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# Justification Review

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## Public Transportation Program Florida Department of Transportation

Report 99-24 January 2000



*Office of Program Policy Analysis  
and Government Accountability*

*an office of the Florida Legislature*

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# The Florida Legislature

## OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



**John W. Turcotte, Director**

January 2000

The President of the Senate,  
the Speaker of the House of Representatives,  
and the Joint Legislative Auditing Committee

I have directed that a program evaluation and justification review be made of the Public Transportation Program administered by the Florida Department of Transportation. The results of this review are presented to you in this report. This review was made as a part of a series of justification reviews to be conducted by OPPAGA under the Government Performance and Accountability Act of 1994. Larry Novey, Darwin Gamble, and Cleo Johnson conducted this review under the supervision of Julie Ferris.

We wish to express our appreciation to the staff of the Florida Department of Transportation for their assistance.

Sincerely,

John W. Turcotte  
Director



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# Public Transportation Program

## Purpose

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This is the second of two reports presenting the results of our program evaluation and justification review of the Department of Transportation's Public Transportation Program. State law directs our office to complete a justification review of each state agency program that is operating under a performance-based program budget. Our office reviews each program's performance and identifies policy alternatives.

## Background

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The Public Transportation Program's primary purpose is to promote safe, interconnected public transportation systems in Florida by providing grants, technical assistance, and planning support to local governments and private entities that own and operate these systems. Public transportation systems include aviation, rail, seaport, and transit facilities and services. These systems provide efficient alternatives to highways and road systems and support tourism, international and domestic trade, and commuter services. Their availability enhances the state's ability to reach its transportation goal of ensuring the mobility of people and goods and enhancing economic prosperity while sustaining the quality of the environment.

The department is statutorily directed to commit a minimum of 14.3% of State Transportation Trust Fund revenues to public transportation projects.<sup>1</sup> In Fiscal Year 1998-99, it awarded grants to 610 projects. These projects included purchasing vehicles for transit systems, making improvements to railroad crossings, acquiring land or constructing facilities for airport and seaport expansions, and improving highway connections to these facilities. Most projects are in the transportation improvement plans developed by Florida's 25 metropolitan planning organizations (MPOs). Seaport projects are requested by local seaport authorities and selected and approved by the Florida Seaport Transportation and Economic Development Council.

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<sup>1</sup> This percentage will increase to 15% in Fiscal Year 2000-01.

## Executive Summary

In addition to its grant activities, the department provides technical assistance to public transportation owners and operators and develops strategic plans that describe the state's goals and objectives and general approach for improving aviation, rail, seaport, and transit systems. It also conducts safety inspections of airports, railroads, on-grade rail crossings, and transit equipment. Its specific activities for aviation, rail, seaport, and transit systems are discussed below.

For Fiscal Year 1999-2000, the department was appropriated \$4,495,533,931 and 10,376 staff. From the legislative appropriations, the department allocates funds to its different programs. For Fiscal Year 1999-2000, the department allocated the Public Transportation Program \$445,539,017 and 135 positions. Of the \$445,539,017, \$9,505,486 is for program operations and \$436,033,531 is for public transportation project grants to local governments.

## Program Performance

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The program attained or exceeded 8 of its 11 performance standards established in the General Appropriations Act for Fiscal Year 1998-99. Transit ridership, public transit passenger trips, airplane passenger enplanements, and tons of cargo shipped by air all increased, while the volume of trade shipped by water stayed about the same as in the prior years. Other program performance measures, which the department maintains internally, show that public transportation safety has improved in recent years. For example, railroad grade crossing accidents have declined significantly (71%) during the past decade. (See page 8.)

Most of the program's measures are more likely affected by national and international economic trends than by the program's activities. However, the department maintains internal measures that can help explain changes in the program's performance-based program budgeting measures.

The department's process for managing public transportation grants is generally effective in ensuring proper use of grant funds. However, the seaport program's separation from other transportation modes restricts the state's ability to develop an integrated, balanced statewide transportation system. Some legislators, legislative staff, and the Office of the Comptroller have expressed concerns over insufficient management controls and other accountability issues for seaport projects, although some legislators and seaport representatives assert that the current process provides reasonable state oversight. (See page 11.)

Although public transportation systems provide alternatives to motorists and businesses facing increased roadway congestion, these systems are



not adequately developed or effectively utilized. Reasons include lack of public support, fragmented transportation planning, and insufficient land use planning that allows urban sprawl. The results are longer commuting times, delayed delivery of goods and services, and higher highway right-of-way costs. (See page 22.)

## Options for Improvement

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Current Florida law separates the seaport program from the rest of the transportation system and is inconsistent with recent legislation intended to provide better coordination among transportation modes. The seaport program's structure differs significantly from other aspects of the Public Transportation Program. Based on this consideration, OPPAGA has identified two options regarding the seaport program's structure that the Legislature may want to consider for the purpose of integrating seaports into the statewide transportation system. These options can be considered individually or in combination. Given the need for greater integration of seaports into the intermodal system and the need to keep the funding structure responsive to market forces, we recommend options 1 and 2 together. (See pages 19 and 20.)

**Option 1.** The Legislature may want to consider strengthening the state agencies' authority on the FSTED Council. The state agencies should be granted voting status on the council and any agency should be allowed to withhold funding from a project that the agency believes is not in the state's best interest. Florida Ports Council staff support expanding the agencies' review power.

**Option 2.** The Legislature may want to consider creating an intermodal project selection group that would select all off-port intermodal access projects and other intermodal projects, while restricting the FSTED Council's project selection authority to projects located only on seaport property. This option would retain some autonomy for the seaports in selecting on-port projects while ensuring coordination of intermodal access (off-port) projects with other transportation modes. The intermodal project selection group could aid in better coordination of projects among all transportation modes. (See pages 20 and 21.)

