



**Knoxville Regional Transportation Planning Organization
Executive Board Workshop**

May 15, 2013

3:00 p.m.-5:00 p.m.

**Small Assembly Room, City County Building
400 Main Street – Knoxville, Tennessee**

Attendance

The Knoxville Regional Transportation Planning Organization (TPO) Executive Board held a workshop on May 15, 2013 at 3:00 p.m. in the Small Assembly Room of the City/County Building, Knoxville, Tennessee. Mayor Ralph McGill, Chair, chaired the meeting and called it to order. It was determined there was a quorum.

Perrin Anderson	Sevier County, <i>for Mayor Larry Waters</i>
Amy Broyles	Knox County Commission, <i>for Tony Norman</i>
Madeline Rogero	Mayor, City of Knoxville
Ralph McGill	Mayor, Town of Farragut
Liza Joffrion	Tennessee Department of Transportation (TDOT), <i>for Governor Haslam</i>
Ed Mitchell	Mayor, Blount County
Don Mull	Mayor, City of Alcoa
Brenda Palmer	City of Knoxville
Tim Burchett	Mayor, Knox County
Cindy Pionke	Knox County, <i>for Mayor Tim Burchett</i>
Ed Shouse	East Tennessee Development District (ETDD)
Eddie Simpson	Loudon County, <i>for Mayor Estelle Herron</i>
Tom Taylor	Mayor, City of Maryville

Members and other staff from the Technical Committee, TPO, Knoxville Area Transit, Knox County CAC Transit, East Tennessee Human Resource Agency (ETHRA), TDOT, the Public, and other guests were in the audience.



**Knoxville Regional Transportation Planning Organization
Executive Board
Workshop Summary
May 15, 2013**

Recent changes by the U.S. Census to the Knoxville urbanized area and the U.S. Congress passing a new transportation act will have an impact on our regional transit services.

The urbanized area is determined by the U.S. Census Bureau. Between 2000 and 2010, the Knoxville urbanized area recorded the largest increase in population in the State of Tennessee (a 33% growth). The current population of the Knoxville urbanized area is 558,696. In general, the Knoxville urbanized area encompasses most of Knox and Blount Counties, parts of Loudon County (Lenoir City and City of Loudon areas), Anderson County (Oak Ridge, Clinton, Oliver Springs), and Sevier County (Seymour area). In land area, the urbanized area grew by 100 square miles between 2000 and 2010.

The urbanized area affects the Federal transit funding that comes to the Knoxville area. Federal Transit Administration (FTA) funding can be broken down into urbanized area or rural area. These grant programs have strict rules on how transit services can be billed. Typically, those services that run in the rural areas are paid with rural funding and those services that run in the urbanized area are paid by urbanized funding. There is only a limited amount of funding.

Complicating things further, the new Federal transportation law, called Moving Ahead For Progress In The 21st Century Act (MAP-21) went into affect on October 1, 2012. MAP-21 provides the rules and regulations and sets the maximum amounts of funding that can be provided. MAP-21 eliminated some transit funding programs and merged others together. When you look at all of the FTA funding, the Knoxville urban area will be getting less under MAP-21. This will have an impact on Knoxville Area Transit (KAT), Knox County CAC Transit, East Tennessee Human Resource Agency (ETHRA), and various non-profits throughout the region.

The FTA has sent a letter to the Governor of Tennessee stating each local urbanized area must quickly resolve these issues. While each FTA funding source has a local administrator, which has its own project selection process, ultimately the final decision rest with the TPO Executive Board who must approve the funding and projects by voting them into the Transportation Improvement Plan (TIP). Key decisions will include, how do we as a region decide to divide the urban area funding and which projects will we fund.

As noted, all of the funding is being utilized to date, so any change will impact someone's service. Another issue is can each agency and/or municipality fund the required local match. There is a possibility that cities or counties who did not provide local funds under the rural grants, may have to for urban area services. And, while the immediate focus is on solving the current service issues, we as a region, ultimately, need to look at ways to bring in additional transit funds, better ways to coordinate, and/or different ways to manage our transit services.

At the workshop, a great deal of discussion centered on how FTA funding flows to the urban area. For each FTA grant program a Designated Recipient must be selected. The Designated Recipient is the program manager or administrator of those funds. They are required to make sure that funding is spent in accordance with Federal regulations and they are audited by FTA. Designated Recipients can sub-contract funding to other agencies. The sub-contractor is called a sub-recipient. The Designated Recipient is responsible to be sure that the sub-recipient is complying with all Federal regulations including participating in the audit. FTA, for agencies that receive frequent grants has created a Direct Recipient status. In this situation, the Designated Recipient can award or divide funding to a Direct Recipient, but the Designated Recipient is not responsible for oversight or auditing. The Direct Recipient is "directly" responsible to FTA to be sure they are meeting all Federal requirements and they will be audited (not the Designated Recipient). These designations are important in how the local agencies and governments determine their working arrangements and how FTA funding will be allocated.

ETHRA indicated that they have clients in the newly urbanized area that will no longer be eligible for service on July 1, 2013. This service reduction will not impact TennCare trips. Knox County CAC Transit is impacted by both the urbanized area growth and MAP-21, with some services being discontinued after August of 2013. The TPO has some FY 2012 funding still available that needs to be distributed. And, while this funding can help, it will not come close to solving all of the issues. No immediate solution to solve both ETHRA and Knox County CAC Transit service issues was identified. Several tasks that need further research were outlined. Some of the tasks are to help solve the more immediate issues, while others are for longer term considerations.



