performance measures include the following key principles: they are linked to goals, they are accepted by stakeholders, actionable, and they are credible and timely.
- State policy makers generally use performance measures for the following purposes: policy and planning, operations, funding and/or coordination and oversight.

To the degree a state plays a role in public transportation, performance measures should be clearly tied to a state's goals and its role

- A state's goals should reflect what its policy leaders seek to accomplish.
- The performance measures should provide the means for assessing how successful the agency is at meeting those goals.
- If a performance measure is not obviously tied to a specific goal, then either the performance measure or the goal needs to be re-assessed.

Washington's current use of performance measures are generally aligned with its current roles in public transportation

- In some areas, Washington plays a direct and active role in public transportation. Specifically, where the state sets policies and directly conducts planning activities and funds and operates systems, such as the HOV, state ferry, and intercity passenger rail (Cascades) systems, it has a robust performance management approach. Specifically, the state has established performance measures that align with its transportation goals. These measures are then reviewed and communicated regularly to inform investment decisions and provide accountability to the government and citizens.
- Where the State has major policies that relate to public transportation and, to some extent, rely on it to achieve policy objectives, many of the programs have established goals and associated performance measures. This includes the Commute Trip Reduction Program and the HOV system in the Puget Sound region.

- Data and performance measures relating to special transportation services appears to be somewhat limited (although public transit provision of paratransit services is reported in the TDPs and in the Annual Summary Report).
- Washington plays a much more limited role in relation to transit, primarily focused on planning and oversight, and so the data requirements associated with transit are used primarily for planning and reporting purposes (i.e., not for performance management and/or funding purposes).

Washington transit agencies currently submit statistics at the federal, state, and local levels.

- Federal - The federal government requires all transit agencies that receive Federal Transit Administration (FTA) grants under the Urbanized Area Formula Program (5307) or Other Than Urbanized Area (Rural) Formula Program (5311) to submit annual statistics for the National Transit Database (NTD).
- State –Transit agencies are required to report summary data on an annual basis in Transit Development Plans (TDP's). WSDOT then prepares summary data in its Annual Summary of Public Transportation Report. This data is not used by the state as a measure of performance.
- Local – The use of performance measures by transit agencies varies significantly. However, many typically develop performance measures for use by their Boards and executives and for reporting to local constituents.

While there is a significant amount of *data* being collected and reported on transit, the State does not use it in any systematic way for measuring how transit contributes to State goals and/or for policy/funding decisions.

Other states' use of performance measures is generally consistent with their established levels of involvement in public transportation.

- States fall on a spectrum ranging from being actively involved in funding and operating public transportation to minimal involvement and authorizing local level planning, funding, and oversight.
- Not all states use performance measures to actively manage public transportation systems and/or for funding allocation purposes.

From a federal perspective, the data collected through the NTD provides a backdrop on the types and levels of transit services and facilities across the nation. To some extent the collection of this information also provides transit agencies with data to allow for an informed comparison based upon their individual agency needs. However, it is important to note that these comparisons must be done with care and cannot be done without a good understanding of the local context. For this reason FTA only uses some information to allocate formula funding based upon the size of individual systems.

As at the national level, similar comparison issues between agencies are also seen at the state level. As a result, most states do not use data in the specific allocation of funding. Of the states interviewed, only Florida and Pennsylvania use data for funding decisions. The data currently collected by the state through TDP's could also be collected from the NTD. This would reconcile different reporting cycles and provide a consistent data source to be used at the federal, state and local levels.

Washington State is seen as a leader in performance management particularly through the use of the Gray Notebook. The Biennial Transportation Progress Report (Progress Report) also provides an excellent example of how the State is using performance measures for assessing progress in meeting Washington's transportation goals. As noted earlier, some measures already exist related to public transportation systems operated by the State (e.g., Washington State Ferries, Amtrak Cascades).

