



**House Commission on Transit Governance and Funding**

Commission Meeting

October 29, 2018

# Overview

We will focus on two topics during this afternoon's meeting

## Topic Areas

### 1. Alternative Business Models for Demand Response Transit

- *Presentation by MedTrans GO*

### 2. Phase II Rural Transit Study Update

- *Project Timeline & Next Steps*
- *Design Criteria for Future State*

### 3. Governance Recommendation

- *State and Regional Governance Recommendations*

### 4. Current Transit Funding Mechanisms

- *Panel Discussions on Single County TSPLOSTs*

### 5. Funding Recommendation

- *Potential Funding Measures & Incentives*

### 6. Current Transit Funding Mechanisms

- *Panel Discussions on Regional TSPLOSTs*

### Objectives for Monday:

- Learn about alternative business models in demand-response transit
- Provide an update on our research and outreach activities
- Introduce high-level recommendations and regional design criteria

### Objectives for Tuesday:

- Review and discuss the high-level recommendations for reform of rural transit governance in Georgia
- Learn about current TSPLOST funding
- Review and discuss options for potential rural transit funding in Georgia

# Understanding New Business Models for Transit Service Delivery

The House Commission has primarily focused on transit governance and funding, but there are innovations and new business models emerging in transit service delivery

## House Commission Priorities



**Design a new governance model**  
for rural transit to improve service delivery  
and better meet the needs of Georgians



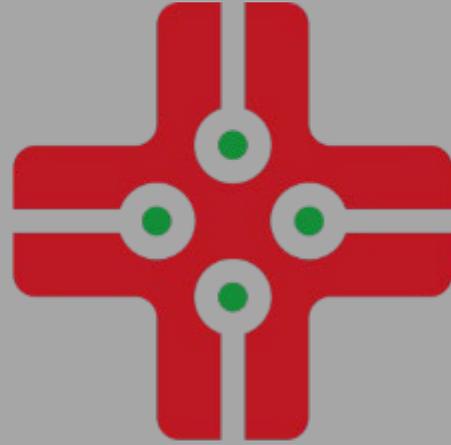
**Create an innovative funding approach** for  
rural transit that effectively utilizes public funding  
sources and encourages private sector investment

## Other Opportunity Areas



**Understand alternative business models** and platforms that can improve transit service delivery

# MedTrans GO Presentation



# MedTrans **GO**

## Georgia Rural Services Presentation

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Rural Services  
Presentation



PRESENTED ON:  
October 29, 2018



COMPANY ADDRESS  
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# Current State of the \$8-10 Billion NEMT Industry



## NEMT Challenges

3.6 Million missed or delayed appointments per year due to transportation issues<sup>(1)</sup>

More than 8 million people over the age of 65 are not able to drive.

## Interpretation Challenges

Section 1557 of the Affordable Care Act (ACA) of 2010 Nondiscrimination in Health Programs and Activities ensures meaningful access for those with Limited English Proficiency (LEP).<sup>(2)</sup>

Covered entities are required to develop and implement a language access plan to ensure they are prepared to take reasonable steps to provide meaningful access to each individual that may require assistance.<sup>(2)</sup>

<sup>(1)</sup> Wallace and Hughes, *Cost Benefit Analysis of Providing Non-Emergency Medical Transportation*, October 2005.

<sup>(2)</sup> U.S. Department of Health and Human Services ("HHS") on 5.18.16, Section 1557, 81 Fed. Reg. 31,375



# Today's Challenge for Rural Communities

Reduced support for preventive care in rural areas can end up being costly long-term when accounting for the transportation and treatment of avoidable chronic conditions<sup>(1)</sup>

Transportation barriers are the most prevalent among the aged, disabled, and people with chronic conditions

Medicaid and CHIP beneficiaries are more likely to delay care due to transportation issues than people with private coverage<sup>(2)</sup>

Facts

Rural Georgians are less healthy than those living in urban areas

Rural Georgians are more likely to be under-insured or uninsured

Rural Georgians are more likely to suffer from heart disease, obesity, diabetes and cancer

(1) <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5334728/>

(2) <https://www.macpac.gov/wp-content/uploads/2016/12/Non-Emergency-Medical-Transportation-NEMTMedical-Transportation-NEMT.pdf> <https://dch.georgia.gov/state-office-rural-health>



# Today's Challenge for Rural Communities

Communication barriers for non-English speaking patients creates compliance risks to healthcare providers and potential threats to optimum outcomes, impacting Value Based Care reimbursements.

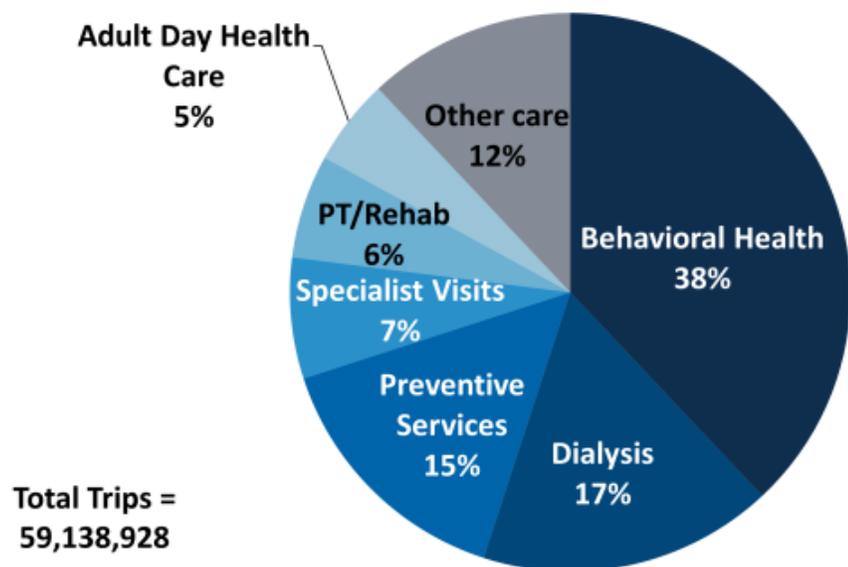
Rural Communities experience an additional burden in the lack of interpretation services due to the geo location and services offered by qualified interpreters

No single application exists today that offers NEMT, Interpretation and Concierge Services in a cloud-based and/or mobile app for providers, facilities and patients.

# NEMT Market Analysis

Figure 1

## Medicaid Non-Emergency Medical Transportation Trips in 32 States, by Treatment Type (Nov. 2015 year-to-date)



SOURCE: LogisticCare Solutions, *Medicaid Gross Trips by Treatment Type* (Nov. 2015) (data available for 32 states).



Figure 1: Medicaid Non-Emergency Medical Transportation Trips in 32 States, by Treatment Type (Nov. 2015 year-to-date)

Table 1

Sample characteristic by rurality of pick-up location.

	Total (n = 163,277)	Urban (n = 135,759)	Rural (n = 27,518)
Age: 45–54	39.6%	41.1%	32.2%
Age: 55–64	29.1%	29.1%	28.8%
Age: 65–74	16.7%	16.2%	19.1%
Age: 75+	14.6%	13.5%	20.0%
Male	42.8%	44.1%	36.3%
Female	57.2%	55.9%	63.7%
Non-Urgent Request	99.8%	99.8%	99.7%
Urgent Request	0.2%	0.2%	0.3%
Assistance Device: None	77.6%	76.8%	81.9%
Assistance Device: Wheel Chair	18.4%	19.2%	14.7%
Assistance Device: Stretcher	3.9%	4.0%	3.4%
Accompaniment: None	94.7%	95.0%	93.5%
Accompaniment: Adult	4.1%	3.9%	5.2%
Accompaniment: Child	0.4%	0.4%	0.3%
Accompaniment: Personal Care Assistant	0.7%	0.7%	1.0%
Trip Reason: Dialysis	50.4%	48.5%	60.0%
Trip Reason: Doctor Visit	15.3%	15.0%	16.5%
Trip Reason: Substance Abuse	14.7%	17.1%	2.9%
Trip Reason: Mental Health	8.1%	8.1%	8.3%
Trip Reason: Medical Specialist	6.3%	6.1%	7.5%
Trip Reason: Rehabilitation	3.5%	3.6%	3.0%
Trip Reason: Testing/Screening	1.6%	1.6%	1.8%
Total Miles *	15.09 (±20.32)	13.00 (±18.14)	25.41 (±26.42)

\* means and standard deviations are presented for Total Miles.



# The Impact/Opportunity

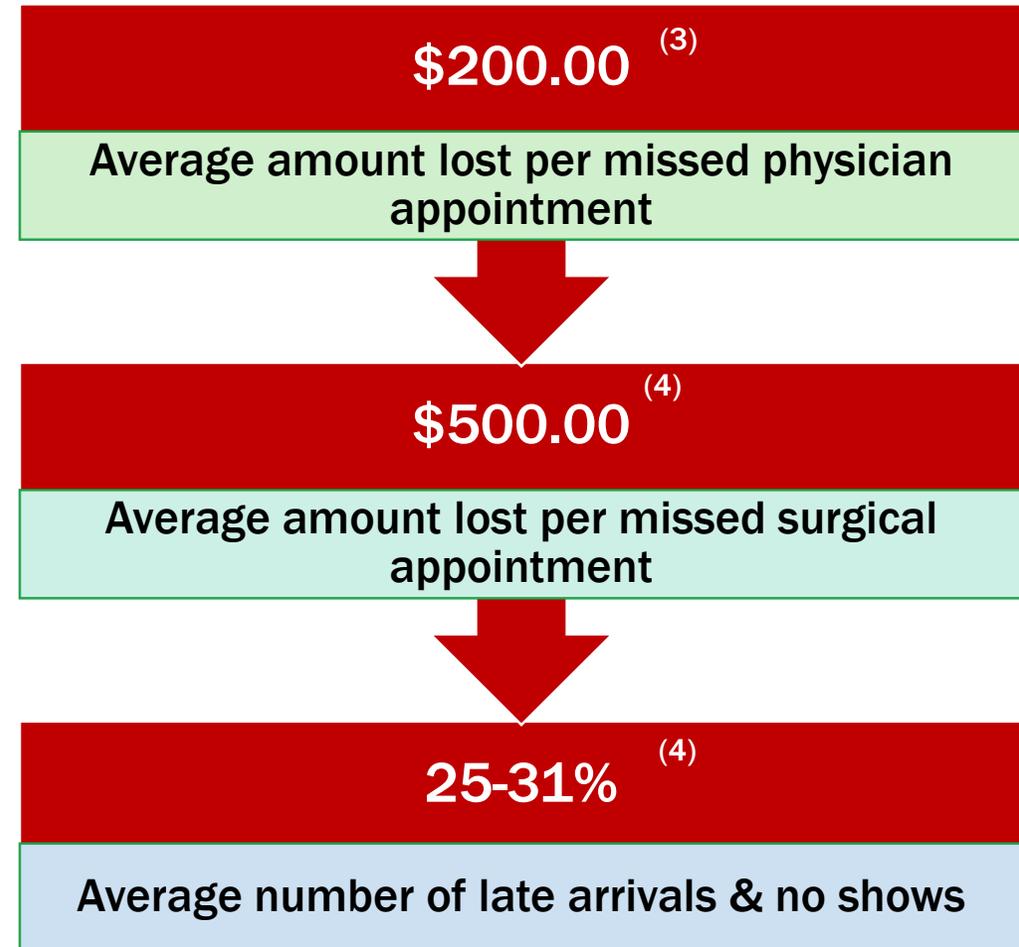
- 3.6 Million missed or delayed appointments per year due to transportation issues<sup>(1)</sup>
- \$150 Billion annual cost of missed appointments in the U.S.<sup>(2)</sup>
- Only 2.4% of appointments are self-scheduled appointments<sup>(2)</sup>