**Knoxville Regional Transportation Planning Organization
Workshop Identified Questions, Issues, and Tasks
May 15, 2013**

Short Term Issues & Action Items

1. Secure funding for ETHRA and Knox County CAC Transit in order to continue to provide urban area services.
2. Can TDOT find any other funds that can be reallocated to the Knoxville urban area?
 - 100% State funds.
 - Old Federal funds (based on SAFETEA-LU regulations).
 - Trade of SAFETEA-LU funds for MAP-21 funds.
3. Can ETHRA possibly get an extension for the use of the rural Section 5311 funding till September 30, 2013?
4. Are there any other potential funding sources that can be used as stop gap to continue services until a more permanent solution is found?
5. Immediate Action Items
 - Update the Knoxville Regional TPO Human Services Transportation Coordination Plan (required for some FTA funding programs).
 - Call-For-Projects for the Section 5310, Section 5316, and Section 5317
 - i. Proposals due June 6, 2013
 - ii. TPO sub-committee Human Services Transportation Coordination Committee recommends projects to Technical Committee who then makes recommendation to TPO Executive Board.
 - iii. TPO or other Designated Recipient makes application to FTA for funding.

6. What is required for a municipality or agency to become a Designated Recipient of a FTA grant funding program?
 - Who is eligible to become a Designated Recipient and is there any difference for the different funding programs (5307, 5310, 5339)
 - Which funding programs (5307, 5310, 5339) require the TPO Executive Board to approve and submit to the Governor a Designated Recipient?
 - Who should be the Designated Recipient for each funding program (5307, 5310, 5339)
 - i. Not only which agencies are legally eligible, but which have the functional capacity to fulfill the responsibilities of a Designated Recipient?
 - ii. Should the City of Knoxville remain the Designated Recipient for Section 5307 funding?
 - iii. Which agencies should be the Designated Recipient for Section 5310 and Section 5339?
 - What is the proper process for determining the Program of Projects and or funding distribution?
 - Can another agency beside the Designated Recipient conduct the Program of Projects and/or make the funding distribution decision?
 - What are the union/Department of Labor issues surrounding the distribution of FTA funding?
 - What is required of the Designated Recipient to monitor sub-recipients?

7. What is required for a municipality or agency to become a Direct Recipient of FTA funding?
 - Who is eligible to become a Direct Recipient and is there any difference for the different funding programs (5307, 5310, 5339)
 - What needs to occur to confirm an agency a Direct Recipient?
 - What are the union/Department of Labor issue surrounding the distribution of FTA funding under a Direct Recipient status?

8. Explore use of TPO Local-Surface Transportation Program (STP) funds for operating costs.
 - Some preliminary discussion that this may be allowed (for the first time) under MAP-21.
 - Final MAP-21 regulations not out yet.
 - TPO already flexing Local-STP for transit capital projects. Should this be changed to transit maintenance, bus parts, etc.?

Long-Term Issues & Action Items

1. Continue to work on longer term solutions.
 - Explore the need for a Regional Transportation Authority. Work activity identified in the TPO Work Program starting on October of 2013.
 - Continue to work on coordination activities
 - Continue to work on long term funding option.
 - Community discussions on what level of transit service is needed for the urban area.

WORKSHOP AGENDA & HANDOUTS

Knoxville Regional Transportation Planning Organization Executive Board Workshop

May 15, 2013

3:00 p.m.-5:00 p.m.

Small Assembly Room, City County Building
400 Main Street – Knoxville, Tennessee

AGENDA

1. Welcomes & Introductions – Mayor Ralph McGill, Town of Farragut and TPO Executive Board Chair
Jeff Welch, Director, Knoxville Regional TPO
2. Presentations:
 - A. Background, Identification of Issues, & Current Efforts
Presenter: Doug Burton, TPO Staff
Attachment #2A: Impact of Urban Area Expansion and MAP-21
Map: Who Will Be Affected?
FTA Funding Programs Available to the Knoxville Urbanized Area
FTA Letter to Governor Haslam
 - B. Tennessee Department of Transportation – Multimodal Transportation Resources
Presenter: Liza Joffrion, Director
Attachment #2B: The Geography of Transit Funding
 - C. Knoxville Area Transit
Presenter: Cindy McGinnis, General Manager
Attachment #2C: What Is KAT? / KAT FY 2013 Operating Budget
A KAT System Map was handed out. To view please visit www.katbus.com
 - D. Knox County CAC Transit
Presenter: Karen Estes, Director
Attachment #2D: Knox County CAC Transit Section 5307 Issues
KC CAC FY 2013 Knoxville Urban Area Section 5307 Allocation
 - E. East Tennessee Human Resource Agency (ETHRA)
Presenter: Mike Patterson, Transportation Director
Attachment #2E: ETHRA Public Transportation/ETHRA Urbanized Area Information
Letter to ETHRA Policy Council
3. Executive Board Discussion
4. Wrap-Up, Recommendations, & Next Steps
5. Adjourn

The Impact Of Urban Area Expansion And MAP-21 On Transit Service In The Knoxville Region

Executive Board Workshop
Wednesday, May 15, 2013



Today's Agenda

- Welcome and Introductions
- Presentations
 - **Background, Issues, and Current Efforts (TPO)**
 - TDOT – Multimodal Transportation Resources
 - KAT
 - Knox County CAC Transit
 - ETHRA
- Executive Board Discussion
- Wrap-Up, Recommendations, and Next Steps
- Adjourn

Why The Change? New Federal Legislation (MAP-21)

