



Organizational Alternatives

INTRODUCTION

One of the principal challenges facing any transit service is developing a funding system that supports capital investment (buses, maintenance facility, etc.) and provides a stable source of revenue for operations and maintenance. Organizational and legal issues for multijurisdictional transit agencies further compound this challenge. Chapter XIII provides an evaluation of the organizational (institutional) alternatives for transit services for the study area. An important objective of this study is to present recommendations for an organizational framework for public transit that are acceptable to the parties involved and that can be realistically implemented. With this goal in mind, the following discussion presents an analysis of the most appropriate organizational alternatives and a basis for making a decision.

ORGANIZATIONAL STRUCTURES

Before the first transit passenger can be served, before the first bus can be purchased, and before the first dollar of funding can be generated, an organizational structure must be developed to manage and operate the transit service. The identification of a cost-effective and geographically-appropriate organizational structure is therefore a key element in the improvement of public transportation services.



This study approaches the organizational alternatives from a practical standpoint rather than a theoretical one. As the population in the region changes, so will demands on existing agencies. The following section examines the organizational alternatives that the region could use in the development of a formal transit service.

Transit services throughout the western United States have a variety of organizational structures: independent agencies (such as Aspen, Colorado and Crested

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Butte, Colorado); transit districts (such as Dawson County, Montana Urban Transportation District and Utah Transit Authority); departments of a municipal government (such as Billings, Montana and Logan, Utah); departments of county government (such as Valley County, Montana and Summit County, Colorado); nonprofit corporations (such as Mesa County, Colorado); and tribal programs (such as Flathead Reservation, Montana and Northern Cheyenne Reservation, Montana).

Criteria

Based on the history of transit organizations serving areas with low population densities, the following criteria should guide the selection of the institution for managing and operating improved transportation services within the study area. The institutional structure should be an entity:

- Whose structure is legitimate;
- Whose policy-making actions are authorized and defensible;
- Which can limit the exposure of the participants to suits and claims of liability;
- Which can be responsive to the complete policy-making and management needs of the transit organization;
- Which has the political and financial support to endure more than one year at a time;
- Which can annually perform proactive planning to improve the system and can effectively identify and implement improvements regularly and easily;
- Which has a full-time management/coordinator position that deals with all operational and administrative issues for transit and works to improve the visibility of transit within the community through an aggressive marketing program; and
- Which has the ability to contract for services and the construction of infrastructure.

Alternatives

Government Department

A government department is one alternative to consider. This organizational structure has worked well in the past for Valley County Transit in Montana and many other transit services, but does have drawbacks. A government department could contract with human service agencies or private entities to provide specified transportation services. The main advantage of a government department is that it has legitimate authority to conduct transit services within its political boundary.

The disadvantages of a government department are that the local council or governmental body has the final decision-making power regarding the management, operation, and financing of transportation services (which may or may not be a high priority) and may provide little long-term stability in the funding of the transit services. Another disadvantage is that with transit services crossing many political boundaries, no one government department may have the authority to operate the regional service without approval of the adjacent local governments.

Regional Transportation Authority

Wyoming municipalities and counties have the authority to establish a Regional Transportation Authority (RTA) per Section 18-14-101 of the Wyoming statutes. Local governments have flexibility in designing the boundaries of the RTA, which may include all or a portion of the areas of the participating jurisdictions. The RTA is a regional, multi-jurisdictional entity that becomes a separate subdivision of the state but which operates pursuant to an intergovernmental agreement adopted by its member governments. The RTA is authorized to impose a property tax not to exceed an annual levy of one-half mill on each dollar of assessed valuation of a county or municipality property, with voter approval. Note that STAR is currently an RTA.

The advantage of an RTA is that only a vote of the local governing body is needed rather than a vote by the residents to setup the RTA. The disadvantage of an RTA is that it needs a vote of the residents to levy taxes in order to generate funding for transit services or has to ask the local county or community government entities for funding. Appendix G presents the Wyoming State Statute of the Regional Transportation Authority.

Intergovernmental Transit Agency

An Intergovernmental Transit Agency (ITA) could be formed by STAR, the communities of Rock Springs and Green River, and Sweetwater County. The governing board should have equal representation from each entity. An ITA has been successfully implemented in other locations and could build on the services already established within the region.

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If provided with a dedicated local funding source, an ITA provides stability and helps ensure the continuation of transit service within the community. An ITA requires cooperation from each government entity and requires voter approval to establish a dedicated local funding source to support the transit agency. The ITA could create agreements with existing transportation providers to provide a portion of the transit service within the region, thereby linking several transportation providers together to improve access and mobility without creating a new large agency.

SUMMARY

Table XIII-1 ranks each organizational alternative according to four factors: legal capability, revenue generation capacity, administrative impacts, and political acceptability. Legal capability refers to the existence of statutory authority. Revenue generation capacity refers to the capability of the organizational structure to generate adequate funding relative to the projected subsidy requirements. Administrative impacts refer to the level of effort involved in implementing the organizational structure and the ability to provide coordinated service throughout the region. Political acceptability refers to the likelihood of an organizational structure being accepted by the public and local governments.

Table XIII-1 Organizational Alternatives Comparison Matrix				
Organizational Alternative	Legal Capability	Revenue Generation Capacity	Admin. Impacts	Political Acceptability
Government Department	☐	☐		☐
Regional Transportation Authority			☐	☐
Intergovernmental Transit Agency	☐	☐	☐	
Legend:	☐ = strong/acceptable ☐ = moderate/satisfactory ☐ = weak/unacceptable			
<i>Source: LSC, 2007.</i>				

The first column (legal capability) in Table XIII-1 shows that all of the alternatives are permitted legally to some degree, with each alternative having the same level of authority to engage in certain activities related to revenue generation. The second column (revenue generation capacity) indicates that the RTA has a strong ability to generate funding, while the funding ability of the government department is moderate and the ITA is weaker. The third column (administrative impacts) shows that a government department is rated strongly because it has administrative capability. The RTA and ITA are rated as having moderate administrative impact. The fourth column (political acceptability) indicates that ITA has strong political acceptability, while the government department and the RTA have a moderate rating.

The RTA has the greatest overall rating of the three organizational structures. The next highest rating is the governmental department, while the ITA has the lowest rating. This overall rating is based on the ability of the organizational structure to sustain transit service over the long term. LSC has found that, in a situation such as that found in the study area, the RTA has the greatest ability to sustain



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transit service over the long term. The region needs an organizational structure that allows it to cross jurisdictional boundaries.

LSC recommends the Stakeholders Committee and community leaders maintain the existing organizational structure of the RTA, but move toward a future vote of the residents to support the transit service. The RTA also needs to develop intergovernmental agreements with Sweetwater County and the communities of Rock Springs and Green River. These intergovernmental agreements should be developed until a local vote to support transit can be approved.