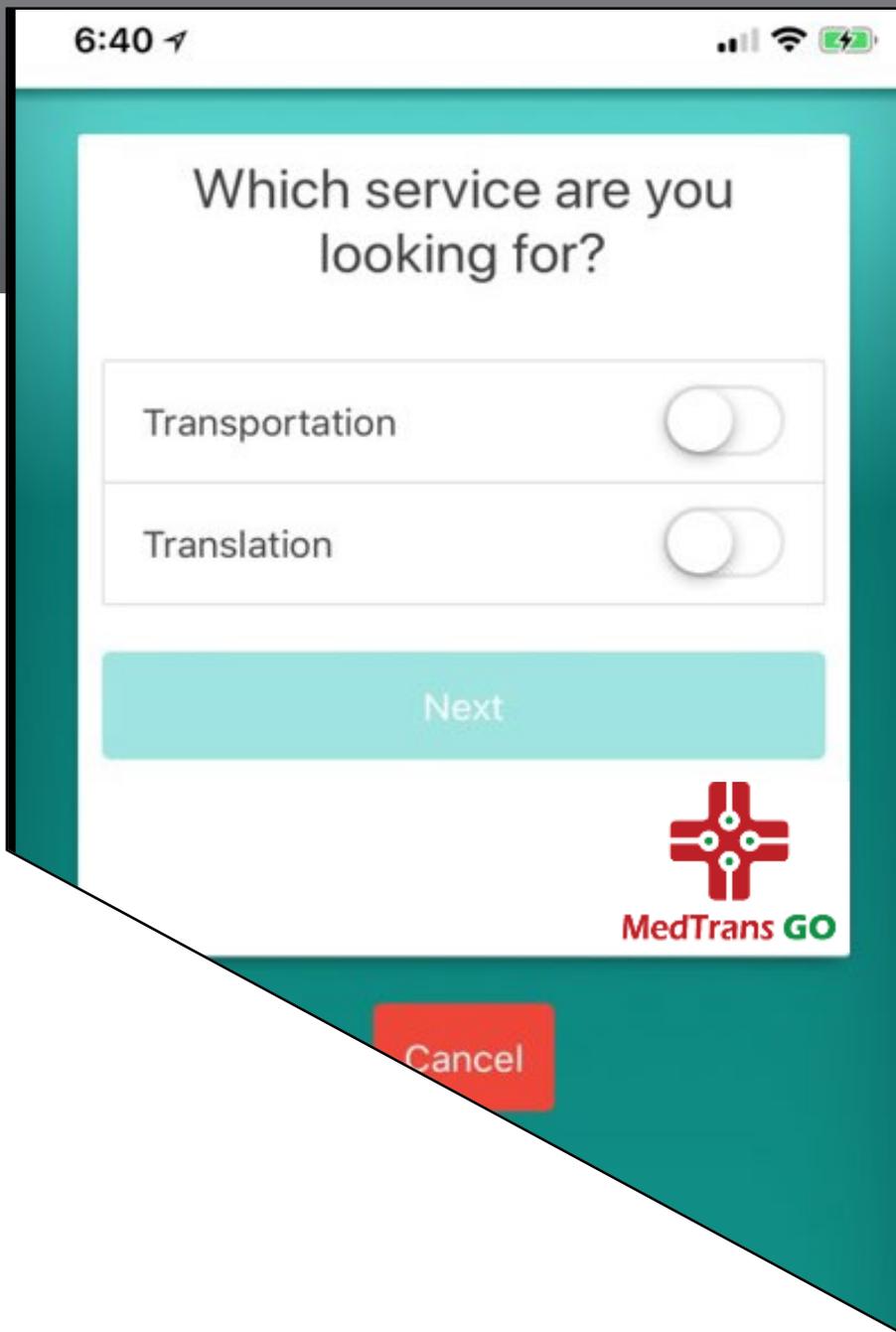
(1) Wallace and Hughes, *Cost Benefit Analysis of Providing Non-Emergency Medical Transportation*, October 2005

(2) Jamie Gier, *Missed Appointments Cost the U.S. Healthcare System \$150B each year*, *Health Management Technology*, April 26, 2017

(3) Dana Rogers, (<https://aquinchealth.com/author/denial> March 6, 2018

(4) Kirill Tsernov. (<https://sminder.com/no=show-effect-hospital>





# Introducing *MedTrans* GO

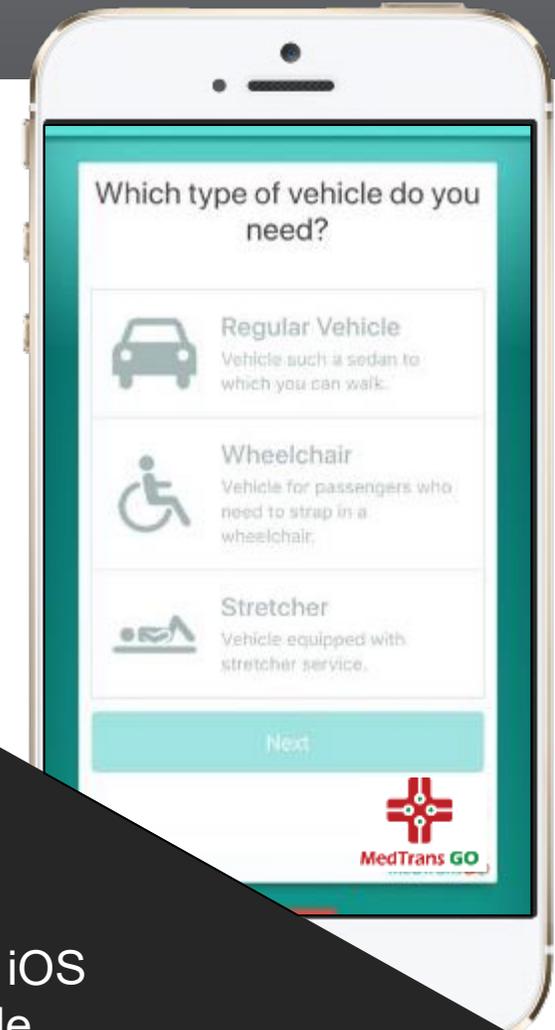
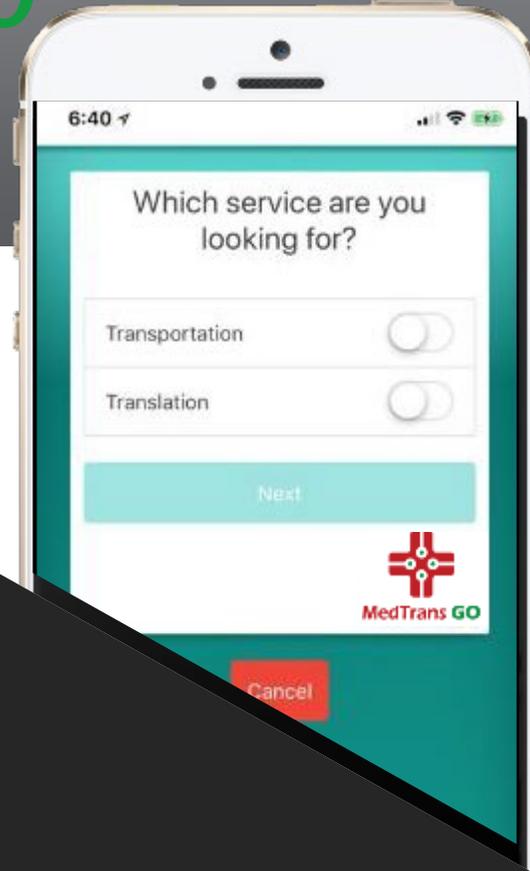
A Non-Emergency Medical  
Transportation and Translation  
Platform

- Ensures healthcare providers are compliant with federal law
- Increases revenue for healthcare providers
- Allows patients to attend regularly scheduled appointments, receive needed medical care, and communicate effectively with healthcare providers in a timely manner

# The MedTrans GO Mobile App



Web Based Application

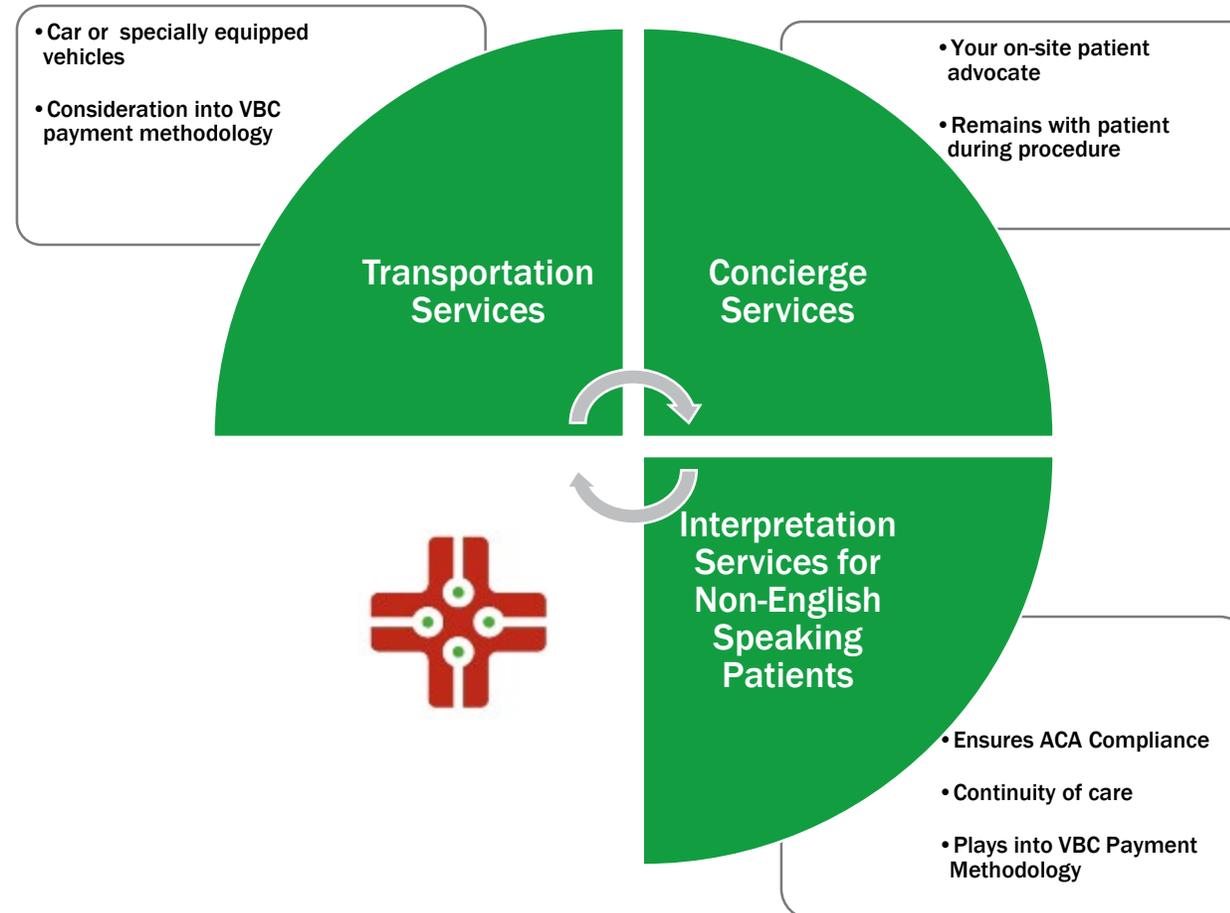


Android and iOS  
Compatible

# MedTrans GO



One application for Medical Facilities, Doctors, and Patients & Families





# How Our Technology Works

• **Physician, facility or patient requests transportation and/or interpretation services via mobile application or web portal**