- New transportation act, Moving Ahead for Progress in the 21st Century (MAP-21), passed in October 2012
- MAP-21 authorizes programs for two years,
- Final regulations yet to be published (Federal Register)
- MAP-21 eliminated some Federal Transit Administration (FTA) grant programs
- Funding Cut
 - Some funds cut in absolute dollars
 - All funds cut relative to population

Why We Are All Here Today

- Many of the funds that support KAT, ETHRA, and CAC are approved by the Executive Board via the TIP
 - 5307 – Urban Transit
 - 5310 – Elderly and Disabled
 - 5316 – Job Access & Reverse Commute
 - 5317 – New Freedom
- We need to decide:
 - Who will be in charge of administering the funds (designated recipient)
 - How do we want these funds subdivided and distributed (this is the decision of the TIP)
 - Are there other funding sources?
 - Next steps (we will expand on this later)

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Why We Are All Here Today – FTA Letter To Governor Haslam (7/12/12)

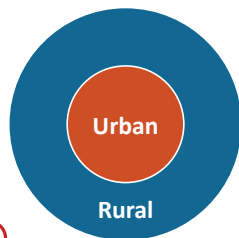
- Changes to urban areas & urban area funding begins FY 2013
- Transit providers formerly outside urban areas now eligible for urban area funds
- TPO and all urban area transit providers must coordinate in programming FTA funding
- State and Designated Recipient must submit documentation that any transit providers formerly outside urban areas concur in the selection of Designated Recipient

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FTA Funding 101 – Urban v. Rural Funding

- FTA funding roughly fits into two categories – **Urban Funding** and **Rural Funding**
 - Services that begin and end in an **urban area** are eligible for **urban funds**
 - Services that begin and end in a **rural area** are eligible for **rural funds**
- Trips that begin and end in different areas have some flexibility on how they are charged
- In Knoxville region no one provider has access to both urban and rural funds
- Many of our “urban” areas are served by rural style transit (no fixed routes)



} **This is where it gets complicated**

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FTA Funding 101 – Primary FTA Urban Funding Programs

- **Section 5307 – Urban Area Transit**
 - City has been recipient since 1975
 - Distribution based on complicated formula
- **Section 5316 – Job Access & Reverse Commute**
 - TPO has been the recipient since 2007
 - Still have FY 2012 funding, program eliminated in FY 2013
- **Section 5310 – Elderly & Disabled**
 - TDOT was the recipient prior to FY 2013
 - MAP-21 now allocates funding to large urban areas
- **Section 5317 – New Freedom**
 - TPO has been the recipient since 2007
 - Still have FY 2012 funding, program merged with 5310 starting in FY 2013

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FTA Funding 101 – Changes In Urban Transit Funding

Funding Program	SAFETEA-LU / 2000 Census (Pop = 420K)		MAP-21 / 2010 Census (Pop = 559K)		Change	
	FY 2010-2012 (Avg)		FY 2013		Total \$	\$ / Pop
	Total \$	\$ / Pop	Total \$	\$ / Pop		
Section 5307 – Urban Transit (KAT)	\$4.6 M	\$11.06	\$5.5 M	\$9.77	+\$815 K	-\$1.29
Section 5316 – JARC (CAC)	\$270 K	\$0.64	\$0	\$0	-\$270 K	-\$0.64
Section 5310 – Elderly & Disabled (non-profits)	\$475 K	\$1.13	\$444 K	\$0.80	-\$31 K	-\$0.34
Section 5317 – New Freedom (CAC)	\$164 K	\$0.39	\$0	\$0	-\$164 K	-\$0.39
Total	\$5.6 M	\$13.23	\$5.9 M	\$10.57	+\$350 K	-\$2.66

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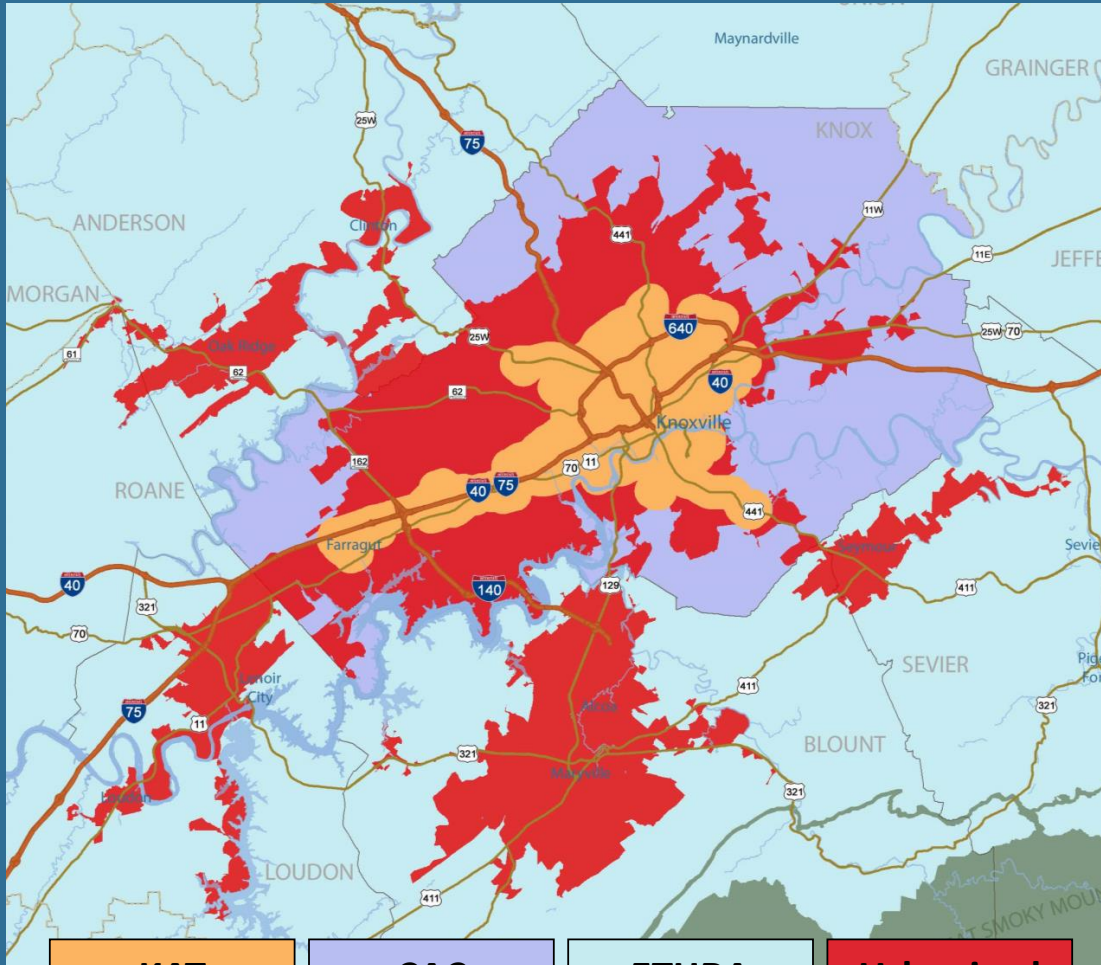
FTA Funding 101 – Section 5307 Urban Area Funds