5.2 Key Questions

Using the information above, and the Biennial Transportation Progress Report as a framework, there are ways to refine and perhaps refocus the performance management process for public transportation in Washington. The principal issue is **"How should the State use a comprehensive yet more focused set of performance measures for setting policy, allocating its resources and establishing funding priorities for public transportation?"**

In September, 2010, the Public Transportation Advisory Panel will be considering these questions as they continue to consider the State's role in public transportation. In considering these questions, it is important to keep in mind two principles that have been consistently emphasized throughout this study process:

- *Effective* performance management and measurement requires a *linkage* between the transportation *goals* of the state, the *services* provided to meet those goals, and an effective set of *measures* to determine if those goals are being achieved.

- How those measures are ultimately used links back to the *role* the state ultimately plays in the provision of those services.

    1. **Given the diversity of emerging needs in the state – and the broad range of services provided – how can the state refocus on those elements of the public transportation system that are critical for achieving the state's policy goals?**
        - What are the state's most critical public transportation objectives as they pertain to its goals?
        - How do special needs, private and non-profit providers help achieve the state's goals?
        - What role do transit agencies play in meeting state goals?

2. **Given the volume of data that is collected and reported, what are the most appropriate measures for assessing how the public transportation system is meeting state goals?**
   - Measures are already being reported on the performance of state funded and operated services and programs (e.g., WSF, Cascades). Are these the right measures? Should they be enhanced? Should there be fewer measures?
   - The State collects and reports a significant amount of data and information on transit agencies but does not explicitly link the information to state goals or to policy decisions and funding priorities. What are the most important outcomes to the state as they relate to its goals? How does transit contribute to those goals?
   - Given the limited role that the state plays in public transit, to what extent should it measure transit performance? Should this change in the event that the state plays a larger funding role in the future?
   - What are the most important outcomes to the state as they relate to public transportation? What measures would most effectively assess those outcomes?
     - A minimum, base level of *mobility* and *access* to public transportation services across the state?
     - People-carrying *capacity* in the state's most congested travel corridors?
     - *Connectivity* between systems and modes?
     - The *cost* of providing services? *Cost-effectiveness*?
     - Extent to which public transportation helps achieve *environmental objectives,* such as reducing GHG emissions?
     - Extent to which public transportation helps achieve economic goals?

3. **What sources of information should be used? How will information be collected?**
   - Should targets be established? Should peer analyses occur?
   - Should the state streamline the process and perhaps use NTD data for transit reporting given the similarity of data collected?
   - Should other data collected by transit agencies for local decision-making purposes be collected?
   - Should there be more data collected on special needs services provided by non-profit organizations?
   - Should there be special reports by transit agencies on contracted services and private carrier services?
   - For long-range policy and planning purposes, should the state collect more consistent data on emerging and projected needs?

4. **How should information on the state's public transportation system be reported and used?**
   - Does the OFM Progress Report provide an appropriate vehicle for reporting performance measures for public transportation as they relate to state goals?
   - Should more performance measures be included in the Gray Notebook?
   - What additional resources might the State need in order to oversee its performance management program?

6.0 Interviews and Sources

6.1 Peer Interview Contacts

Agency	Contact Name ad Title
New Jersey Transit	Mr. James Weinstein, Executive Director, NJ TRANSIT Steve Santoro, Executive Director's Office Rich Roberts, Executive Director's Office
Maryland DOT	Michelle Martin, Senior Planner, Office of Capital Planning Mike Haley, Office of Capital Planning
Tennessee DOT	Paula Shaw, Director of Multimodal Transportation Resources Sherry Carroll, Research and Development and Reporting
Texas DOT	Eric Gleason, Public Transportation Division Director Bobby Killebrew, Public Transportation Division
Pennsylvania DOT	Toby Fauver, Deputy Secretary for Public Transit
Florida DOT	Ed Coven, Manager of the State's Public Transit Program
California DOT	Marty Tuttle, Deputy Director for Planning and Modal Programs

6.2 Peer Analysis Questionnaire

Interviewee Information

Name:

Agency/Organization:

Position/Title:

Date:

Phone:

Email:

Note: For the purposes of this project, "public transportation" includes traditional public transit, in addition to intercity passenger bus and rail where public funding is involved, passenger ferries, and special services.