• **Confirmation is received by the requesting party**

• **Services are rendered**

• **An electronic invoice is e-mailed and payment is processed real-time**

# Ambulance Transportation

**Ambulance**

**\$1000+** <sup>(2)</sup>

*Average base cost*

\$25-\$30 per mile

Additional Charges will occur based on Services

Patient can expect to pay at minimum \$100 - \$150 in a copay just for the ride  
Any additional services can increase the Copay

- **52% of all requested ambulance rides are not needed** <sup>(1)</sup>
- **15% of those do not even need transportation** <sup>(1)</sup>

**MedTrans Go offers multiple solutions that solve the need for non-emergency medical transportation that will alleviate the unnecessary Ambulance rides and will reduce costs for Insurance providers, Medical facilities, and patients.**

(1) <https://www.firehouse.com/home/news/10545528/unnecessary-use-of-ambulances>

(2) <https://www.quora.com/How-much-does-it-cost-to-ride-in-an-ambulance>

# Pricing Model

## Ambulatory

**45**<sup>\$</sup>

*each way*

**10 Miles Included**

**\$1.50 per additional mile**

**\$15 per hour waiting time**



Sedan

## Wheelchair

**100**<sup>\$</sup>

*each way*

**10 Miles Included**

**\$3.00 per additional mile**

**\$30 per hour waiting time**



Wheelchair

## Stretcher

**200**<sup>\$</sup>

*each way*

**10 Miles Included**

**\$3.00 per additional mile**

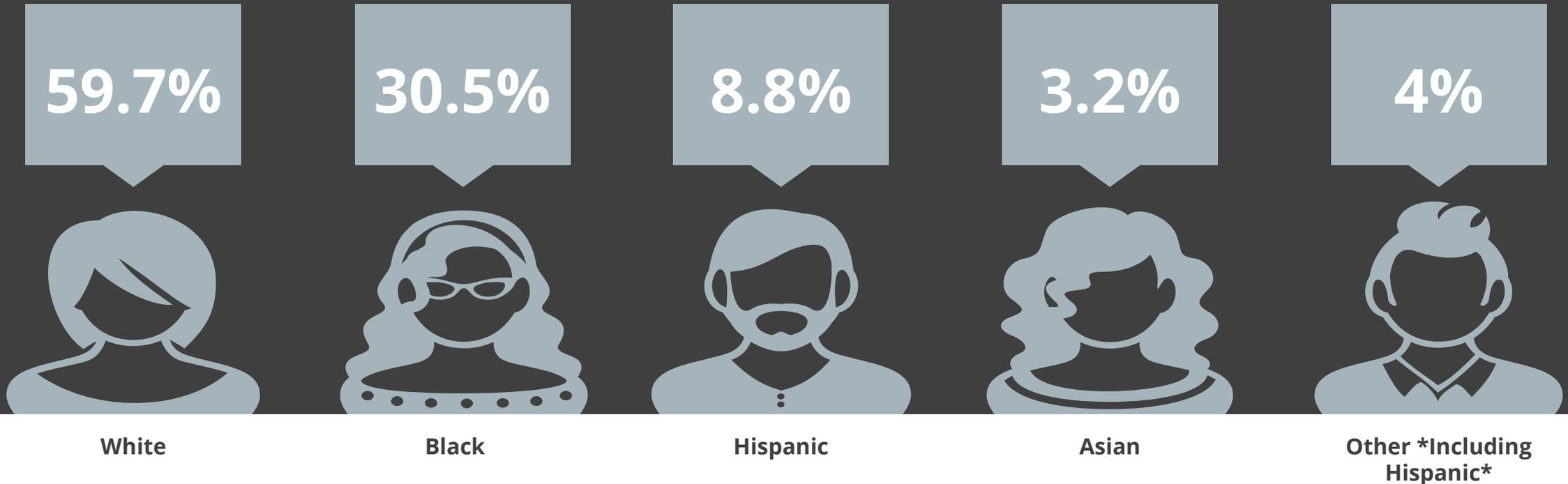
**\$30 per hour waiting time**



Stretcher

# Georgia Demographics

1.27M of Georgia citizens are speakers of a non-English language. The most common foreign languages in Georgia are Spanish (740,917speakers), African Languages (55,507 speakers), and Chinese (47,088 speakers), but compared to other places, Georgia has a relative high number of Gujarati (22,207 speakers), African Languages(55,507 speakers), and Korean (45,633 speakers).





**Georgia Population 10,429,379**

**Rural Georgia Population  
1,786,539**

**11,680 Mental Health Professionals  
6884 Primary Care Physicians  
26,506 Nursing Home Beds  
305 Dialysis Centers**

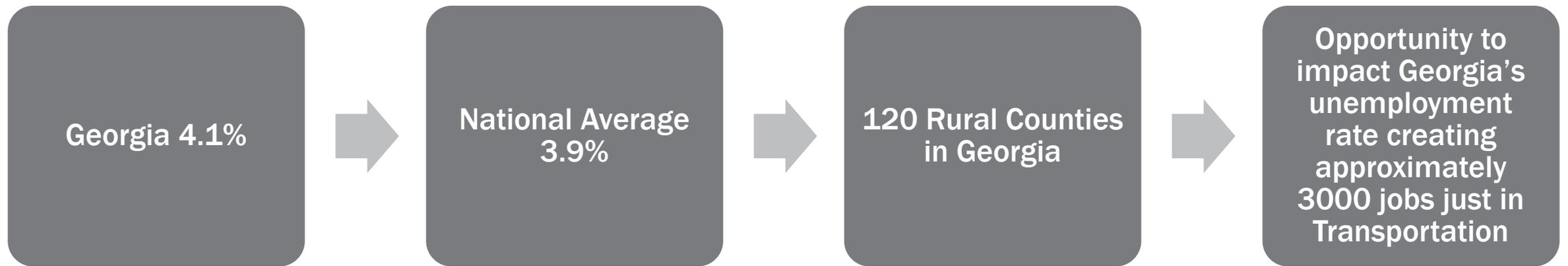


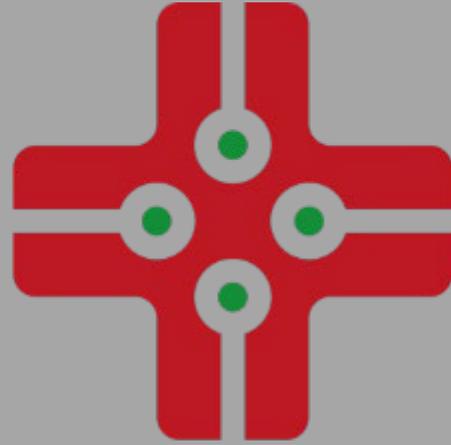
Georgia's uninsured rate of 12.9 percent is fifth worst in the country. In rural Georgia, the uninsured rate could [climb to more than 25 percent by 2026.](#)



<https://gbpi.org/2018/fast-facts-georgias-coverage-gap/>

# Unemployment Rates





# MedTrans **GO** Georgia Rural Services Presentation

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Rural Services  
Presentation



PRESENTED ON:  
October 29, 2018



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# Transit Study Update

# Georgia Transit Governance and Funding Study

The objective for the current phase of the study is to establish the design and legislative support for a new governance and funding model for rural transit in Georgia



**1** The State of Georgia House of Representatives **established a Commission on Transit Governance and Funding** in 2017 to evaluate Georgia's transit needs and the state's role in planning and execution.



**2** The initial work of the Commission resulted in the establishment (**via House Bill 930**) of a new governing and planning body for transit in **metro Atlanta**, and new funding options for transit in the Atlanta region.

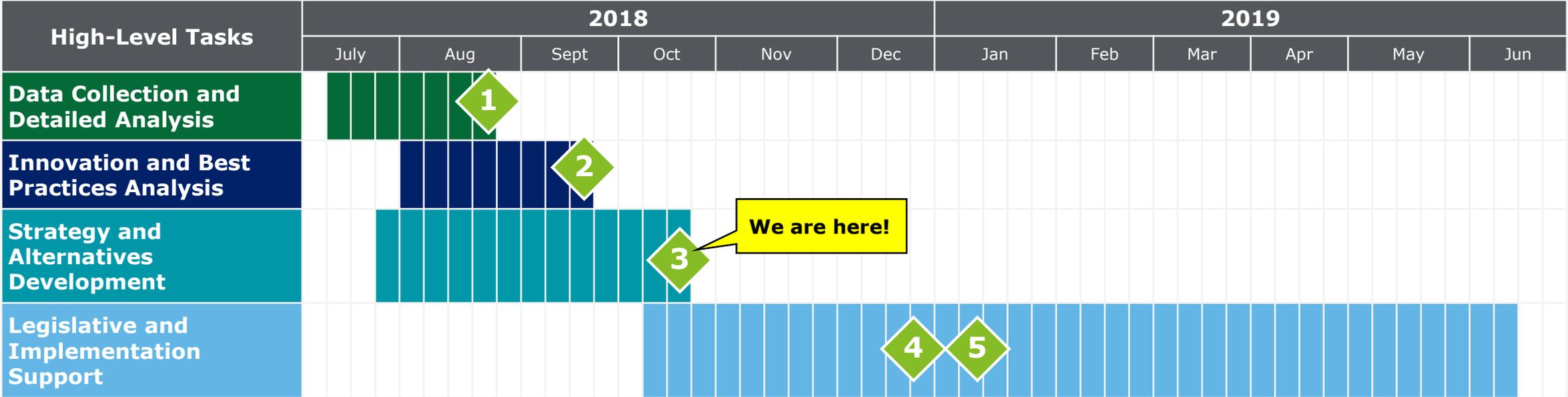


**3** The current work of the Commission addresses opportunities to improve the management and funding of transit across the state of Georgia to better serve the large population that resides in **rural counties**.

# Georgia Transit Governance and Funding Study – High Level Timeline

Rural transit will be the focus for Phase II activities

## In-Depth Rural Study High Level Timeline

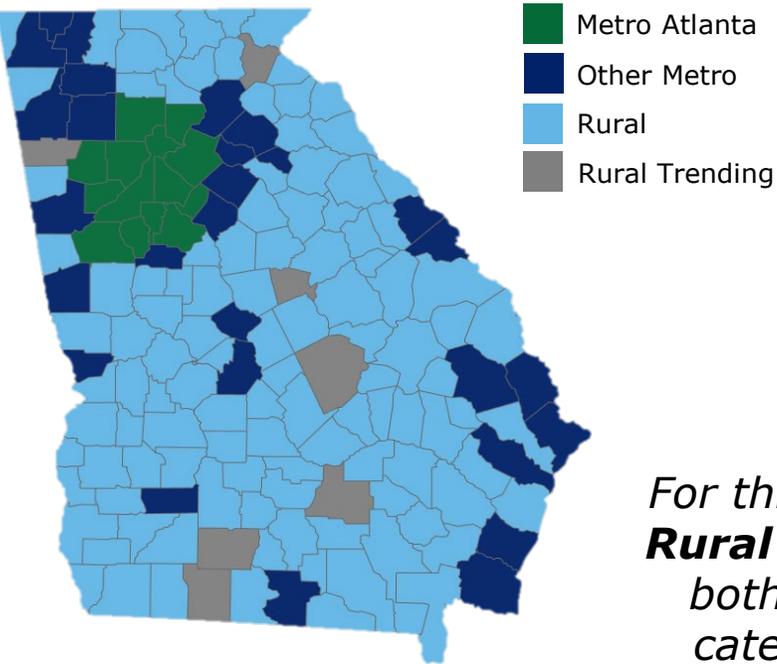


**There will be five major milestones prior to 2019 legislative session**

- 1) August 2018 – Rural in-depth evaluation and criteria for future alternatives
- 2) September 2018 – Rural transit innovation and best practices report
- 3) October 2018 – Recommendations for a future rural transit governance and funding model
- 4) December 2018 – Identify processes to engage stakeholders during 2019 legislative session
- 5) January 2019 – Commission report