- Urban Transit (5307) funds are calculated based on a complicated formula, which includes:
 - **Bus vehicle revenue miles**
 - **Bus passenger miles**
 - Population
 - Population density
- CAC is requesting share of urban funds (5307) based on their data entered into national database (component of funding allocation)
- ETHRA data is not currently input into database

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Who Will Be Affected?



Some trips provided by ETHRA and CAC will no longer be provided in **urbanized areas**

- ETHRA – July 1
- CAC – August

(some trips, such as TennCare, will still be covered in these areas)

KAT

CAC

ETHRA

Urbanized

Federal Transit Administration Funding Programs Available To The Knoxville Urbanized Area

Funding represents Federal dollars and a local match is required. For capital projects, funding requires 80% federal – 20% local match. For operating services, funding requires 50% federal – 50% local match. In most cases, the Tennessee Department of Transportation has provided half of the local match. Federal funds are allocated on a fiscal year that runs from October 1st to September 30th.

Section 5307 – Urbanized Area Funding

FY 2013 – \$5,458,919 For FY 2013, \$2,628,816 has already been programmed.
FY 2014 – \$5,458,919 (estimated)

The City of Knoxville has been the recipient since 1975. Distribution is based on a complicated formula that includes: population, population density, bus vehicle revenue miles, and bus passenger miles. Both KAT and CAC currently provide data, which is used in the formula. To date only KAT has utilized these funds. Funding can be used for capital projects and/or operating services and administration. The funding of operations (beyond maintenance activities) is new to FY 2013. Approximately half of the funding can be used for operations.

Section 5310 – Enhanced Mobility for Seniors & People with Disabilities

FY 2013 – \$444,386 In FY 2013, Knoxville urban area receives a direct allocation
FY 2014 – \$444,386 (estimated)

Prior to 2013 the Tennessee Department of Transportation was the recipient of this funding. TDOT takes applications and funding was distributed primarily to non-profits to purchase vans. Now in 2013, large urban areas like Knoxville receive a direct allocation. Funding can be used for capital projects and/or operating services and administration. Starting in FY 2013, the New Freedom program was folded into the Section 5310 program. Note: FY 2013 - 55% must be used for original 5310 activities (vans for non-profits) and 45% can be used for New Freedom activities.

Section 5316 Job Access & Reverse Commute (JARC)

FY 2012 – \$270,000 funding still available, needs to go through selection process
FY 2013 – \$0 program eliminated

The TPO is the recipient of the JARC funding. The TPO takes applications and the Executive Board makes final approval of which projects will be funded. Over the last few years the funding has been awarded to Knox County CAC Transit to transport passengers to jobs or job related training. Funding can be used for capital projects and/or operating services and administration. Starting in FY 2013, the 5316 program was eliminated, but services are now eligible to be funded with Section 5307 funds.

Section 5317 – New Freedom Program

FY 2012 – \$165,000 funding still available, needs to go through selection process
FY 2013 – \$0 program folded into the Section 5310 Enhanced Mobility program

The TPO is the recipient of the New Freedom funding. The TPO takes applications and the Executive Board makes final approval of which projects will be funded. Over the last few years the funding has been awarded to Knox County CAC Transit for the Volunteer Transportation Assistance Program. Funding can be used for capital projects and/or operating services and administration. Starting in FY 2013, the New Freedom program is folded into the Section 5310 program.



U.S. Department
Of Transportation
Federal Transit
Administration

JUL 17 AM 8:48

Bill Haslam,
Office of the Governor
1st Floor, State Capitol
Nashville, TN 37243

July 12, 2012

Dear Governor Haslam:

This letter is to inform you of upcoming changes to the Federal Transit Administration's Section 5307 Urbanized Area Formula Program as a result of the 2010 Census. These changes will also affect the distribution of funds under other FTA formula-based programs authorized by the recently passed transportation authorization, MAP-21.