General Information

Describe the nature of the state that your DOT serves: urban versus rural, population demographics, etc.	
What is the state's most recent annual transportation budget? How much of that was dedicated to public transportation, if any?	
Describe the level and type of public transportation services provided in your state. Include the number and types of agencies, modes, and any state operated systems. Are there any useful reports or plans you might be able to share? Do these services overlap?	

State Role Information

How would you describe the States role in general – an active funder/provider, an enabler (through legislation, coordination and/or taxing authority), or a more passive role? What is the state's role in monitoring and oversight?	
What role do private providers play in your state, including services provided directly by employers?	
Policy and Planning	
Can you provide us with the major policy goals that drive your public transportation program? Is public transportation provided and evaluated separately from the state's other transportation programs?	
How does your state address the needs of both large metropolitan areas and rural communities?	
How, if at all, does your state link land use and the provision of public transportation?	

State-Sponsored Operations	
What is your state's role in public transportation operations?	
What interest does the state take in providing infrastructure to support public transportation (i.e. park and ride lots, HOV and transit lanes, Commute Trip Reduction or HOT lane programs, and intermodal connections)?	
Funding	
How, if at all, is the state involved in public transportation funding? What is the state's relative contribution to transit funding, versus other sources, and is it increasing or decreasing over time?	
Is there a dedicated or discretionary funding stream? What is/are the capital and operating funding source(s) and how are they allocated (per capita, need-based, performance-based, etc)?	
How, if at all, is your state addressing the short-term financial and economic crisis while still planning for the long-term?	
Oversight and Coordination	
Does your agency/organization identify and compile the public transportation needs in the state? If so, how is this measured? How often?	
Are any performance measures/targets required? If so, what are they? This could include farebox recovery requirements, private contracting requirements, etc. Are they tied to funding? How are these reported?	
How, if at all, is the state involved in promoting interagency and inter-modal coordination?	
Lessons Learned/Looking Forward	
What lessons could the state of Washington learn based on the role of your state with regards to public transportation?	
Is your state exploring new initiatives or new policy directions related to public transportation? Are those tied to other state transportation goals and objectives?	

6.3 Sources

The following information sources provided best practice information regarding performance management and public transportation:

Transportation Cooperative Research Program Report G-11: A Methodology for Performance Measurement and Peer Comparison in the Public Transportation Industry, 2010.

Transportation Cooperative Research Program Report 88: A Guidebook for Developing a Transit Performance-Measurement System, Washington DC, 2003.

Transportation Cooperative Research Program Research Results Digest 95, Performance Measurement and Outcomes, 2009

The following Washington reports and guidance are referenced in the discussions on performance management in the State:

The Gray Notebook: A quarterly performance report on state transportation programs. http://www.wsdot.wa.gov/accountability/graynotebook/default.htm

Transit Development Plans (TDP's) and longer-range transit plans where available (submitted in 2010 and 2009): The TDP's, submitted annually to WSDOT, provide comprehensive information on projected programs and funding levels. While the plans are financially constrained, some do provide indicators of potential and funding shortfalls and related program issues. (For more information regarding TDP's, please see the white paper prepared for Task 2 – The State Role in Public Transportation.)

Summary of Public Transportation Report (2007): A summary report providing key information collected through transit agency TDP's. *(For more information regarding this annual report, please see the above referenced white paper.)*

Transportation Progress Report: The State of Washington's Transportation System. Washington State Transportation Goals, Objectives, and Performance Measures – 2008 Biennial Report. http://www.wsdot.wa.gov/NR/rdonlyres/9051CAC0-EB3A-402B-ADB7-407E984268D1/0/2008_Attainment_Report.pdf

Numerous Department of Transportation contacts around the country. See Appendix I.

Transit Profile: All Transit Agencies for the 2008 Report Year. National Transit Database; Federal Transit Administration. http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2008/Transit%20Profiles_All%20Transit%20Agencies.pdf