Our current research and analysis is targeted at the rural transit environment  
 In Phase II of the House Commission transit study, we will concentrate on the 118 Rural and Rural Trending counties with populations below 50,000 people

**Regions based on FTA Population Requirements**



*For this study, **Rural** includes both these categories encompassing 118 counties*

**Metro Atlanta**

- 13 Counties as defined by House Bill 930 creating the ATL

**Other Metro**

- 28 Counties outside of Metro Atlanta region as defined by the FTA "urbanized area" population requirements (population > 50,000 based on 2016 population estimates)

**Rural**

- 111 Counties outside Metro Atlanta as defined by FTA's "rural area" population requirements (population < 50,000 based on 2016 population estimates)

**Rural Trending**

- 7 Counties outside of Metro Atlanta with population sizes approaching FTA's "urbanized area" population requirements (population 40,000–49,999 based on 2016 population estimates)

# Key Design Principles

Broad stakeholder input and evaluation of transit data has resulted in four principles to guide the design of new rural transit governance and funding models

## State Agency Coordination & Leadership



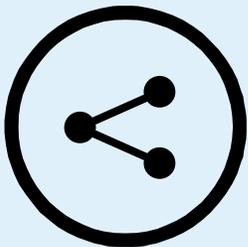
*State-level leadership and accountability is needed to improve rural transit efficiency and outcomes*

## Empowered Regional Authority



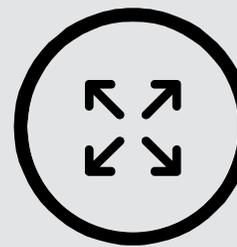
*Regional entities should have consistent, dedicated responsibility for planning and administering rural transit*

## Diversified Financial Foundation



*Transit funding should come from federal, state, and local sources, while leveraging public-private partnerships*

## Comprehensive Coverage



*All residents requiring transit for health, educational, or employment purposes should have access to the system*

# “Mobility Zones” – Regional Transit Structure for the State

As part of the governance reform recommendation, “Mobility Zones” would streamline state administration and support regional coordination of rural transit

## “Mobility Zones” – Conceptual Overview



Mobility Zones would function as the single regional breakdown for state planning and funding allocation for all transit programs, improving the efficiency of state governance



A regional operating model could be leveraged to provide planning, coordination, and contracts administration expertise to flexibly meet the unique needs of each region



Improved regional structures can facilitate a more cost-effective use of available funding and expand transit service for rural Georgia



Each zone could be designed specifically around demographics, travel patterns, and demand drivers, e.g., employers, workforce development centers, and medical facilities

We analyzed Georgia’s current regional constructs, such as Regional Commissions, as well as those implemented in other states, as we developed the Mobility Zone concept

# Considerations for the Design of Mobility Zone Boundaries

New zones boundaries can be designed to minimize disruption to existing regional services, build upon local travel patterns, and improve access to opportunity

## Mobility Zone Design Criteria:



**Connect Regional Services to Local Travelers:** Zone borders should encompass local travel patterns



**Improved Economic & Social Outcomes:** Zones should facilitate travel to major travel destinations such as healthcare facilities, educational institutions, and employment opportunities



**Build Upon Existing Transit Infrastructure:** Zones should be anchored around urban hubs



**Balance State Resources:** Zones should have similar population size and growth forecasts



**Maintain Regional Best Practices:** Zones should minimize disruption to existing TSPLOST regions and regional transit operations

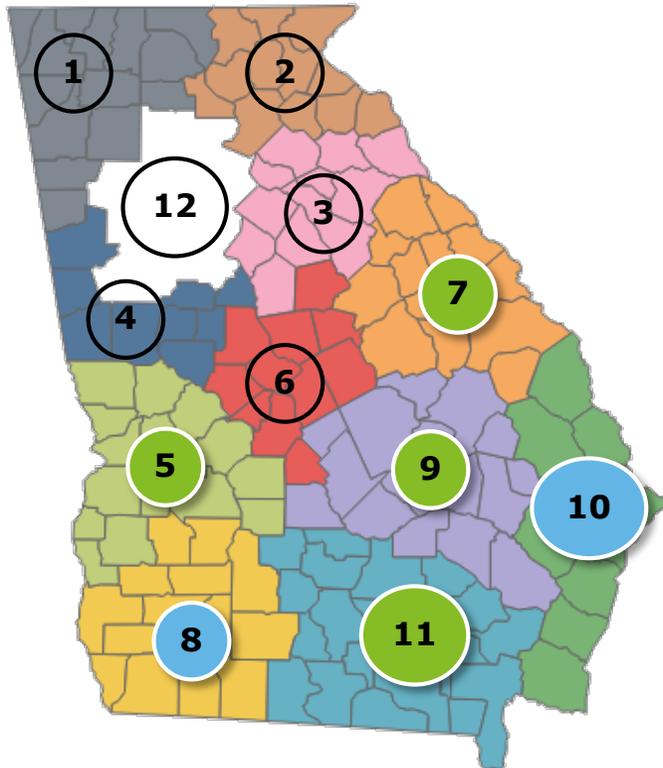
## Questions for Consideration:

- Do you agree with these inputs? Are there other design considerations to take into account?

# Review of Current Regional Commission Structure & Responsibilities

Regional Commissions are the state-designated planning agencies for economic development, land-use, and transportation

## Current Regional Commissions



- |                     |                                |
|---------------------|--------------------------------|
| 1 Northwest Georgia | 7 Central Savannah River Area  |
| 2 Georgia Mountains | 8 Southwest Georgia            |
| 3 Northeast Georgia | 9 Heart of Georgia Altamaha    |
| 4 Three Rivers      | 10 Coastal Regional Commission |
| 5 River Valley      | 11 Southern Georgia            |
| 6 Middle Georgia    | 12 Atlanta Regional Commission |

**12**

Regional Commissions exist today (one in Atlanta)

**3**

Administer public transit in their regions (Three Rivers, Coastal, and Southwest Georgia)

**4**

Passed regional TSPLOSTs (River Valley, Southern, Heart of Georgia Altamaha, and Central Savannah River Area)

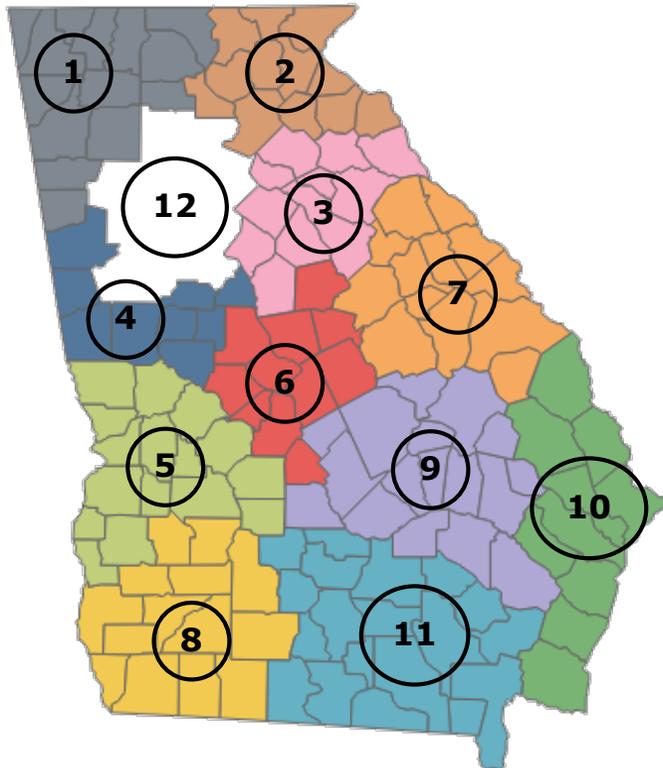
### Role and Responsibilities

- Regional Commissions serve as the regional planning and intergovernmental coordination agency in their respective regions
- An executive director oversees each Regional Commission, supervising staff, overseeing facility operations, and reporting to a governing regional council
- Transit responsibilities range from full oversight of coordinated transportation program delivery to having no direct role

# Comparing against the Current Regional Commission Structure

Leveraging the 12 Regional Commissions as the Mobility Zones would maintain existing regional services and funding measures, but may not support travel flow and demand

## Current Regional Commissions



- |                     |                                |
|---------------------|--------------------------------|
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## Pros

### Maintains TSPLOST Regions:

- The four TSPLOST regions are kept intact, so there would be no impact on voter-approved tax measures or project lists

### Maintains Regional Service

- The three Regional Commissions that currently administer regional transit service would not be disrupted and could benefit from increased state resources

## Cons

### Cross-Zone Travel Flows:

- In 24 counties, the top work destination for commuters that travel to another county is outside the mobility zone
- This affects only 3.09% of those counties' workforce population (approx. 18,000 residents)

### Transit Demand per Zone:

- Low current and forecasted transit demand per mobility zone leads to less economies of scale and higher demands placed on service operators

### Average Population per Zone

- The low population per zone may lead to a limited customer base and difficulty in expanding service coverage

# End of Day Comments



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- Provide an update on our research and outreach activities
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# **Rural Transit Governance Model Recommendation**

# Governance Design Recommendation



## **Consolidated Rural State Transit Authority**

Consolidate rural public transit (RPT), human services transportation (HST), and Medicaid non-emergency transportation (NEMT) programs in a single state rural transit authority



## **Regional “Mobility Zones”**

Each Regional Commission would include a dedicated division with responsibility for planning, coordinating, and administering rural transit in the region – as a whole, referred to as a “mobility zone”