Beginning in Fiscal Year (FY) 2013, FTA will allocate funding under these formula-based programs according to the Urbanized Area (UZA) designations and population counts determined by the 2010 Census. The Census Bureau has identified a number of changes since the 2000 Census that may affect how funding under the Section 5307 program is awarded to grantees in Tennessee. Some of these changes may require you to select a new Designated Recipient for a large urbanized area.

In addition, these changes will require public transit agencies in newly designated small urbanized areas, as well as previously non-urbanized areas of UZAs that grew geographically, to participate in the multimodal planning processes of newly designated, or previously existing, metropolitan planning organizations (MPOs) for those areas. Grantees in these areas will need to work in partnership with the MPO and State DOT to ensure compliance with federal transportation planning requirements in order to receive funding through the Section 5307 program, as well as from other Federal funding programs.

These changes will apply to funds apportioned beginning in FY 2013. Previously apportioned funds will not be affected, and may continue to be used under the terms for which they were originally apportioned.

The following scenarios will apply in Tennessee:

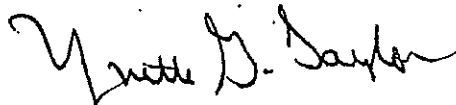
- Formerly non-urbanized (rural) areas have become part of a geographically enlarged existing UZA (merged Non-Urbanized Areas)
 - Transit providers in the formerly non-urbanized area will now be eligible to receive funds under the Section 5307 Urbanized Area Formula Program.

- Transit providers in the formerly rural area that are eligible public entities may elect to become a Direct Recipient and receive grants directly from FTA as allocated by the Designated Recipient. Direct recipients are subject to oversight by FTA, which includes additional reporting requirements and compliance reviews (e.g. civil rights reviews, triennial reviews).
- Private non-profit organizations that provide public transit in the formerly rural area will need to cooperate with an eligible Direct Recipient in order to receive funds.
- The MPO for the UZA and transit providers in the formerly non-urbanized area will be required to coordinate in the programming of Federal transit funding (in cooperation with the Designated Recipient in areas with populations of 200,000 or more).
- If the formerly non-urbanized area has become part of a Large UZA, the state and designated recipient(s) must submit documentation that any transit providers in the formerly non-urbanized area have concurred in the selection of the designated recipient.
- Please see the attached table of former rural areas that have been absorbed into your State's UZAs (pages 5-12 of the 2010 Census Tables attachment).

In addition to the above-referenced changes in eligibility and grantee requirements, the change in population between the 2000 Census and 2010 Census will also affect the amount of Federal transit funding that an urbanized area will receive under the Section 5307 program. The distribution of formula funding is based on several factors, including overall population, population density, vehicle revenue miles and other service measures reported to the National Transit Database.

FTA will publish additional guidance over the next few months regarding the Section 5307 program and federal planning requirements, as well as guidance on changes to FTA programs resulting from MAP-21. In the meantime, additional information on Census updates is also available on the FTA website. If you have any questions regarding this matter, please contact me at 404-865-5600 or Ms. Valencia Williams at 404-865-5634.

Sincerely,



Yvette G. Taylor, Ph.D.
Regional Administrator
Federal Transit Administration

cc: Tennessee FHWA Division Administrator -- Pamela Kordenbrock
Tennessee Department of Transportation -- Sherri Carroll



THE GEOGRAPHY OF TRANSIT FUNDING

Impacts of MAP-21 and Census 2010 on Transit Funding in the Knoxville Urbanized Area

Federal Transit Administration (FTA) Funding Sources

FTA Program	Geography	Population Served	Mode	Current Recipient
5307	Urbanized Areas	General Public	Generally Fixed Route Service	KAT
5307 Paratransit	Urbanized Areas- Within ¼ mile of a KAT fixed route	People with disabilities who are unable to access the fixed route system	Demand-Response	KAT
5311	Rural Areas	General Public	Demand Response or Fixed Route	ETHRA
5310	Both Urban and Rural	Elderly & People with Disabilities	Varies	CAC

Public Transit Basics

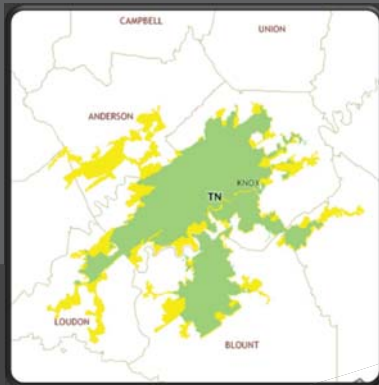
- Fixed Route Transit with Complementary Paratransit (KAT)
 - Job/housing density and transit are mutually supportive.
 - ADA requires paratransit within ¼ mile of fixed routes
- Demand Response Transportation (ETHRA, CAC)
 - Passengers make reservations in advance for trips
 - Passengers may be grouped together in one vehicle for trips
 - Can be provided concurrently with human services contract transportation (TennCare, etc) to help support the cost

Census Geography: Urbanized vs. Rural

- Does not correspond to political subdivisions or the MPO boundary
- Census Blocks are scored on multiple criteria
- A system of “rules” determines which blocks are designated rural or urban
 - Considers characteristics of each block
 - Considers the spatial relationship of the block in relation to surrounding blocks



Knoxville Urbanized Area: 2000 vs. 2010



Knoxville is not Alone in Dealing with this Problem



Challenges for ETHRA

- Two types of service: general public and contract service paid for by TennCare, DHS, etc. (54% contract, 46% public in 2012)
- TennCare and other human services clients can still be served regardless of their Census designation, but general public passengers must live in the rural area to be served
- Rural residents who see ETHRA vehicles doing contract service in their neighborhoods will not understand why they can no longer ride
- Former general public passengers who live in newly urbanized areas face a loss of service
- 5311 and 5307 dollars must be used for open-door, first come-first-served transit service. Prioritization of medical appointments or transportation disadvantaged passengers is not permitted.