In addition to changes in the seaport program's structure, the Legislature may also want to consider the options below related to funding.

- The Legislature may want to consider funding future seaport projects through direct appropriations instead of with bonds.
- If the Legislature does decide to fund future seaport projects with bonds, it may want to consider using the State Board of

## Executive Summary

Administration to issue the bonds on behalf of the Department of Transportation and administer the debt service payments which may result in reduced costs. In addition, the Legislature may want to consider using the Department of Transportation to administer the seaport bond program.

The Legislature can further strengthen the role of public transportation systems in a number of ways. We recommend that the Legislature, Governor's Office, or department consider taking the actions discussed below. (See pages 35 and 36.)

- To strengthen coordination of the transportation planning process, the Legislature may want to consider requiring metropolitan planning organizations (MPOs) to better integrate the plans of other MPOs within their regional planning areas and making regional planning agencies responsible for overseeing the compatibility of MPO plans within their regions. In addition, the Governor's Office and department should encourage MPOs in major metropolitan areas to consolidate or broaden their areas to better represent a regional perspective.
- To develop better transportation planning data, the Department of Transportation should coordinate the collection and assessment of data to identify public transportation projects that would provide the maximum feasible mobility and economic benefit to the state.
- To help build public support for public transportation projects, the department should continue to promote use of public transportation systems.
- To better coordinate projects among transportation modes the Legislature may want to consider establishing an intermodal project selection group within the department to reallocate the \$70 million it planned to appropriate for the high-speed rail project to other public transportation projects of regional or statewide importance. The group would also select all intermodal projects connecting airports, seaports, highways, railways, and transit systems.
- To help improve the compatibility of land use and transportation planning, the Legislature may want to consider implementing the smart growth alternative planning process recommended by the Transportation and Land Use Study Committee.<sup>2</sup>

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<sup>2</sup> Smart growth alternative planning emphasizes the unification of transportation, environmental, housing, land use, and other planning functions.

# Agency Response

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The State Public Transportation Administrator agreed with OPPAGA's overall assessment but disagreed with OPPAGA's conclusion that the department's planning is fragmented.

The Chairman of the Florida Ports Council offered OPPAGA additional information for consideration.

Both responses are included in Appendix F.



# Introduction

## Purpose

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This is the second of two reports presenting the results of OPPAGA's Program Evaluation and Justification Review of the Department of Transportation's Public Transportation Program. Under the authority of s. 11.513, F.S., OPPAGA conducts a justification review of each program operating under a performance-based program budget. The public transportation program began operating under this type of budget in Fiscal Year 1997-98.

Justification reviews assess agency performance measures and standards, evaluate program performance, and identify policy alternatives for improving services. OPPAGA's first report, published in February 1999, examined the program's performance measures and standards and made recommendations for improving the measures.<sup>3</sup> (See Appendix G.) This report assesses the program's performance and identifies policy alternatives for improving services. Appendix A summarizes our conclusions regarding each issue area the law requires to be considered in a program evaluation and justification review.

## Background

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The Public Transportation Program's primary purpose is to promote safe, interconnected public transportation systems in Florida by providing grants, technical assistance, and planning support to local governments and private entities that own and operate these systems. Public transportation systems include aviation, rail, seaport, and transit facilities and services. These systems provide efficient alternatives to highways and road systems and support tourism, international and domestic trade, and commuter services. Their availability enhances the state's ability to reach its transportation goal of ensuring the mobility of people and goods and enhancing economic prosperity while sustaining the quality of the environment.

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<sup>3</sup> *PB<sup>2</sup>Performance Report for the Public Transportation Program*, OPPAGA [Report No. 98-55](#), February 1999. (See Appendix G.)

## Introduction

*The program funded 610 projects based on local priorities in Fiscal Year 1998-99*

The department is statutorily directed to commit a minimum of 14.3% of State Transportation Trust Fund revenues to public transportation projects.<sup>4</sup> In Fiscal Year 1998-99, it awarded grants to 610 projects. These projects included purchasing vehicles for transit systems, making improvements to railroad crossings, acquiring land or constructing facilities for airport and seaport expansions, and improving highway connections to these facilities. Most projects are included in the transportation improvement plans developed by Florida's 25 metropolitan planning organizations (MPOs).<sup>5</sup> As discussed in Chapter 3, seaport projects are requested by local seaport authorities and selected and approved by the Florida Seaport Transportation and Economic Development Council.

In addition to its grant activities, the department provides technical assistance to public transportation owners and operators and develops strategic plans that describe the state's goals and objectives and general approach for improving aviation, rail, seaport, and transit systems. It also conducts safety inspections of airports, railroads, on-grade rail crossings, and transit equipment. Its specific activities for aviation, rail, seaport, and transit systems are discussed below.

## Aviation system activities

*Florida has 128 public airports and 631 private airports*

The Florida aviation system includes 128 public and 631 private airports.<sup>6</sup> In addition to their grants administration and technical assistance activities, program staff license all airports in the state, conduct airport safety inspections, approve new airport sites, and issue tall structure construction permits. As a result of legislation passed during the 1999 legislative session, program staff are now also responsible for promoting the development, improvement, and operation of aerospace facilities, including spaceports.<sup>7</sup> See Appendix B for a map of Florida airports.

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<sup>4</sup> This percentage will increase to 15% in Fiscal Year 2000-01.

<sup>5</sup> Federal law requires that federally funded transportation projects in urbanized areas with populations of 50,000 or above must be recommended by a metropolitan planning organization (MPO) that includes representation from area local governments. MPOs develop transportation plans for metropolitan areas in cooperation with the state.

<sup>6</sup> Of the 128 public airports, 103 are publicly owned and 25 are privately owned and open to the public.

<sup>7</sup> This language is included in Ch. 99-256, Laws of Florida, which went into effect July 1, 1999.