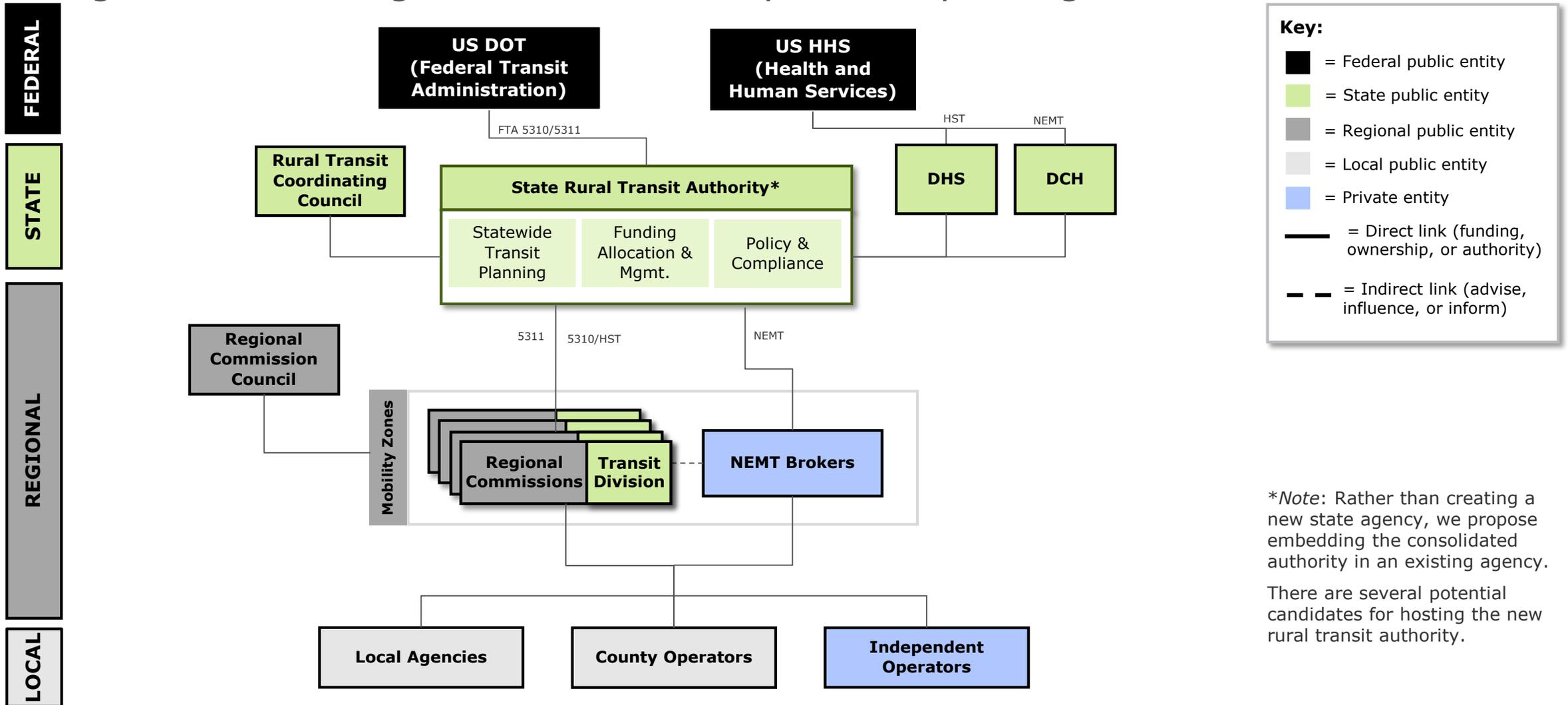


## **Dedicated Transit Funding & Incentives**

Implement new dedicated transit funding measures, while encouraging greater private-sector involvement and flexible delivery of services with tax credits and other incentive mechanisms

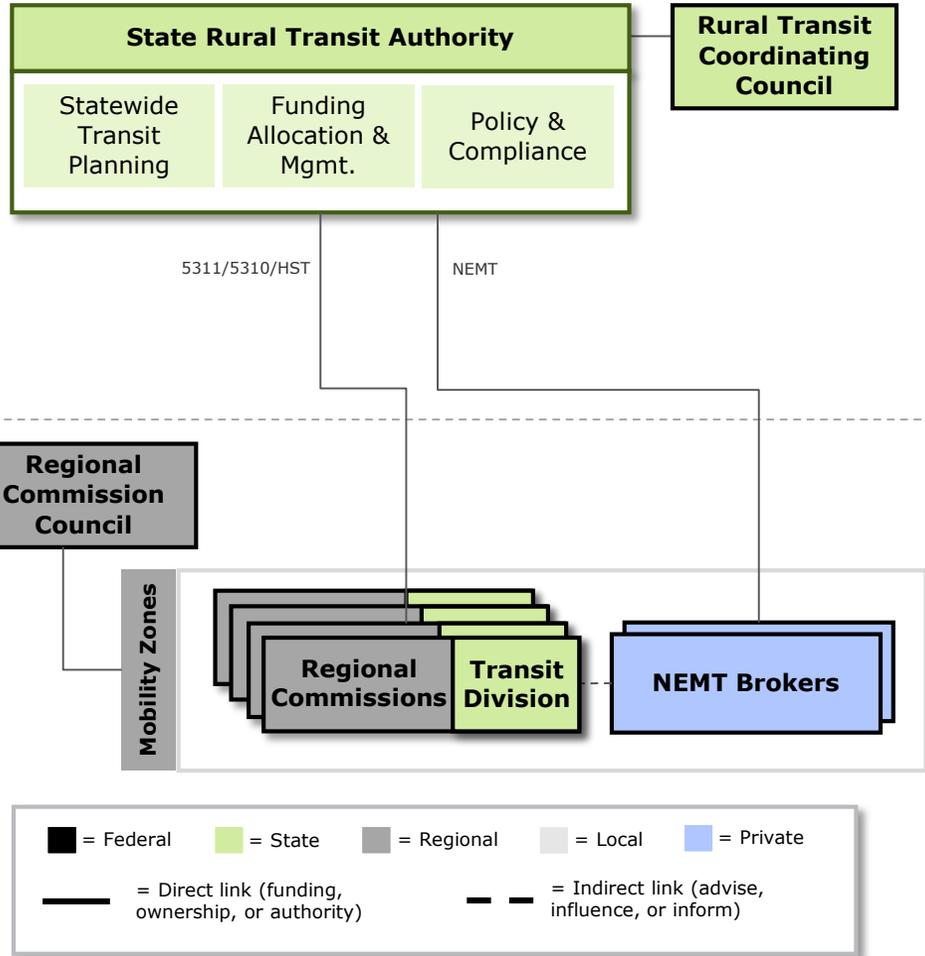
# Review of Proposed Rural Public Transit Model

By streamlining state administration of rural transit with improved regional coordination, Georgia can increase government efficiency while expanding service for users



# Responsibilities at State and Regional Level

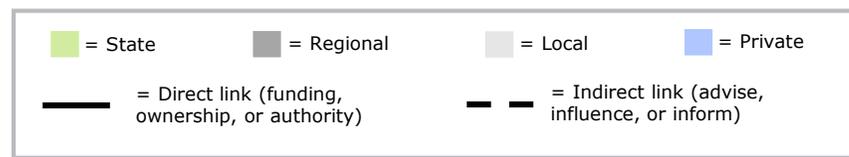
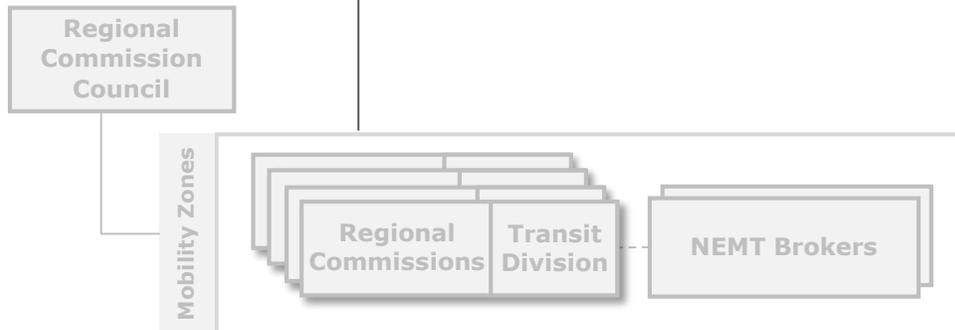
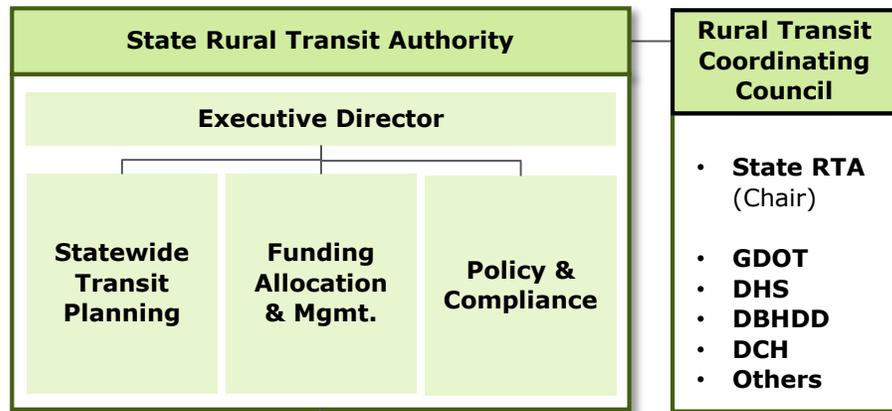
One agency would receive and allocate capital and operations funding for rural transit, with a regional operating model that provides coordination and assistance to operators



# Consolidated Rural State Transit Authority

# Overview of Consolidated State Rural Transit Authority

The State Rural Transit Authority would be managed by an executive director and three division, and consult with stakeholders through an interagency policy committee



## State Rural Transit Authority

**Governance:** Led by an executive director appointed by the governor, and advised by an interagency “regional transit coordinating council”

**Decision Rights:** Agency director has final decision authority over transit planning and funding allocation, with input from policy committee

## Functional Responsibilities



**Statewide Transit Planning:** Conducts integrated statewide rural transit planning, incorporating local MPO plans and projects



**Funding Allocation & Management:** Evaluates and prioritizes subrecipient funding applications for capital and operations



**Policy & Compliance:** Responsible for monitoring and assisting subrecipient compliance with state and federal requirements

# Programmatic Authority for Federal Transit Programs

Authority for rural public transit and human services transportation programs will be transferred to the new consolidated state agency

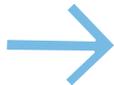


## State Rural Transit Agency

- The new transit authority **can be housed in an existing agency**
- The agency will serve as the **sole “designated federal recipient” for FTA** transit programs, including 5310 and 5311 funds
- The agency will **administer human services transportation** for interagency partners including DHS and DBHDD
- It will **oversee Medicaid NEMT funds** and **manage contracts with regional brokers**, with policy alignment and regional coordination



**Coordinated  
Transportation System**

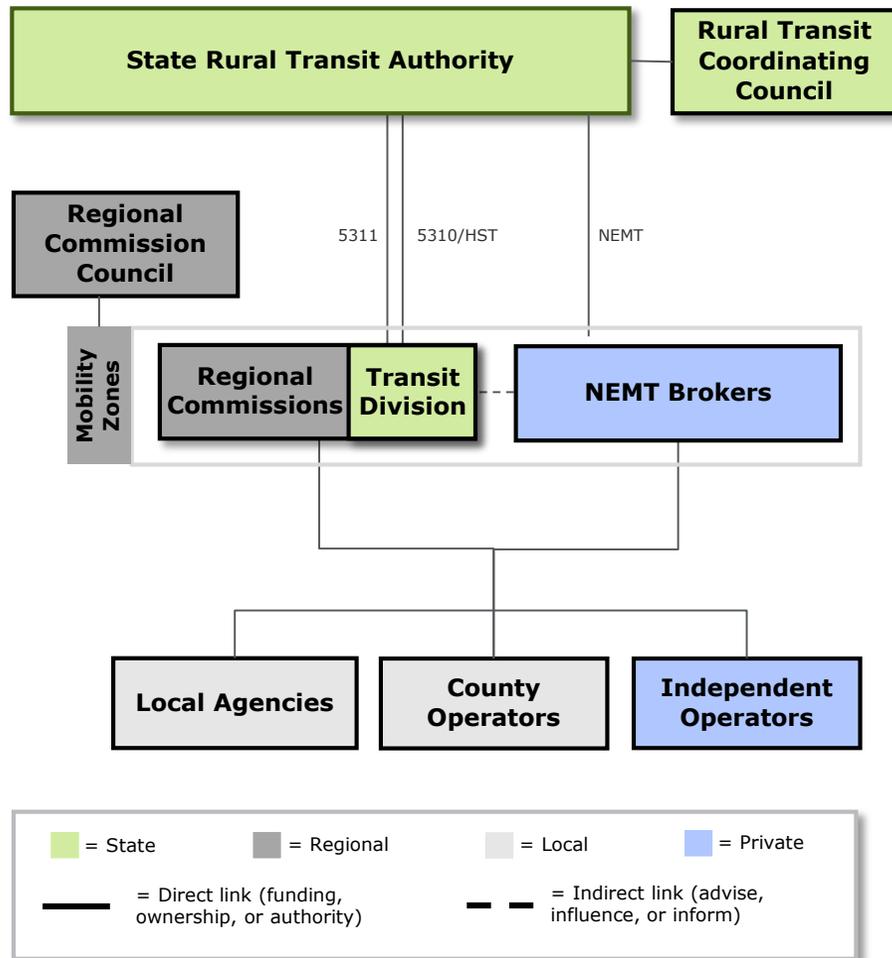


**Medicaid NEMT**

# Regional “Mobility Zones”

# Overview of Regional Operating Model – Leveraging Regional Commissions

Regional Commissions serve as “mobility zone” authorities, with a state-funded transit director and mobility manager embedded in the organization