Challenges for KAT

- Diluting the 5307 funds for demand-response service in outlying areas would undermine efforts to establish a regional fixed route system.
- Long-term, mobility in Knoxville needs to have a fixed route public transportation component.
- Union considerations prevent KAT from contracting with CAC for paratransit
- Efforts to extend KAT services to outlying jurisdictions will require financial participation from those jurisdictions
- City of Knoxville is not in a position to provide regional transit. Is it time to explore a Knoxville Regional Transit Authority?

Challenges for CAC

- An "odd bird" – CAC performs a service that is vital to the community but does not fit easily into federal funding categories
- Knoxville needs to recognize that they are leading the state in
- Jobs Access (JARC) funds are now included in 5307 funds (\$271,865)
- 5317 funds (Elderly & Disabilities) are now included in 5310
- 5310 funds will no longer be distributed by TDOT but by the Knoxville UA



What Next?

- Analysis of trip data to gain an understanding of the impact of the changes through GIS
- Cost Allocation Plans for ETHRA (and possibly CAC) - will allow these agencies to provide special services to jurisdictions and charge them appropriately.
- Service costs
 - What would be the cost of continuing general public demand response service in the newly urbanized areas?
 - What would be the cost of providing only "safety-net" transportation on a demand response basis? How could that be funded?
 - What would be the cost of adding commuter service to stretch fixed route service out into other jurisdictions?

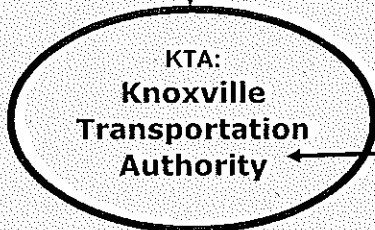
What is KAT?



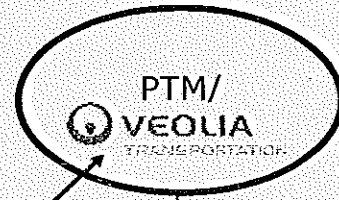
CITY OF KNOXVILLE



Members appointed by council and other organizations. The Chair is a member of the KTA.



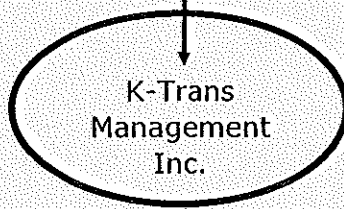
Designated recipient to receive federal and state transit funds.
Owns KAT property and equipment.
Performs purchasing and contracting activities.
Receives all KAT related revenues, and subsidies, including farebox revenues.
Contracts with a private firm for management oversight and guidance on labor issues.
The Mayor with Council approval makes appointments to the KTA.
Created K-Trans Management Inc., a private, not for profit entity, to be the employer of transit employees.



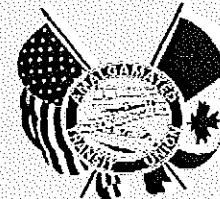
Professional Transit Management/Veolia

Provides a general manager to furnish management, administration and supervisory services for the efficient operation of KAT.
Assumes labor and other employee contractual obligations.
Establishes and obtains prior approval by the City for operating and capital budgets.

Established in Chapter 21 of City Code of Ordinances, one council member is elected to serve on KTA every 2 years. Conducts public hearings for grants, fare and service changes.
Approves fare and service changes.
Makes recommendations to the City of Knoxville regarding capital and operational issues.
Has no assets or other authority.
Meets monthly, agenda packets with financial and performance info at www.katbus.com



A private, not-for-profit company that employs employees necessary, exclusive of the General Manager, necessary for the operation of the transit system.
Obtains employee welfare plans for K-Trans Management, Inc. employees.
Maintains no assets.

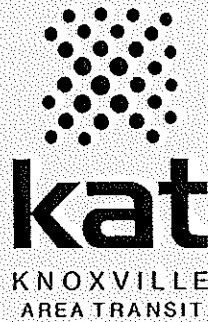


Amalgamated Transit Union

ATU Local 1164 collectively bargains wages, hours of employment, benefits, and other conditions of employment. Of KAT's 286 employees, all but 50 are covered by the K-Trans Management, Inc. and ATU Memorandum of Agreement. Employee protections are a condition of receiving federal grants.

KAT is the name of the City's transit system.





FY 2013 KAT Operating Budget: \$20 Million:

Revenues	Expenses
\$10 million City of Knoxville	\$12.5 million wages and benefits
\$ 5 million TDOT and FTA grants	\$ 3 million fuel
\$ 3 million fares and contracts	\$ 3 million health and liability
\$ 2 million UT	\$ 1.5 million supplies, utilities, etc.

Service Description:

Fixed Route Transit Service
 Demand Response Service "the LIFT" for persons with disabilities

Passengers:

March 2012 through March 2013: 3.6 million total passenger trips
 620,000 Senior, Disabled, Student trips
 45,000 LIFT trips

Workforce:

286 Employees: Hourly: 200 bus operators, 50 maintenance employees
 Salaried: 36 managers, clerical, and support employees

Vehicles:

75 Heavy-duty diesel transit buses: 30', 35', 40' and trolley vehicles-fixed route
 40 Medium-duty diesel and unleaded vehicles-neighborhood routes and LIFT

Challenges and Opportunities:

Transition year as KAT operates without providing UT service: KTA K2 Plan
 Census changes and MAP-21 legislation
 PlanET

KNOX COUNTY CAC TRANSIT SECTION 5307 ISSUES

KNOXVILLE AREA URBANIZED POPULATION: Under MAP-21, the Knoxville Area Urbanized Area Population increased from 419,830 in 2000 to 558,696 in 2010. At 37% of the total, the Knox County urban population, excluding City of Knoxville is the largest population group in the area.