## Rail system activities

*Florida has 13 railroad companies operating 2,887 miles of track*

The rail system includes 2,887 miles of track and 13 line-haul freight railroads, a conventional inter-city passenger service (Amtrak), and a regional commuter transit system connecting Dade, Broward, and Palm Beach counties. In addition, the department was planning to participate in a public/private partnership to construct a high-speed passenger rail system linking Miami, Orlando, and the Tampa Bay area. However, in his proposed budget for Fiscal Year 1999-2000, the Governor recommended withholding funding for this project, and the Legislature did not fund the project in the 1999-2000 General Appropriations Act.

To promote the development of safe rail transportation systems, program staff develop a statewide plan for rail improvements and award grants for rail projects that maintain essential rail services; create rail access to airports, seaports, and highway interchanges; and preserve facilities and corridors for future transportation uses. Staff also conduct rail safety inspections; identify hazardous railroad grade crossings; and provide and coordinate funding for acquisition, rehabilitation, and new facility construction.

In addition, they promote the development of travel opportunities among various transportation modes by evaluating and awarding grants to intermodal linkages and facilities.<sup>8</sup> To further this activity, in 1998, the department began developing an intermodal system plan for connecting airports, seaports, and rail systems for passengers and freight. See Appendix C for a map of Florida railroads.

## Seaports

*Florida has 14 deepwater seaports*

Florida has 14 deepwater seaports. The primary responsibility for the seaport component rests with the Florida Seaport Transportation and Economic Development Council, which comprises representatives from each of these seaports. The council develops the five-year Florida Seaport Mission Plan for improving access to and the capacity of these seaports. It also reviews and approves seaports' requests for seaport improvement projects. Program staff represent the department on the council and review seaport project requests to ensure consistency with the department's five-year work program and Florida Transportation Plan. See Appendix D for a map of Florida seaports.

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<sup>8</sup> Moving people and goods from place to place usually requires the use of more than one means (mode) of transportation. Connections between modes are known as intermodal.

## Transit

*Florida has 21 public transit systems*

The transit component serves 21 public transit systems in Florida. These systems include bus and fixed guideway transportation. Program staff administer federal and state grants for transit projects, conduct safety inspections of transit fleets, monitor compliance with transit regulations, and provide planning and technical assistance to Florida transit agencies and communities. When providing technical assistance, staff encourage better coordination of transportation and land use planning and encourage local governments and the public to view transit as a realistic and viable alternative to personal automobiles. See Appendix E for a map of Florida transit systems.

## Program Resources

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*The program was allocated \$445.5 million in Fiscal Year 1999-2000*

The Department of Transportation receives funds from the State Transportation Trust Fund and the Federal Aid Highway Trust Fund, both of which receive revenue from taxes on transportation-related goods and services. Revenues from these taxes are dedicated to transportation.<sup>9</sup> For Fiscal Year 1999-2000, the department was appropriated \$4,495,533,931 and 10,376 staff. From the legislative appropriations, the department allocates funds to its different programs. For Fiscal Year 1999-2000, the department allocated the Public Transportation Program \$445,539,017 and 135 positions.<sup>10</sup> Eighty-six staff are in seven district offices and 49 staff are in the Tallahassee central office. Of the \$445,539,017, \$9,505,486 is for program operations and \$436,033,531 is for public transportation project grants to local governments.<sup>11</sup>

The program uses criteria such as statutory requirements, area population, and transportation needs to distribute public transportation grants to fund aviation, rail, and transit projects. The Florida Seaport Transportation and Economic Development Council distributes funds for seaport projects. In addition, local governments provide matching funds ranging from 5% to 50% of cost, depending on the type of projects to receive these grants.

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<sup>9</sup> Dedicated fund sources include fuel use and sales tax, state comprehensive enhanced transportation system tax, aviation fuels tax, motor vehicle license and title tax, and highway user fees.

<sup>10</sup> The Florida Department of Transportation's funds are not appropriated in the PB<sup>2</sup> program budget format.

<sup>11</sup> Florida's 1999-2000 fiscal year General Appropriations Act provides an estimated \$398.5 million for public transportation project grants, an increase of \$87.5 million from Fiscal Year 1998-99. While this is an increase in project grant allocations, staff explained that this is not new money--just a reallocation of existing funds previously intended for the high-speed rail project.



Exhibit 1-1 shows the department allotments for the Public Transportation Program for Fiscal Years 1996-97 through 1999-2000, and Exhibit 1-2 shows the Fiscal Year 1999-2000 allotments broken out by expense categories and grant projects.

**Exhibit 1-1**  
**Public Transportation Program Allotments**  
**for Fiscal Years 1996-97 through 1999-2000**

Department Allotments	Fiscal Year			
	1996-97	1997-98	1998-99	1999-2000
Funds <sup>1</sup>	\$289,106,916	\$298,402,525	\$319,801,554	\$445,539,017
FTEs	136	136	139	135
Percentage of Total Agency Budget	9.1%	8.6%	8.4%	10%

<sup>1</sup> Includes all sources of agency funds, including the State Transportation Trust Fund. In Fiscal Year 1999-2000, the department's adopted work plan allocated 16.4% of the State Transportation Trust Fund to public transportation projects. This meets the department's statutory charge to commit at least 14.3% of the State Transportation Trust Fund for public transportation projects.

Source: Florida Department of Transportation.

**Exhibit 1-2**  
**Program Allotments for Fiscal Year 1999-2000**

Salaries and Benefits	\$ 8,150,435
Other Personal Services	63,718
Expenses	646,735
Operating Capital Outlay	14,174
Consultant Fees	614,250
Human Resource Development	16,185
Aviation Grants	112,000,002
Intermodal/Rail Grants	182,978,034
Seaport Grants	25,000,000 <sup>1</sup>
Transit Grants	116,055,484
<b>Total</b>	<b>\$445,539,017</b>

<sup>1</sup>This amount does not include an additional \$10 million authorized in s. 320.20(4), F.S. The additional \$10 million was not included in the General Appropriations Act for Fiscal Year 1999-2000.