## Regional “Mobility Zones”

**Governance:** The regional transit director and a dedicated mobility manager are funded by and report into the state transit authority

**Decision Rights:** A “Subcommittee on Transit” of the Regional Commission Council approves the coordinated regional transit plans

## Functional Responsibilities



**Regional Transit Planning:** Transit division staff develop coordinated transportation plans and incorporate local MPO plans



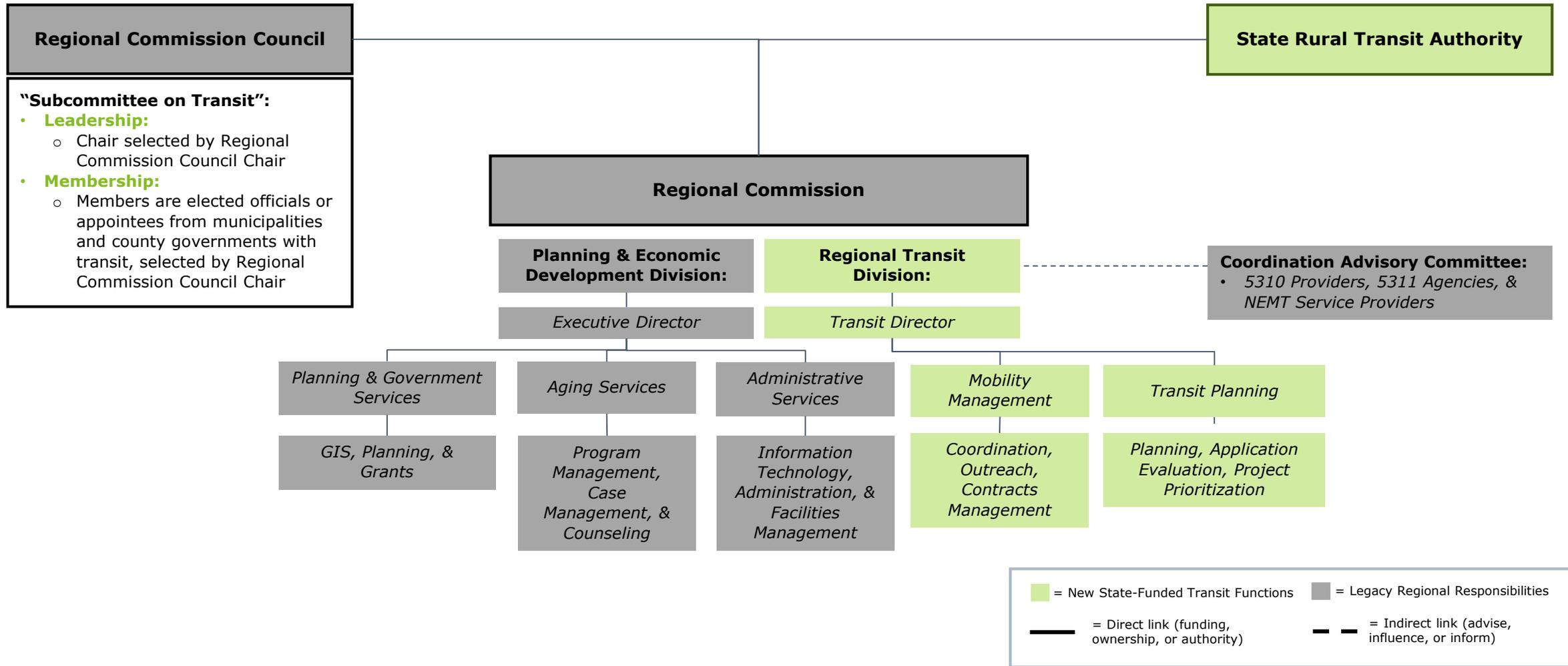
**Purchase of Service & Contract Admin.:** State coordinators manage contracts and disburse funding to local operators, as well as oversee NEMT



**Service Delivery Coordination:** Dedicated mobility managers operate a common dispatch and software platform, develop new routes and services, and serve as a key communications channel

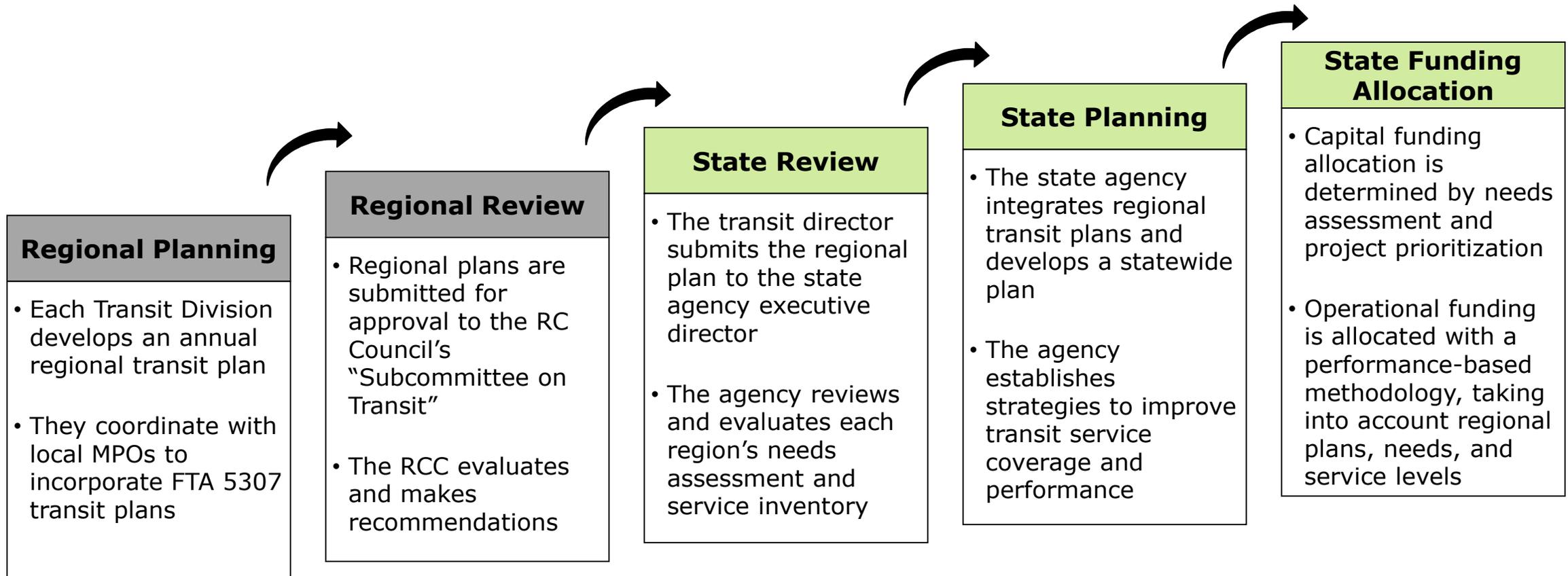
# Regional Commission Governance Structure

Each Regional Commission will have two divisions, the current planning and economic development division and a new state-funded transit division



# Regional and State Planning and Coordination

Transit Divisions plan and coordinate regional transit, gaining local approval from Regional Commission Council leadership while reporting to the state transit agency



The regional operating model **enables local participation and regional leadership**, while the funding and reporting requirements **ensure alignment with overall state plans and policy goals**

## Considerations for Mobility Zone Boundaries

Potential mobility zones should minimize disruption to existing regional services, match local travel patterns, and improve access to opportunity

### Each Mobility Zone should:

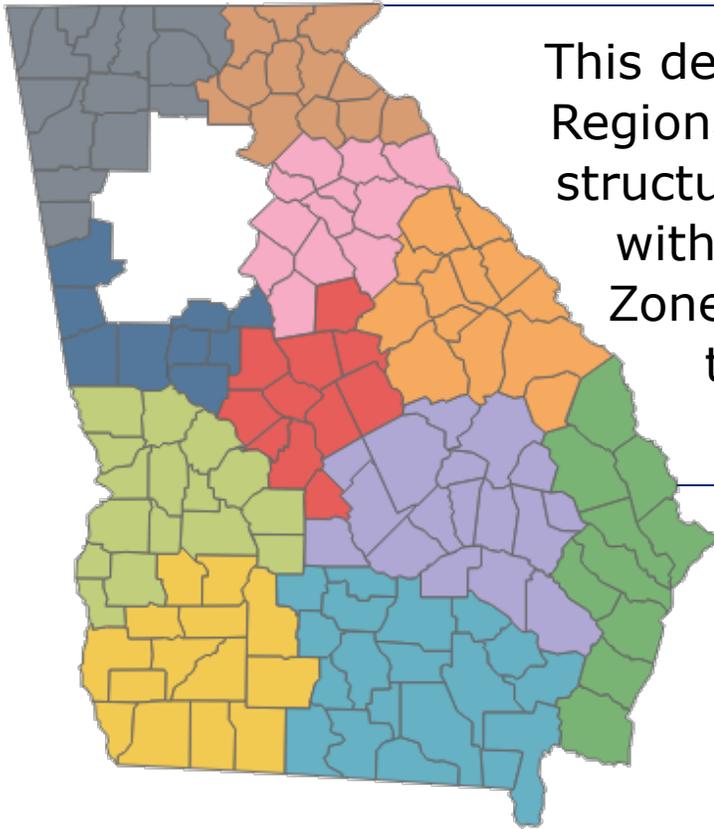
-  Match local travel patterns within zone borders
-  Facilitate travel to major travel destinations such as healthcare facilities, educational institutions, and employment opportunities within each zone
-  Have similar population size and growth forecasts to balance resources effectively across the state
-  Be anchored around at least one urban hub
-  Maintain effective regional transit services that exist today, and minimize disruption to TSPLOST regions

**Designing dedicated transit regions around these criteria will strengthen rural communities by improving connectivity to healthcare, education, workforce development, and jobs**

# Mobility Zone Design Options

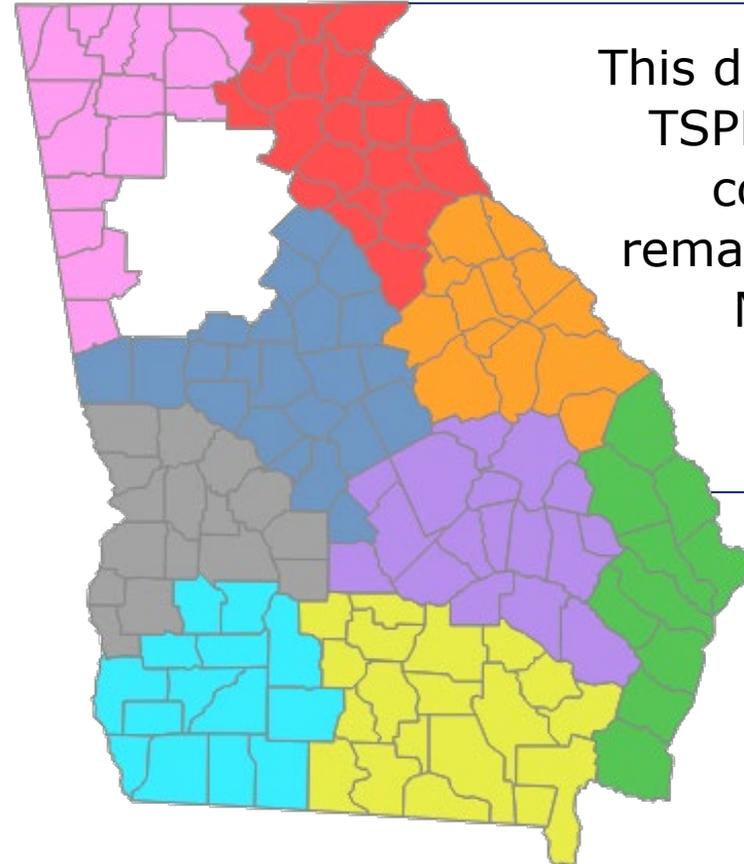
Georgia may leverage the existing Regional Commission structure to better coordinate transit, but should consider whether to consolidate regions