- City of Knoxville Population: 178,874 (32%)
- Knox County Urban Population Excluding City of Knoxville: 206,147 (37%)
- Urban Area Population Outside Knox County: 173,675 (31%)

OVERALL IMPACT OF FUNDING ON CAC TRANSIT: Knox County CAC Transit provides General Public and Employment Transportation to the 206,147 residents who live within Knox County outside the City of Knoxville, for those individuals who live within the City of Knoxville outside the KAT service area, and for those City residents who are not served by the fixed route (KAT) system including persons who live too far from a bus stop or whose destination is not within the KAT service area.

CAC Transit serves over 7,500 individuals and provides over 200,000 one-way trips annually including contracted services. CAC Transit provides safe, reliable transportation to dialysis, medical appointments, therapy, employment, and other essential errands. **It will cost \$750,000 annually in Section 5307 funding to continue providing this service.**

JOB ACCESS FUNDING: Under MAP-21, approximately \$263,755 has been included in the Section 5307 formula allocation for Job Access transportation services. CAC has received Job Access funding since 2001. MAP-21 encourages the continuation of successful employment related activities that were operational prior to MAP-21. **It will cost \$250,000 annually to continue the Job Access services to 182 individuals currently being transported to 166 job sites throughout Knox County.**

NATIONAL TRANSIT DATABASE FUNDING: In 2009, CAC began reporting ridership data into the National Transit Database (NTD) as required by FTA. **CAC's data has brought \$2,152,797 in additional Section 5307 funds into the Knoxville Urbanized Area.** CAC has unsuccessfully advocated for a share of these funds to meet urgent transit needs of individuals within Knox County outside the KAT service area.

- 2011: \$665,211
- 2012: \$711,656
- 2013: \$775,930

KNOXVILLE AREA URBANIZED POPULATION: The chart below shows how the Section 5307 funding in the amount of \$5,458,919 would be distributed if the Knoxville Area Urbanized Population percentages were used for Formula Allocation and each reporting agency's data were used for the NTD Allocation.

	City of Knoxville	Knox County (excluding City of Knoxville)	Urban Area Outside Knox County
Population	178,874	206,147	173,675
Percentage of Total Population	32%	37%	31%
Section 5307 Formula Allocation	\$982,209	\$1,133,891	\$952,550
Section 5307 National Transit Database Allocation	\$1,614,339	\$775,930	\$0.00
Total Allocation	\$2,596,548	\$1,909,821	\$952,550

KNOX COUNTY CAC TRANSIT SECTION 5310 ISSUES

SECTION 5310 FUNDING: Under MAP-21, the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities combined the old Section 5310 and Section 5317 programs. **The total allocation for the Knoxville Urbanized Area is \$444,386.** This amount is significantly less than the amount the Knoxville Urbanized Area received under the old programs.

- Since 2009, the CAC Volunteer Assisted Transportation Program (VAT) has been funded under the old Section 5317 Program. VAT provides transportation counseling services, group trips to low-income seniors and escorted transportation services to vulnerable individuals with barriers to safely using available transportation services using volunteer drivers. Last fiscal year, VAT provided transportation service to 671 individuals and provided transportation counseling to 815 individuals. **It will cost \$150,000 annually in Section 5310 Program funding to continue operating the Volunteer Assisted Transportation Program.**
- Since 1992, CAC Transit has received capital funding through the old Section 5310 Program. This program was administered statewide by the Tennessee Department of Transportation. CAC Transit received an average of five vehicles annually through this program to provide transportation for elderly persons and persons with disabilities. **It will cost \$175,000 annually in Section 5310 Program funding to continue funding CAC's capital replacement needs.**
- Traditionally, the Section 5310 Program has provided vehicles to non-profit agencies that meet the special needs of seniors and individuals with disabilities whose needs cannot be met by public transit. Under the enhanced Section 5310 Program, 55% of the funds must be used for capital projects. **The local agencies that regularly receive vehicles through this program include the Sertoma Center, Cerebral Palsy Center, Michael Dunn Center, and others.**