Source: Florida Department of Transportation.

# Program Benefit, Placement, and Performance

## Program Benefit and Impact of Abolishment

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The Public Transportation Program is essential and should be continued. A well-functioning, interconnected transportation system is vital to Florida's economic health. Without good transportation systems, the state would lack the means of marketing its goods and services. In addition, productivity would fall as individuals spent more time getting to and from work.

*The high fixed costs of transportation systems necessitate government involvement*

Obtaining the rights-of-way for and constructing large transportation systems is extremely expensive. Once an airport, roadway, seaport, or railway infrastructure is built, the variable cost of running an additional plane, car or train over the system is very small. As long as the system has not reached capacity, running more individual units over it spreads fixed costs and creates lower cost for each consumer. Since having two parallel systems would nearly double the price of using the system, entities that construct these transportation systems are "natural monopolies" and cannot be effectively regulated by the competitive market. Consequently, government either must directly finance and own these systems, or it must closely regulate the price that private companies charge for use of the systems.

*Public transportation systems are efficient alternatives to trucks and automobiles*

Historically, federal, state, and local governments have owned highway systems, while local governments or private businesses have owned public transportation systems. However, both the state and federal governments currently regulate and provide financial support to these public transportation systems for three reasons.

- Public transportation systems generally carry greater quantities of passengers or goods than highway systems and make more efficient use of their fixed infrastructure. Consequently, the state's investment in these systems can slow down the rate of growth in highway congestion and help avoid the future costs of building new roadways.

- Despite their greater efficiency, public transportation systems might not be competitive with the heavily subsidized highway systems. Federal and state funding for these systems helps them compete with trucks and automobiles.
- To maximize their effectiveness, public transportation systems need to be interconnected. Government planning can help ensure that goods and services move to their final destinations in an efficient manner.
- Public transportation systems can pose risks to the health and safety of the public. Government regulations can help ensure the safety of these systems.

If the public transportation program were abolished, it is likely that the services of some forms of public transportation would be reduced or unable to handle increases in demand. This could lead to greater dependency on the highway system and increases in the state's road construction and maintenance costs. In highly developed areas of the state where building additional highways may not be viable, reductions in public transportation services could limit economic growth. In addition, abolishing the public transportation program would result in the state losing approximately \$27 million a year in federal matching funds for public transportation projects.

## Agency Placement

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*The Florida Department of Transportation should continue to administer this program*

The Department of Transportation is the appropriate agency to administer the Public Transportation Program. Public transportation deals with the movement of people, goods, and services by air, rail, sea, and transit transportation systems. The program is logically placed within the Department of Transportation because it is the only state agency with statutory responsibility for developing a balanced statewide transportation system that will ensure the safe and effective movement of people, goods, and services.

*Privatizing the program is not a viable alternative*

Outsourcing or privatizing the program's major functions in managing the public transportation system is not a viable alternative. The program's primary function is administering federally- and state-funded grants to local governments and private sector entities that own and operate public transportation systems. Grant administration is a core government function. Privatizing this function is not likely to reduce costs because program staff would have to retain oversight of grant administration activities. However, the department does outsource some public transportation functions. For example, program staff sometimes hire consultants to conduct planning and engineering studies or to perform transit vehicle inventories and safety inspections.

# Program Performance

The program attained or exceeded 8 of its 11 performance standards established in the General Appropriations Act for Fiscal Year 1998-99. Transit ridership, public transit passenger trips, airplane passenger enplanements, and tons of cargo shipped by air, all increased, while the volume of trade shipped by water stayed about the same as in the prior years. Other program performance measures, which the department maintains internally, show that public transportation safety has improved in recent years. For example, railroad grade crossing accidents have declined significantly (71%) during the past decade.

*Program performance measures reflect economic conditions as well as program activities*

Most of the program's measures are more likely affected by national and international economic trends than by the program's activities. For example, the weather, service quality, and economic conditions affect transit ridership, while the volume of trade shipped by water and air are greatly affected by national and international economic market conditions. However, the department maintains internal measures that can help explain changes in the program's performance-based program budgeting measures. These internal measures should be subject to the same quality standards as other information reported by the department. See Appendix G for a more detailed discussion of program performance for each of its 1997-98 measures. Exhibit 2-1 shows Fiscal Years 1997-98 and 1998-99 performance compared to standards.

**Exhibit 2-1**  
**Performance Measures Compared to Standards for Fiscal Years 1997-98 and 1998-99**

Public Transportation Measures	1997-98		1998-99	
	Standard	Performance	Standard	Performance
Transit ridership growth compared to population growth	1%/2%	3.3%/2.1%	1%/2%	2.92%/2%
Total waterborne trade in tons	128,300,000	109,400,000	110,000,000	111,000,000
Tons of cargo shipped by air	4,000,000	3,916,905	4,700,000	3,928,996
Number of passenger enplanements	49,000,000	51,522,203	56,000,000	53,971,144
Number of transit capital projects funded	46	66	22	70
Number of transit operating projects funded	153	134	73	181
Number of aviation projects funded	231	272	209	293
Number of intermodal projects funded	40	48	41	39
Number of rail projects funded	70	146	15	27
Number of public transit passenger trips	170,909,390	170,999,825	167,200,000	175,957,640
Number of cruise embarkations and disembarkations	7,500,000	8,600,000	7,300,000	8,200,000

Source: *PB<sup>2</sup> Performance Report*, OPPAGA Report No. 98-55 and the Department of Transportation Legislative Budget Request for Fiscal Year 2000-01.

Exhibit 2-2 shows the performance-based program budgeting measures and standards the Legislature approved for the public transportation program for Fiscal Year 1999-2000.

