June 8, 2021

Subcommittee Chair Smith, Ranking Member Rounds and members of the Senate Banking Subcommittee on Housing, Transportation and Community Development:

Good afternoon. My name is Kendra McGeady and I am the Director of Transit for Pelivan Transit and the Northeastern Tribal Transit Consortium located in northeast Oklahoma. I am thankful to have the opportunity to discuss rural and tribal transit, the challenges we face and our opportunities to assist in better meeting the needs of our riders.

Pelivan Transit has been in operation for 35 years. We provide on-demand and demand response transit services to seven counties, covering 4,466 square miles with a fleet of 61 vehicles, including minivans, commutes and cutaway with seating for 4 to 12 passengers. Of those vehicles, more than half are past their useful life but are mechanics do an excellent job of maintaining our fleet and keeping them on the road. We serve a population of more than 257,000. Our operation is housed in Big Cabin, and includes a full service maintenance facility and one call/one click mobility management center from which we dispatch all of our operations. We travel approximately 882,000 revenue miles a year, completing 149,000 trips to healthcare, social service, employment, education, shopping and other life necessity appointments for our most vulnerable populations including elderly and disabled persons.

As a rural transit provider, we encounter obstacles daily due to a lack of adequate funding, diminished staff, aging fleets, as well as infrastructure issues such as under maintained roadways and insufficient broadband. The most difficult obstacle remains securing local match, which is required of all 5311 operators.

The upcoming reauthorization of the FAST Act will provide an opportunity to develop solutions to many of the challenges we experience. Adjusting our ability to sell vehicles after their useful life would allow Section 5311 and 5310 recipients to sell capital assets at market value and provide the opportunity to increase local match money and reinvest in our systems. Local match has always been an issue and in a post pandemic world has become an even bigger challenge as communities face revenue shortfalls as a result of economic slumps associated with COVID. I very much appreciate the leadership of Senators Smith and Rounds with their co-sponsored Investments in Rural Transit Act of 2021, which seeks to increase local share flexibility for systems like Pelivan.

In an effort to manage some of the above issues, we implemented successful and innovative partnerships with our fellow transit agencies to provide more accessible and equitable transportation to the residents of Oklahoma including veteran-specific programs and a regional on-demand after-hours ADA service funded through US DOT competitive grant programs.
The competitive grants offered by the DOT are vital to rural and small city operators who wish to offer mobility options to the communities they serve but are often out of reach due to larger, better financed operations being included in the same applicant pool.

Rural transit operators like Pelivan are not simply scaled down versions of transit operations in major cities. The geography and demographics in rural America have forced many rural operations to think regionally as employment, health care, retail and educational opportunities take a similar approach. The result of this is increasing miles for every trip, hence the need for safe, reliable capital to transport.

Rural providers follow strict safety protocols as regulated by federal requirements and our state DOT’s which enforce maintaining a state of good repair for all capital assets. National safety records of rural providers, demonstrate these measures are effective. The Community Transportation Association of America (CTAA), of which I am a board member, regularly collects data that confirms the effectiveness of these measures.

Located in the heart of Indian Country, Pelivan Transit provides contracted transit services to the Cherokee Nation, and Northeast Tribal Transit Consortium consisting of the nine tribes of Ottawa County. Tribal ridership in a normal fiscal year is just over 47,000 completed trips serving a population of over 196,000. Commuter routes have been established providing transportation to and from native-owned and operated places of employment and medical facilities.

We hope that we can convey to you today our experiences, both good and bad, and share ideas of how we might form a more efficient, equitable public transit system for individuals residing in rural America. I thank each of you again for the opportunity and for your interest in the current state and future of rural and tribal transit.

Rural Transit and the COVID-19 Pandemic

The past year of operations have been far different than anything we have seen before, with no shortage of challenges. Without the assistance of the $2.8 million in CARES Act funds we would not have survived the pandemic and its crushing loss of ridership, contractual services and local match. CARES Act funds and the zero match requirement were lifesaving, allowing us to maintain effective, reliable services for those 100 percent transit dependent individuals who continued to need transportation. The ability to move operational and administrative dollars around freely without the usual restrictions ensured the survival of hundreds of systems across the nation. During the pandemic, we saw our ridership drop by 68 percent. Today, as our state’s reopening is well underway, we have seen a steady increase in our ridership due to the essential nature of our trips.