FY2013 Knoxville Urban Area Section 5307 Allocation				
Data	All Data Combined	City of Knoxville	Knox County (excluding City of Knoxville)	Urban Area Outside Knox County
Population (from NTDB Report)	558,696	178,874	206,147	173,675
Population Percentage by Agency	100%	32%	37%	31%
Square Miles (from NTDB Report)	438	140	162	136
Density (population/square miles) (from NTDB Report)	1,275	408	472	395
Low Income Population	102,730	32,874	38,010	31,846
Vehicle Revenue Miles (from NTDB Report)	4,286,699	2,886,324	1,400,375	0
Passenger Miles Traveled (from NTDB Report)	12,368,625	10,001,660	2,366,965	0
Operating Expenses (dollars) (from NTDB Report)	\$21,803,302	\$18,998,455	\$2,804,847	\$0
Apportionment Data Unit Values (from Federal Register)				
Population (From Federal Register)	2.64603980	2.64603980	2.64603980	2.64603980
Population X Density (From Federal Register)	0.00120680	0.00120680	0.00120680	0.00120680
Vehicle Revenue Miles (From Federal Register)	0.54271330	0.54271330	0.54271330	0.54271330
Bus Incentive (From Federal Register)	0.00909580	0.00909580	0.00909580	0.00909580
Low Income Percentage (From Federal Register)	2.53996000	2.53996000	2.53996000	2.53996000
Section 5307 Formula Allocation				
	Formula Data Combined	City of Knoxville	Knox County (excluding City of Knoxville)	Urban Area Outside Knox County
Population Calculation	\$1,478,332	\$473,307	\$545,473	\$459,552
Density Calculation	\$859,709	\$275,107	\$318,092	\$266,510
Low Income Percentage	\$260,930	\$83,498	\$96,544	\$80,888
Growing State Allocation	\$469,679	\$150,297	\$173,782	\$145,600
Formula Allocation	\$3,068,650	\$982,209	\$1,133,891	\$952,550
Section 5307 National Transit Database Allocation				
	NTD Data Total	KAT NTD Data	CAC NTD Data	ETHRA NTD Data
Revenue Mile Calculation	\$2,326,449	\$1,566,447	\$760,002	\$0
Bus Incentive Calculation	\$63,820	\$47,892	\$15,928	\$0
National Transit Database Allocation	\$2,390,269	\$1,614,339	\$775,930	\$0
Total - Knoxville Urban Area Allocation				
	\$5,458,919	\$2,596,548	\$1,909,821	\$952,550



East Tennessee Human Resource Agency, Inc.

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9111 Cross Park Drive, Suite D-100
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www.ethra.org

ETHRA Public Transportation

- **ETHRA Public Transportation is a 5311 rural modified demand response service that currently serves sixteen (16) counties, and has for thirty (30) years in East Tennessee. Approximately 137 vehicles are now on the road every day helping individual's access community and health services.**
- **The geographic area served are Anderson, Blount, Campbell, Cocke, Grainger, Hamblen (non-urban) (urban through contract with LAMTPO), Jefferson, (non-urban) (urban through contract with LAMTPO), Knox (non-urban), Loudon, Monroe, Morgan, Roane, Scott, Sevier, and Union Counties. Drivers travel throughout the region and clock over 4.5 million miles each year and provided 259,956 trips.**
- **ETHRA is also the East and Middle Tennessee Grand Division transit call center for United Healthcare. Providers include conventional transit operators and non-emergency ambulance providers in a 75-County service area. The average weekly calls received are 5,200.**
- **Trips may be scheduling by calling the ETHRA Public Transit reservation line 1.800.232.1565 at least 3 business days in advance.**
- **Transportation fares are in-county (one-way) \$3.00, each county line crossed \$3.00, and \$1.00 or each extra stop. Children transports under six (one-way) \$1.00 and escorts may ride at no cost.**
- **In addition to being the designated 5311 rural recipient ETHRA Public Transit also operates public transit services for the City of Oak Ridge and Lakeway Area Metropolitan Transportation Planning Organization in the urbanized areas of Jefferson and Hamblen Counties.**
- **ETHRA owns and maintains a regional maintenance facility in the city of Loudon that provides all service and mechanical repairs to the entire ETHRA fleet.**
- **The total annual operational budget is approximately 7.5 million dollars that include federal, state, local and third party contractual revenue.**

ETHRA Urbanized Area Information

▶ Urbanized Area	Consumer	Transports
▶ Clinton	135	1,926
▶ Oliver Springs	16	80
▶ Alcoa	65	1,282
▶ Knoxville	393	7,388
▶ Maryville	452	10,166
▶ Lenoir City	116	2,658
▶ Loudon	139	2,549
▶ Seymour	55	116
Total	1,371	26,165



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May 7, 2013

TO: ETHRA Policy Council
FROM: Gary W. Holiway, Executive Director
SUBJECT: FTA Urbanized Areas

As a result of the 2000 and 2010 Census, portions of Anderson, Blount, Loudon and Sevier Counties are now part of the urbanized area in East Tennessee. These changes will affect the distribution of federal funds under FTA formula-based programs authorized by the recently passed transportation authorization, MAP-21. Beginning in FY2013, these areas will not be included in our present 5311 rural funding allocations from TDOT for public transportation. Future funding for these areas will now be included in the FTA 5307 Urban funding formula that is presently contracted with the City of Knoxville for public transportation services. Although funding will be authorized for these areas, the City of Knoxville is under no obligation to continue public transportation services.

These changes will require East Tennessee Human Resource Agency, (ETHRA) to negotiate a possible contract with the City of Knoxville in order to continue providing general public demand and respond transit services. There are approximately 1,371 unduplicated general public individuals that depend on ETHRA for transportation in those areas that will no longer be eligible for transit services under our current rural funding formula. If ETHRA is not successful in securing a contract with the City of Knoxville we will have no choice but to discontinue public transit services for the general public effective July 1, 2013. To further complicate the matter, ETHRA is authorized to continue transit services for all third party contracts, i.e. TennCare and other private insurance providers but not general service since their transports must be supplemented through the urban funding formula or other revenue sources.

During the week of April 8 to April 12 Mike Patterson, ETHRA Transportation Director, and I met with the Anderson, Blount, and Loudon City and County Mayors. As part of our discussions, we discussed the worst case scenario, and will have no choice but to notify our general public constituents that their public transit services will end July 1, 2013. In addition, ETHRA will also have to inform the dialysis centers and other critical care health care facilities and job sites of this decision as soon as possible in order for them to make other arrangements for their clients transportation needs.

We are presently discussing possible options with the City of Knoxville and KAT and I am very confident ETHRA will be able to continue public transportation services in these areas July 1, 2013. However, we wanted to update the Policy Council of our efforts and will keep everyone updated on our progress.