**Exhibit 2-2**  
**The Legislature Approved Five PB<sup>2</sup>Performance Measures for**  
**Fiscal Year 1999-2000**

<b>Outcome Measures</b>	<b>Standard</b>
Transit ridership growth compared to population growth	2%/2%
Tons of cargo shipped by air	4,500,000
<b>Output Measures</b>	<b>Standard</b>
Number of passenger enplanements	59,000,000
Number of public transit passenger trips	173,000,000
Number of cruise embarkations and disembarkations at Florida Ports	11,000,000

Source: 1999-2000 Appropriations Implementing Act.

These measures are reasonably good indicators of overall program performance. However, the Legislature may want to consider making the following changes:

- reclassifying the output measures to outcomes because they are better indicators of program results than they are of program activities,
- adding the number of containers moved at Florida's seaports and tons of cargo shipped by rail as an outcome measure for the seaport and rail component, and
- adding one or more output measures, such as the total number of entities served and directing the department to develop unit costs for these measures.

In its Fiscal Year 1999-2000 Legislative Budget Request, the department has proposed new measures for Fiscal Year 2000-01. These measures reflect many of OPPAGA's recommendations found in OPPAGA Report No. 98-55. (See Appendix G.)

## *Options for improvement*

The public transportation program's grant management processes are generally effective in ensuring that grant funds are used appropriately. However, the department has limited authority to oversee the use of bond proceeds funded by state appropriations and used for seaport projects, and concerns have been raised about the seaport program structure. (See Chapter 3.)

## *Program Benefit, Placement, and Performance*

*Florida's transportation planning process has focused on commuters' needs rather than transporting freight and passengers*

The current process used to plan the transportation system is highly decentralized and has focused more on meeting citizens needs for transportation between homes and workplaces than it has on meeting businesses needs for transporting freight and passengers. As a result, the current public transportation system is not effective in meeting the state's need for a seamless, intermodal system connecting regional economic centers. (See Chapter 4.)

## Grant Management Generally Adequate; Seaport Program Lacks Coordination With Other Modes of Transportation

The department's process for managing public transportation grants is generally effective in ensuring proper use of grant funds. However, the seaport program's separation from other transportation modes restricts the state's ability to develop an integrated, balanced statewide transportation system. Some legislators, legislative staff, and the Office of the Comptroller have expressed concerns over insufficient management controls and other accountability issues for seaport projects, although some legislators and seaport representatives assert that the current process provides reasonable state oversight. OPPAGA identified four policy alternatives the Legislature may wish to consider to better integrate seaport projects into the state's transportation system. The Legislature may also wish to consider the results of the Auditor General's financial and performance audit of the Florida Seaport Transportation and Economic Development Program, which is to be completed by the 2000 legislative session.

### *Grant management oversight is generally effective*

One of the primary functions of the public transportation program is to administer project grants to local governments and other entities that provide public transportation services. These entities are to use the grants to carry out specific transportation projects. To ensure that the projects accomplish their purposes and comply with budgetary limitations, program staff and public transportation entities enter into Joint Participation Agreements defining the scope, cost, and legal provisions for the project. Program staff approve any changes to these agreements and perform site visits to ensure that funded public transportation entities meet project requirements.

## *Grant Management Generally Adequate Seaport Program Lacks Coordination With Other Modes of Transportation*

Recent external and internal audits and quality assurance reviews found that the program's grant management oversight is generally effective.<sup>12</sup> Although some reviews noted that program staff did not adequately document some of their grant management activities, they did not identify any significant oversight concerns for public transportation projects. However, a recent Comptroller's Office report raised concerns about seaport projects.<sup>13</sup>

## *The seaport program's structure impedes state coordination*

The Legislature in 1990 established the Florida Seaport Transportation and Economic Development Program to improve the movement and intermodal transportation of cargo and passengers. Since that date, economic activity at Florida's seaports has grown significantly. For example, cargo container movements increased by 163% between 1990 and 1998. About 80% of the nation's cruise passengers travel through Florida's seaports. A study conducted for the Florida Ports Financing Commission estimates that seaport activities are linked to 265,000 jobs statewide and generate \$836.2 million annually in state and local tax revenues.

*Since 1990, annual appropriations for seaport projects have quadrupled*

The Legislature has steadily increased financial support for seaport improvement projects. In 1990, the Legislature passed a law appropriating at least \$8 million per year for seaport development grants; in 1999, it appropriated \$10 million for these grants.<sup>14</sup> In 1996, the Legislature passed a law appropriating an additional \$15 million per year for use as debt service payments for seaport development bonds. The Florida Ports Financing Commission, which comprises representatives from 9 seaports, issued the bonds that raised \$222.3 million for seaport development projects at 11 seaports.<sup>15</sup> In 1999, the Legislature authorized another \$10 million a year for a second bond issue that raised

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<sup>12</sup> *Operational Audit of the Florida Department of Transportation's Public Transportation Programs*, State of Florida Auditor General Report No. 13206, April 1998; *FY 1998 State Management Review of the Florida State Department of Transportation*, Prepared for the Federal Transit Administration by Gardiner, Kamy & Associates, P.C., November 1998; *The Audit of Public Transportation Office*, Florida Department of Transportation Office of Inspector General, Report 06B-6002, October 1996; and Florida Department of Transportation Public Transportation Quality Assurance Reviews

<sup>13</sup> State of Florida, Office of the Comptroller, *Audit of the Florida Seaport and Economic Development Program*, May 1999.

<sup>14</sup> Section 311.07(2), F.S., authorizes this appropriation. Seaports must provide 50% matching funds for these grants.

<sup>15</sup> Section 320.20(3), F.S., authorizes the \$15 million appropriation. Seaports must provide 50% matching funds for projects funded with bond proceeds.