Continued flexibility in funding would hugely benefit rural operators. While we understand that 100 percent reimbursable funding on a yearly basis may be out of reach, there are ways to ease these chronic operational burdens. For example, agencies often struggle to meet the 50 percent match required for operational expenditures. Lowering the match ratio to the same 20 percent required for capital expenditures could make a life-saving difference to smaller transit agencies.

Of the $2.8 million in CARES Act funds received by Pelivan, we have utilized just under half maintaining operations and salaries over the past year. Rural transit operators have had to be thoughtful in their evaluation of how to best stretch the dollars to reduce the local match requirement. As the COVID pandemic has put unforeseen fiscal stress on the communities we serve, rural providers understand that an increase in contractual funding with our communities is unlikely in the next three years. Thus we
have to very carefully decide the best use of our multiple funding streams as move toward a still uncertain future.

At Pelivan, we have chosen to alternate between CARES Act and our normal Section 5311 reimbursements on a quarterly basis. This will allow us to reduce our yearly local match obligation by 50% while we allow our communities enough time to recover, thus enabling us to survive on the local match we collect at the pre-pandemic level. This process will allow us the time to plan and invest in our sustainable futures and find ways in which to efficiently meet the urgent needs of our riders. The implementation of innovative services and technologies during the next three years will assist our community’s commitment to providing the local match we rely on and boost the transit services we provide making them more flexible and attractive to communities.

**Partnerships are Vital**

The relationship between rural and tribal providers and the communities we serve runs far deeper than many realize.

Rural systems work closely with critical care treatment providers often beginning pick-ups as early as 3:30am, hours before our official service hours begin. Dialysis clinics work closely with providers to craft schedules for patients. For an average rural system, state Medicaid programs can count for up to 50 percent of all completed trips and provide up to 90 percent of their local match.

We form critical partnerships with local and metro hospitals providing small, underserved communities with access to the metro areas and the treatment offered.

With service areas spanning thousands of miles, lack of adequate funding and a need for innovative services, Pelivan has spent the past few years forming meaningful, regional partnerships with our bordering transit agencies in an effort to better meet the needs of our riders.

For example, the Veterans Ride Connect project is a consortium of six rural and tribal providers who partnered to ten years ago to secure funding to establish a one call/one click mobility center to book trips through a central location to provide veteran trips across 29 counties covering 23,000 square miles. Veterans, together with senior citizens, developmentally disabled and those living below the poverty line, are considered our most vulnerable demographics. We determined that working regionally was the solution to this problem. With pooled resources, the providers successfully applied for over one million dollars in grants to secure the scheduling software needed to establish the call center. Since 2016, the VRC has successfully completed 72,000 discounted trips to veterans in need of non-emergency, critical care and nutritional needs. The next step for the VRC is incorporate mental health services into the allowable trips.

Since 2019, Jack C. Montgomery Veterans Hospital has paid for $27,000 worth of non-emergency medical trips as part of the project.

In an effort to offer more accessible, inclusive and spontaneous service, we created the PICK Transportation project which launched last week. Four providers focused on a collective need — in this case more flexibility in scheduling and additional service hours — and pooled our resources and applied for a Federal Transit Administration (FTA) grant through the US DOT. Amongst competition from larger systems, we were delighted to hear that we had been fully funded receiving $1.5 million in federal investment to implement the nation’s first regional on-demand rural on-demand transportation system.
While innovative and forward thinking, this project was a necessity as securing the local match from rural systems on a project this size is far more challenging than that for major city systems, our competition for many of the federal grant opportunities.

The competitive grants offered by the DOT are vital to rural and small city operators who wish to offer mobility options to the communities they serve but are often times out of reach due to larger, better financed, better staffed operations being included in the same applicant pool. The PICK grant took myself and our team more than a year to write as we have no staff dedicated to seeking out and making application for competitive and discretionary grants. As transit directors, this responsibility falls on us - in addition to operating our daily systems.