## 12 Zones



This design keeps the Regional Commission structure as it today, with 12 Mobility Zones (including the ATL)

## 9 Zones

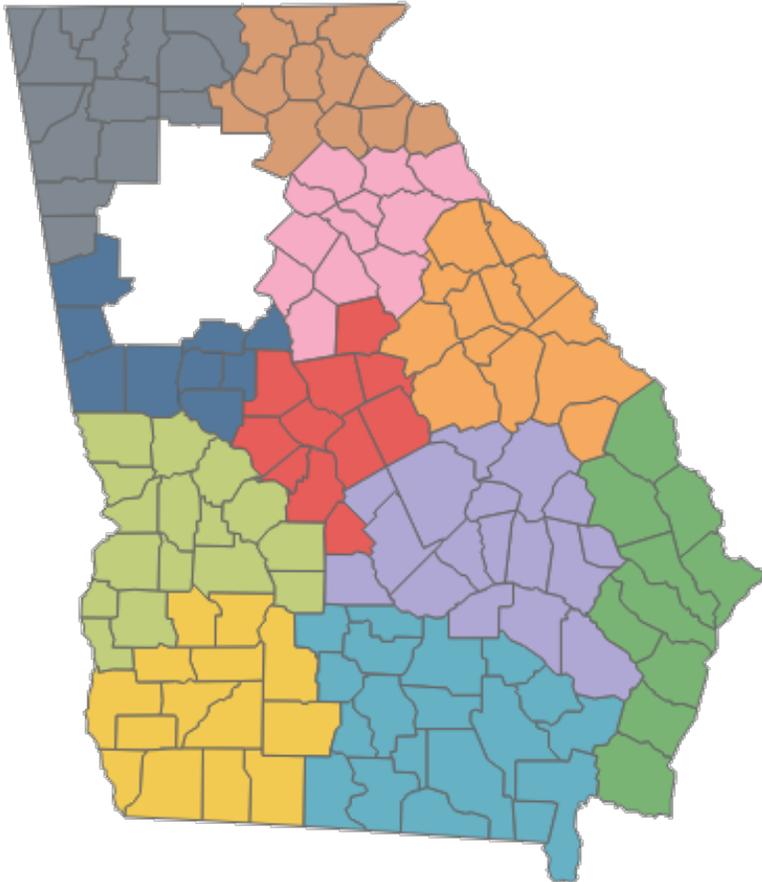


This design preserves the TSPLOST regions and consolidates the remaining areas, with 9 Mobility Zones (in addition to the ATL)

# Twelve Mobility Zones – The Current Regional Commission Structure

Leveraging the 12 Regional Commissions as the Mobility Zones would maintain existing regional services and funding measures, but may not support travel flow and demand

## Current Regional Commissions



### Pros

#### Maintains TSPLOST Regions:

- The four TSPLOST regions are kept intact, so there would be no impact on voter-approved tax measures or project lists

#### Maintains Regional Service

- The three Regional Commissions that currently administer regional transit service would not be disrupted and would benefit from increased state resources

### Cons

#### Cross-Zone Travel Flows:

- In 24 counties, the top work destination for commuters that travel to another county is outside the mobility zone
- This affects only 3.09% of those counties' workforce population (approx. 18,000 residents)

#### Transit Demand per Zone:

- Lower current and forecasted transit demand per mobility zone leads to less economies of scale and higher demands placed on service operators

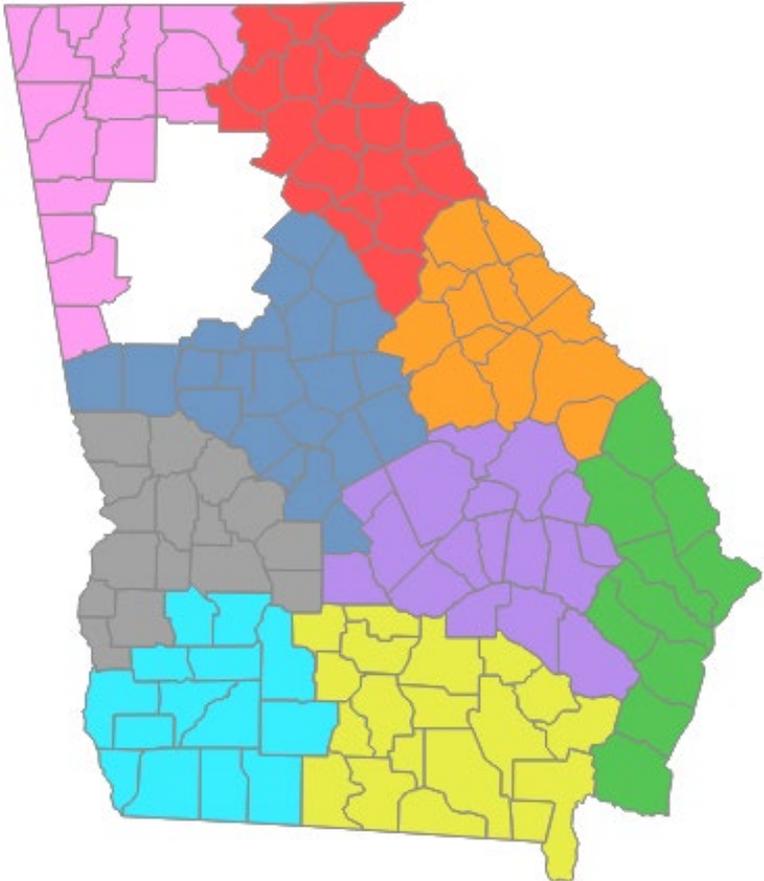
#### Average Population per Zone

- The lower population per zone may lead to limited customer base and difficulty in expanding service coverage

# Nine Mobility Zones – Consolidated Regional Structure

This design option features nine Mobility Zones, preserving the existing regional TSPLOSTs while consolidating several of the northern regions

## Potential Mobility Zone Map



### Pros

#### Maintains TSPLOST Regions:

- The four TSPLOST regions are kept intact, so no impact on voter-approved tax measures or project lists

#### Demand Parity:

- Expands access to major demand drivers (e.g. hospitals, workforce development centers, education centers) in the newly consolidated regions

#### Expands Regional Funding Base

- With a larger amount of local money in the combined northern Mobility Zones, they can expand their local funding base and achieve higher federal assistance (e.g. unused operational funding, competitive grants)

### Cons

#### Cross-Zone Travel Flows:

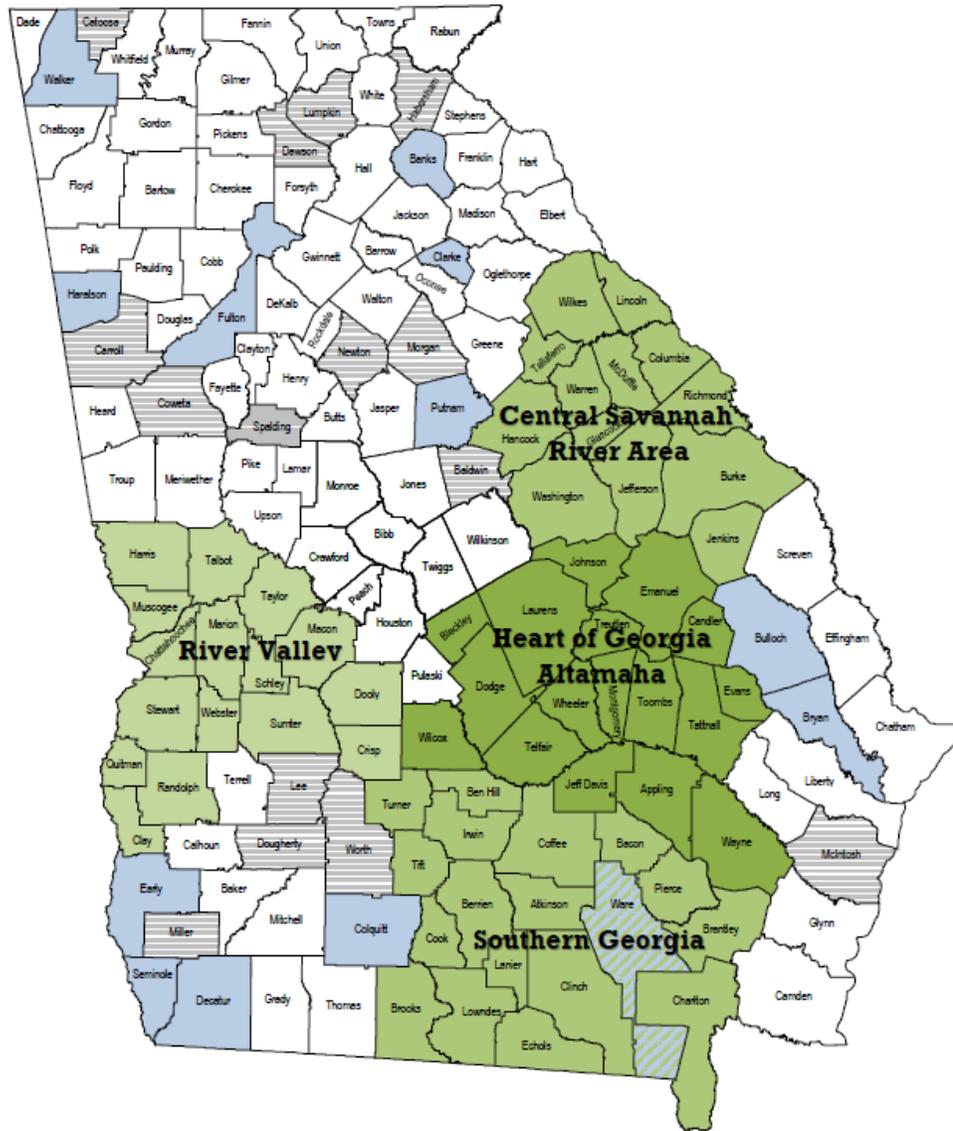
- In 23 counties, the top work destination for commuters that travel to another county is outside the mobility zone
- This affects only 3.1% of those counties' workforce population (approx. 12,500 residents)

#### Impacts Regional Service

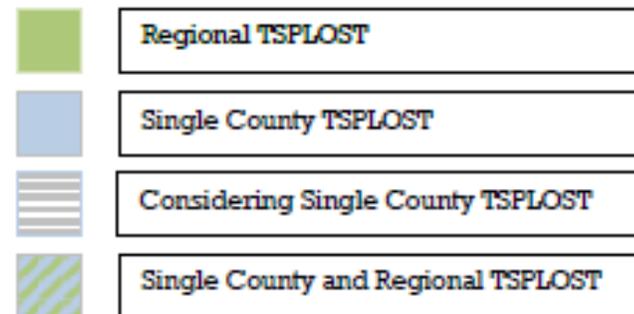
- Three Rivers Regional Commission, which currently administers regional transit service, would be impacted by boundary changes

# **Single County TSPLOST Panel Discussion**

# Panel Discussion – Single County TSPLOSTs



- In 2010, the Transportation Investment Act (TIA) permitted regions to impose a 1 percent Regional Transportation Special Purpose Local Option Sales Tax (TSPLOST) to fund transportation improvements within their region
  - Three of the 12 regions were successful in passing the tax in 2012 – River Valley, Heart of Georgia Altamaha, and Central Savannah River Area
  - Southern Georgia passed a regional TSPLOST in 2018
- To provide another funding option, the General Assembly passed a Single County TSPLOST in 2015, which allows individual counties that are not part of a regional effort to levy a sales tax solely dedicated for transportation purposes



**Lunch**

# **Rural Transit Funding Recommendation**

# Traditional Funding Sources and Alternative Policy Mechanisms

Beyond traditional tax measures, Georgia could consider implementing policy changes and incentives that can better leverage local and private funds for rural transit.