*Grant Management Generally Adequate; Seaport Program  
Lacks Coordination With Other Modes of Transportation*

\$153.1 million to pay for improving intermodal access to seaports.<sup>16</sup> In all, annual appropriations for seaport projects have more than quadrupled over the last nine years, with the Legislature providing \$35 million in Fiscal Year 1999-2000.

Although the seaport program has been implemented as established in statute, the program's structure sets it apart from the rest of the transportation system. This independence results in part from the seaports' desire to avoid bureaucratic processes inherent in the current transportation planning structure. Seaport directors and Florida Ports Council staff say the current program structure is justified because seaports must react quickly to market forces and customer demands unique to their business.

The seaports that apply for funds from the state seaport program decide how to spend these funds through a potentially confusing structure. Florida statutes created the Florida Seaport Transportation and Economic Development (FSTED) Council to select and approve projects. The FSTED Council contracts with the Florida Ports Council, a non-profit private corporation, to provide administrative services to FSTED. The Florida Ports Council also provides administrative services to the Florida Ports Financing Commission. Virtually the same ports serve on all three entities. This structure is illustrated in Exhibit 3-1.

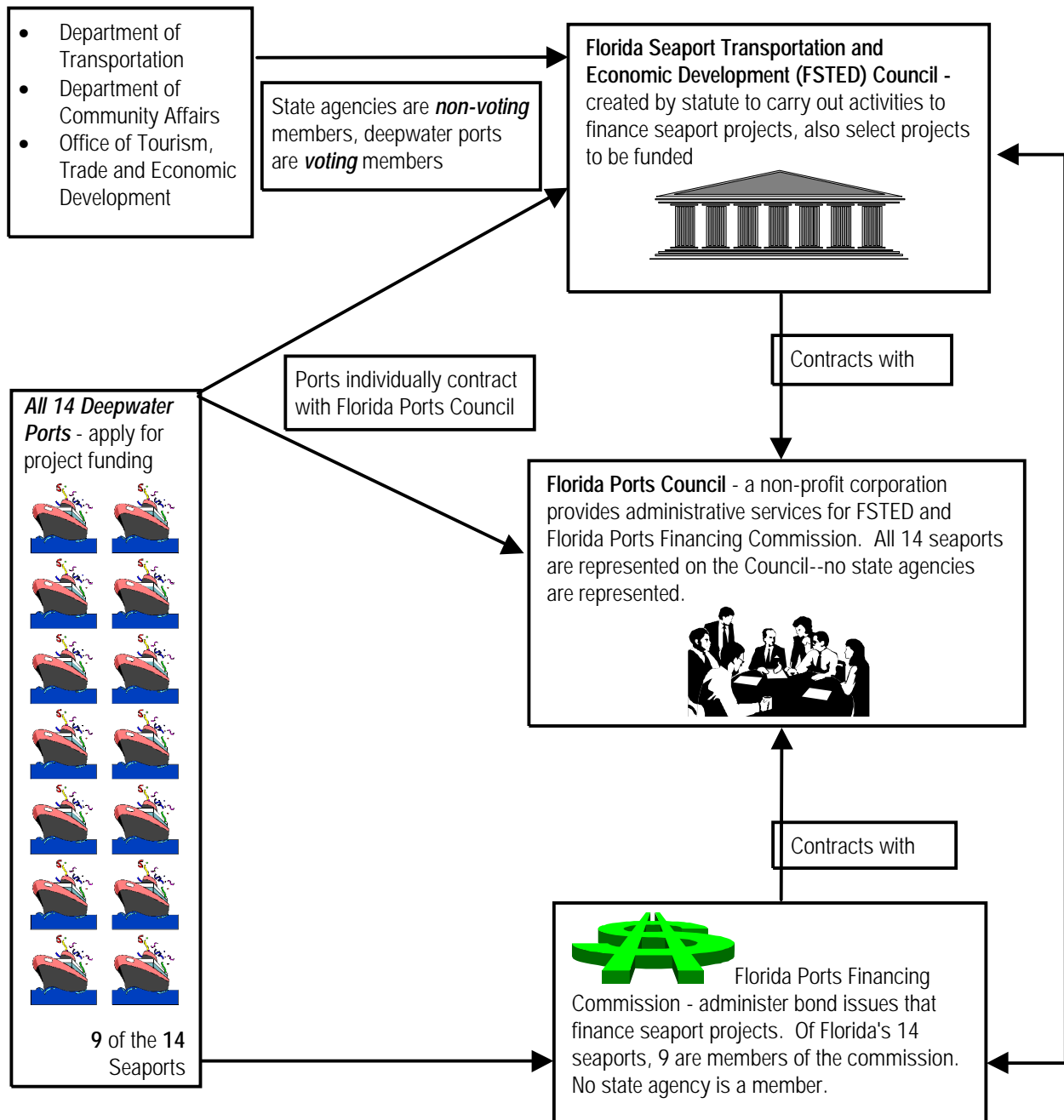
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<sup>16</sup> Section 320.20(4), F.S., authorizes the \$10 million appropriation. Funding was originally scheduled to begin in July 2001, but the 1999 Legislature decided to begin the funding two years earlier. Seaports must provide at least 25% matching funds for these projects.

# Grant Management Generally Adequate Seaport Program Lacks Coordination With Other Modes of Transportation

## Exhibit 3-1

### Program Structure Impedes the State's Control Over State Financed Seaport Projects



## *Grant Management Generally Adequate; Seaport Program Lacks Coordination With Other Modes of Transportation*

*Seaport projects are selected outside the transportation planning process*

Seaport projects are selected outside the traditional planning process used to select all other public transportation projects. This hinders coordination between seaports and the rest of the transportation system. For example, the Freight Stakeholders Task Force noted concerns among private sector members over the difficulty of understanding and participating in the MPO process and recommended the establishment of freight mobility committees within the largest MPOs. The task force also reported that many seaport projects may not be properly focused on seaports that can best compete for international trade.<sup>17</sup> This task force included 9 of Florida's 14 seaports as members. However, Florida Ports Council staff disagreed with both assessments. They asserted that coordination is achieved because seaport projects are contained in local comprehensive plans. Furthermore, Florida Ports Council figures show that six large seaports handle most of Florida's international trade, and these seaports have received almost 90% of FSTED funding since 1990. For a more detailed discussion of the transportation planning process, see Chapter 4.