Working together with our global technology partner, Routematch by UBER, PICK Transportation created an afterhours, on-demand transit system that operates in a 22,000 square mile area, covering 21 rural communities across eastern Oklahoma. The 41 vehicle fleet is fully compliant with American with Disabilities Act, and is the only curb-to-curb, afterhours rural public transit system in the nation offering service to non-ambulatory persons. This project effectively offers individuals with ambulatory needs the time flexible ability to travel to and from their homes. They no longer need to schedule all of their medical appointments, trips to the grocery store or social outings three days in advance or before last call at 3:30pm. The on-demand system allows for more personal control over the scheduling of their own life needs and fosters self-confidence and dignity among a vulnerable population.

The PICK project in just a week’s time has already secured partnerships with local hospitals to meet afterhours discharge need, flexibility in MRI and CSCAN scheduling and allowing for family and friends to visit patients without taking time off work.

These projects are good examples of coordination, and are scalable to fit the needs of both larger and smaller service areas. Innovative partnerships and services can easily be born in rural and tribal transit and spread throughout larger systems. Innovative services do not need to be owned by large systems.

In additional to the above mentioned partnerships, we also work closely with farmer’s markets, health fairs and nutritional programs that help support healthy individuals.

**The Day-to-Day Rural Transit Reality**

Employment routes are a large piece of the Pelivan operation. Partnering with Grand Lake Mental Health, we transport individuals who utilize the services to and from appointments including counseling, medical and nutrition providing an estimated 70,000 trips per year to this project. Since COVID struck, this operation has been suspended causing a significant loss in contractual revenue for Pelivan. Without the assistance of the CARES Act funds, our very existence would thus have been threatened.

Pelivan Transit partners with Home of Hope, Inc., a non-profit that provides services to adults with disabilities, transporting 72 clients to and from jobs through employment routes established in three communities. Since it’s implementation, more than 37 adults with disabilities have been able to secure and maintain gainful employment. After more than a year on hiatus I am proud to say these routes resumed operations last week.

Rural providers are often part of the corrections reintegration process, as well. Pelivan partners with the Oklahoma Department of Corrections transporting medium security inmates who have achieved trustee
status to and from their places of employment prior to their release. Currently we transport nearly 200 inmates to and from employment five days a week.

In an economy desperate to rebuild, rural providers can be instrumental in transporting a rural workforce to urban employment opportunities.

The same is true for tribal or 5311c operations. We understand the need for reliable transportation for tribal citizens, in particular tribal elders, many of whom are hindered by poverty and in dire need of transport to quality of life appointments, whether it be critical care treatment or an unexpected trip to the grocery store so often out of reach for certain demographics.

As a transit provider for the Cherokee Nation, we have created commuter routes which run through four communities, three times a day, connecting with partnering transit agencies who also serve the Cherokee Nation dropping off at tribally owned medical facilities and places of employment. Once again the regional approach taken by the tribal providers in our area has created an affordable, reliable and safe option for those in need of transportation.

The Northeast Oklahoma Tribal Transit Consortium includes Eastern Shawnee, Miami, Modoc, Ottawa, Peoria, Quapaw, Seneca-Cayuga, Shawnee and Wyandotte Tribes of Oklahoma. It is a driving economic engine in northeast Oklahoma, and is fully integrated into the rural operation.

The challenges that face rural tribal transit operators are different than that of 5311s.

With less restrictive requirements for direct recipients, all federal dollars are 100 percent reimbursable. However, there is no avenue for capital replacement or enhancement specific to 5311c operations such as is available to 5311 and 5307 agencies. A designated capital pool grant program for tribal operations would elevate the depletion of federal dollars that must be used for capital needs. Equitable access to FTA funding programs would assist in providing safe, reliable transit to tribal citizens.

In closing, I hope that I have conveyed to you today the essential nature of rural and tribal transit. I thank you again for the opportunity and for your interest in the work we do to provide a better quality of life to those we serve.