## Traditional Funding Sources



### Dedicated Taxes

- Regional TSPLOST
- Hotel/Motel Tax
- Motor Fuel Sales Tax

## Alternative Policy Mechanisms



### Incentives for businesses / organizations

- General tax credits for employer-provided transportation programs



### Incentives for individuals

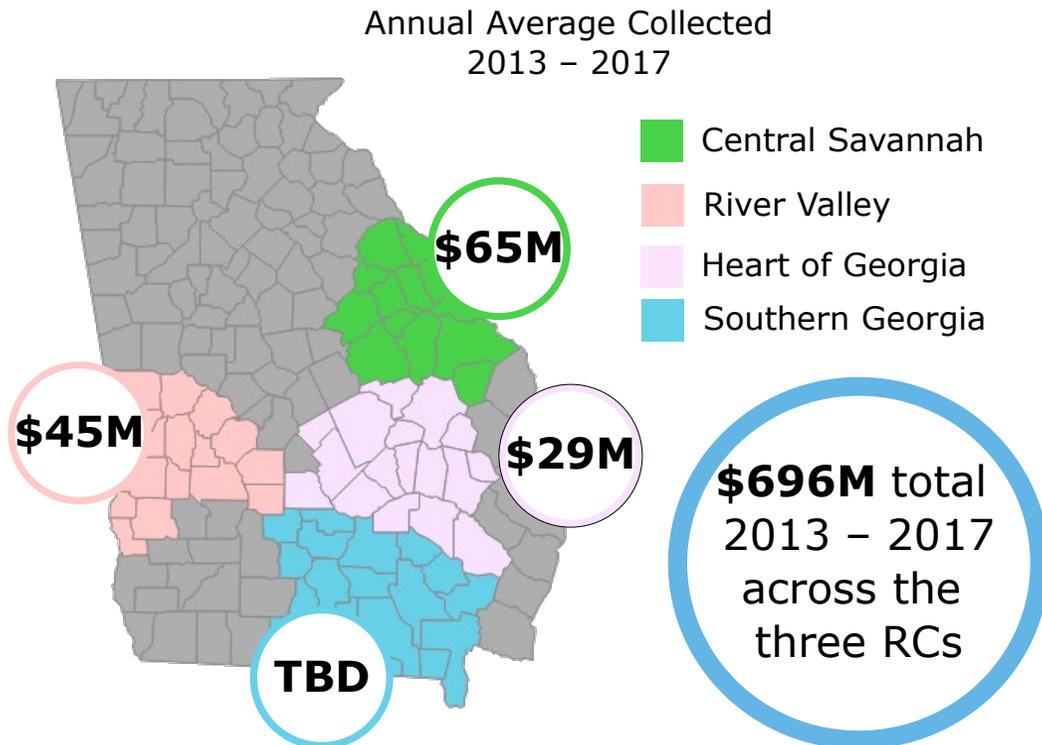
- State-level direct transit subsidies for eligible populations

**The state could help generate greater transit funds and economic growth across the state due to multiplier effects with these proposed transit funding sources**

# Regional TSPLOST Funding

A 1% TSPLOST in all of Georgia's rural counties and other metro areas would yield **\$706M annually** over twenty years, providing a flexible transportation funding source

## Current Annual Average Revenue:



## Potential Annual Average Revenue:

- If the entire state (excluding the ATL) was to pass a 1% TSPLOST, it could yield \$706M annually
- The current 12 Regional Commission structure yields an average of **\$64 million\*** per Regional Commission, while with 9 Mobility Zones, each Zone would average **\$78 million**
- This increase in revenue potential is gained by **the merging of the three northmost Mobility Zones**
- If the Transportation Investment Act was adjusted to allow operations and maintenance, regions may be able to leverage additional funds for transit projects

\*Based on Deloitte's analysis of analyzing historical SPLOST revenue

**Central Savannah River Area, River Valley, and Heart of Georgia - Altamaha** passed TSPLOST measures in 2012. Voters in **Southern Georgia** Regional Commission approved a TSPLOST in 2018.

# State Pilot Program - Tax Credits for Employer-Based Transit Benefits

Georgia could consider providing corporate tax credits for employers to offer transit benefits packages to new employees who struggle with the cost of transportation

## Tax Credits for Employer-Provided Transit Benefits



### **Description:**

- **State-level tax credits** for employers to offer qualified transportation benefits, which could be administered in various ways depending on the company's interest and needs (e.g. transit passes provided to employees, shuttle service operated by third parties, etc.)



### **Example:**

- In Washington state, employers who provide commuter benefits may claim a tax credit of up to 50%, in addition to saving on state payroll taxes. Maryland and Minnesota also offer employer tax credits of 50% and 30% respectively.



### **Impact:**

- There are **no direct expenditures by the state**, though it would lose money in corporate tax revenues
- Any **newly salaried employees** would contribute personal tax revenue back to the state, with **multiplier effects leading to additional economic growth** in Georgia's rural areas.

# State Pilot Program - Direct Transit Assistance for the Unemployed

Georgia could consider a competitive grant program, where selected regions would develop transit assistance programs to connect the unemployed with job opportunities

## Direct Transit Subsidies for the Unemployed



### **Description:**

- State transportation **subsidies provided directly to eligible participants** (e.g. unemployed, or new employees of eligible companies)



### **Example:**

- In 2018, Washington state launched a pilot program to expand TANF transportation benefits in select rural and urban communities, with success in helping low-income recipients meet work requirements



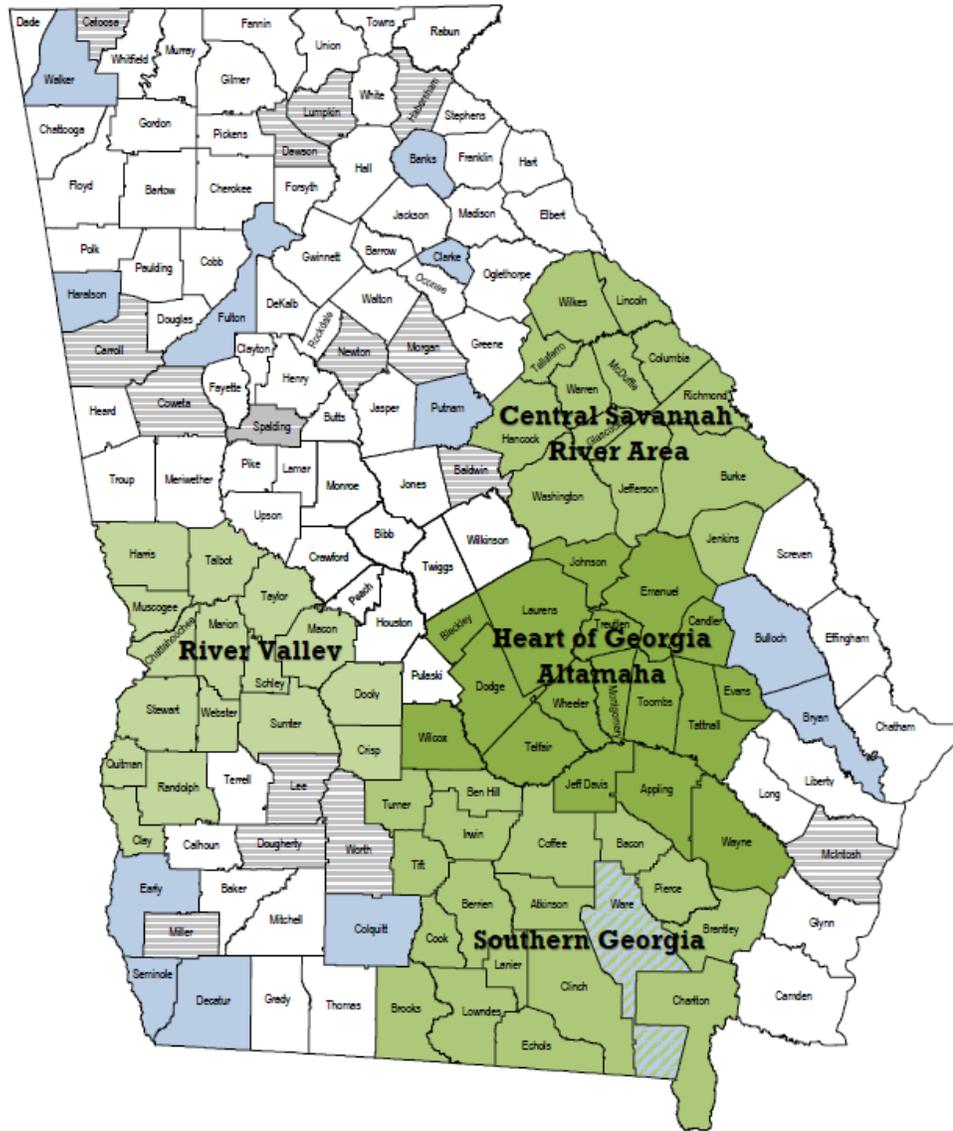
### **Impact:**

- The transit subsidy would **cost the state in direct expenditures** as well as additional compliance costs and monitoring, but could bring in additional **personal income tax revenue due to newly filled jobs**
- The state could help **decrease unemployment and help generate greater economic growth** across the state due to multiplier effects.

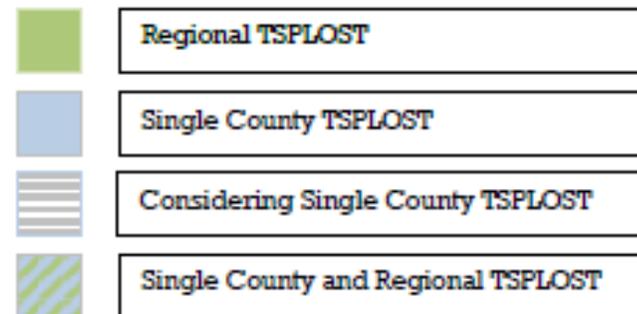
**Source:** Georgia Department of Revenue 2017 Statistics, Georgia Department of Labor Statistics, Deloitte Analysis

# **Regional TSPLOST Panel Discussion**

# Panel Discussion – Regional TSPLOSTs



- In 2010, the Transportation Investment Act (TIA) permitted regions to impose a 1 percent Regional Transportation Special Purpose Local Option Sales Tax (TSPLOST) to fund transportation improvements within their region
  - Three of the 12 regions were successful in passing the tax in 2012 – River Valley, Heart of Georgia Altamaha, and Central Savannah River Area
  - Southern Georgia passed a regional TSPLOST in 2018
- To provide another funding option, the General Assembly passed a Single County TSPLOST in 2015, which allows individual counties that are not part of a regional effort to levy a sales tax solely dedicated for transportation purposes



# Closing Remarks and Next Steps

# Commission Meeting Schedule and Topics

The Commission meeting schedule will provide members an opportunity to review findings and provide input into the Phase II Rural Study leading up to 2019