Seaports exercise more power over state transportation project selection than do any other entities receiving public transportation funds. Although the 17-member FSTED Council has the statutory authority to select seaport projects, only the 14-deepwater seaport representatives have voting status on the council. The three state agency representatives have non-voting status, and review projects for consistency with plans and policies.<sup>18</sup>

*State law limits the scope of consistency reviews*

The FSTED Council is prohibited from funding projects the agencies find are inconsistent. However, state law limits the scope of these consistency reviews. For example, the Department of Transportation reviews projects for consistency with the Florida Transportation Plan and the department's adopted work program. Although the Florida Transportation Plan currently mentions general support for improving seaport facilities and intermodal connections, it does not contain specific provisions involving a comprehensive review of seaport projects. This consistency review also does not include the intermodal development plan mandated by the 1999 Legislature.<sup>19</sup>

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<sup>17</sup> The Freight Stakeholders Task Force was established to identify freight transportation projects for "fast track" funding and to make recommendations to the department for the intermodal development plan that will address freight and passenger transportation interests.

<sup>18</sup> The state agencies are the Department of Transportation, the Department of Community Affairs, and the Office of Tourism, Trade, and Economic Development.

<sup>19</sup> The Department of Transportation expects to complete an update of the Florida Transportation Plan by June 2000. The department is considering several major issues for this update, including intermodal connections, alternative modes of travel, economic vitality, and transportation and land use.

## *Grant Management Generally Adequate Seaport Program Lacks Coordination With Other Modes of Transportation*

Although the department plays a limited role in selecting seaport projects, it does exercise some oversight authority over these projects. However, the department has less oversight authority for projects funded with bonds pursuant to Ch. 320, F.S., than it does for projects funded pursuant to Ch. 311, F.S. The department oversees the use of seaport Ch. 311, F.S., funds in much the same manner as it oversees the use of grants for other public transportation projects. Program staff and seaports enter into Joint Participation Agreements that define the scope, cost, and legal requirements for projects receiving Ch. 311, F.S., funding. Program staff approve any changes to the projects and monitor them for compliance with the agreement.

*The department has little oversight of projects funded with bond proceeds*

However, as provided by statute, the department exercises less control over the use of bond proceeds. Instead of entering into separate Joint Participation Agreements with individual seaports receiving bond proceeds, the department has entered into a single master agreement with the Florida Ports Financing Commission.

The master agreement allows seaports to modify or substitute approved projects as long as they provide the department, the commission, and the council with required documentation. Although commission staff asserted that the seaports have improved efforts to provide this documentation, the department has no authority to disapprove such modifications or substitutions. The department monitors project progress, but a trustee for the commission disburses the funds to seaports based on the project's stages of completion. The master agreement requires each seaport to retain documentation sufficient to support the department's final project audit. Final audits ensure that any deficiencies or questioned costs are resolved. However, the department has no authority to withhold funding if a seaport fails to retain such documentation. Furthermore, the department is not conducting these final audits, but is relying on annual audits by private accounting firms hired by the seaports' governing bodies to oversee project expenditures.

Although the bond financing program raises large amounts of money in the short term, it reduces the Legislature's ability to redirect funding to other transportation projects or programs. The \$25 million annual payment to finance seaport bonds is authorized in statute, but \$10 million of that amount authorized in 1999 for seaport intermodal access projects does not appear in the General Appropriations Act. The Legislature cannot spend the \$25 million for any purpose other than payments on the bond issue. The Florida Ports Financing Commission first issued bonds in 1996 for a period of 30 years. Although the bond issue raised \$222.3 million, the state will pay an estimated total of \$450.5 million in principal and interest during that period. The 1999 bond issue for seaport intermodal access projects raised \$153.1 million for a period of 30 years. The state will pay an estimated total of \$309.9 million in interest and principal during that period.

*Grant Management Generally Adequate; Seaport Program Lacks Coordination With Other Modes of Transportation*

*The state must pay the debt on seaport bonds, but has limited involvement in how the money is spent*

The current bond financing program obligates future legislatures to pay the debt service for bonds issued by a non-state entity, the Florida Ports Financing Commission, while state agencies on the FSTED Council have limited involvement over how the money is spent. Again, the FSTED Council selects and approves the seaport projects. Representatives from the 14-deepwater seaports are voting members of the council while the Department of Transportation and other state agencies are non-voting members. Eleven of the 14 ports receive bond funds from the Florida Ports Financing Commission while 9 of the 14 are members of the commission. Although this arrangement may be in the ports' best interests, it does not ensure that seaport projects meet state goals and objectives related to other transportation modes.

Some of the cost of issuing bonds and administering the bond program might have been avoided or reduced if the State Board of Administration (SBA) and Department of Transportation had provided these services.<sup>20</sup> For example, the Florida Ports Financing Commission employs several consultants, including a general counsel, a bond counsel, a trustee, a financial adviser, and a bond program administrator. Some of these consultants are on retainer and receive annual fees while the SBA charges one-time fees for these services. The recurring annual cost of these consultants might have been avoided by using the SBA. Other costs might have been reduced if the Department of Transportation had been used to provide administrative support and project monitoring services currently being provided by consultants.

Florida Ports Financing Commission staff assert that the department had earlier turned down requests to administer seaport bonds and would have charged higher fees than the commission currently pays for this service. It will be necessary to collect more precise data than is currently available to estimate the possible cost savings of using the SBA and the department to provide services related to future bond issues.

*Recent legislation provides for better coordination*

While Florida's seaports contribute significantly to the state's economy, the seaports depend on other transportation modes for moving passengers and freight. Recent legislation and transportation studies have stressed the importance of better coordination among transportation modes to meet the state's economic goals. For example, the 1999 Legislature enacted several transportation policies intended to provide better coordination among transportation modes. Recognizing the Department of Transportation's role in the state's economic development, the Legislature directed the department to develop an intermodal development plan to connect airports, seaports, railways, and the highway system for the movement of people and freight. The intermodal

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<sup>20</sup> The SBA's Division of Bond Finance has the duty of issuing bonds on behalf of state agencies, including the Department of Transportation.

## *Grant Management Generally Adequate Seaport Program Lacks Coordination With Other Modes of Transportation*

development plan is currently scheduled for completion by February 1, 2000. The 1999 Legislature also enacted the four policies below.

- Expanded the Florida Transportation Commission's responsibility to periodically review the state transportation system, including highway, transit, rail, seaport, intermodal development, and aviation components.
- Clarified that Florida's transportation planning process shall include projects and strategies that enhance the integration and connectivity of the transportation system, across and between modes throughout Florida, for people and freight.
- Conformed state law to federal law by requiring metropolitan planning organizations to consider projects and strategies that enhance the integration and connectivity of the transportation system, across and between modes, for people and freight.
- Directed the FSTED Council in cooperation with the department to develop freight-mobility and trade-corridor plans that contribute to economic growth and connect transportation modes.

Florida law now says that all transportation modes should be interconnected and gives the Department of Transportation a major role in implementing this policy. However, the seaport program structure impedes the state's ability to integrate seaports into the rest of the transportation system. We identify additional impediments to coordination in Chapter 4.

### *Concerns have been raised over seaport project accountability*

Some legislators and legislative staff in 1999 expressed concerns about management controls and other accountability issues for seaport projects. These concerns related to the seaport program's structure and included those noted below.

- The Department of Transportation has limited authority over seaport project selection and oversight.
- Nothing ensures that seaport projects meet legislative mandates to move people and freight.
- Seaport bonds are issued by the Florida Ports Financing Commission instead of the State Board of Administrations' Division of Bond Finance.
- The Florida Ports Council, a private, non-profit corporation, provides administrative services to both the Florida Seaport Transportation and Economic Development Council and the Florida Ports Financing Commission.

## *Grant Management Generally Adequate; Seaport Program Lacks Coordination With Other Modes of Transportation*

The Office of the Comptroller has also raised concerns over the controls for seaport projects funded by bond proceeds. These concerns include four key issues.<sup>21</sup>

- The membership of the entities that apply for, approve projects funded from, approve payments from, and receive bond funding overlap and interlock, which may create a potential for conflict of interest.
- Some projects approved for funding from the bond proceeds may not have met statutory criteria for use of these funds.
- Although Broward County received \$37.4 million from the seaport program to purchase land for Port Everglades, the county did not use the money for this purpose.<sup>22</sup>
- The department's process for auditing seaport projects may not ensure that bond proceeds were properly spent.

Further review of the seaport program is underway. To ensure accountability for the expenditure of state funds, the 1999 Legislature required the Auditor General, in cooperation with OPPAGA and the Office of the Comptroller, to conduct a financial and performance audit of seaport financing prior to the 2000 legislative session. The review will include evaluating the responsibilities of entities involved in the program, determining the extent to which the system of internal control promotes the achievement of management's objectives, and determining the reliability of financial records and reports.

## Recommendations

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Current Florida law separates the seaport program from the rest of the transportation system and is inconsistent with recent legislation intended to provide better coordination among transportation modes. In Chapter 4 we identify additional weaknesses in the transportation planning process that also impede this coordination. However, the seaport program's structure differs significantly from other aspects of the Public Transportation Program. Based on this consideration, OPPAGA has identified four options regarding the seaport program's structure that the Legislature may want to consider for the purpose of integrating seaports into the statewide transportation system. These options can be considered individually or in combination. Given the need for greater integration of seaports into the intermodal system and the need to keep

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<sup>21</sup> State of Florida, Office of the Comptroller, *Audit of the Florida Seaport and Economic Development Program*, May 1999.

<sup>22</sup> Broward County later returned the money.

## *Grant Management Generally Adequate Seaport Program Lacks Coordination With Other Modes of Transportation*

the funding structure responsive to market forces, we recommend options 1 and 2 together.

**Option 1.** The Legislature may want to consider strengthening the state agencies' authority on the FSTED Council. The three agencies currently have non-voting status on the council and their review of seaport projects is limited to determining consistency with specific state and local policies and plans. The state agencies should be granted voting status on the council and any agency should be allowed to withhold funding from a project that the agency believes is not in the state's best interest. Florida Ports Council staff support expanding the agencies' review power.

**Option 2.** The Legislature may want to consider creating an intermodal project selection group that would select all off-port intermodal access projects and other intermodal projects, while restricting the FSTED Council's project selection authority to projects located only on seaport property. This option would retain some autonomy for the seaports in selecting on-port projects while ensuring coordination of intermodal access (off-port) projects with other transportation modes. The intermodal project selection group could aid in better coordination of projects among all transportation modes.

**Option 3.** The Legislature may want to consider establishing a new office in the Department of Transportation to administer the seaport program. This office would have authority to approve on-port seaport projects for funding and approve any modifications of these projects. Off-port projects would be selected through the intermodal project selection process discussed in Chapter 4. The office would also develop a five-year seaport mission plan. The FSTED Council would serve in an advisory role to the department. Granting seaport project funding approval to a seaport office in the department would make this process consistent with the project funding approval processes for all other public transportation modes and provide better coordination among those modes. The new office would also eliminate the need to contract this activity to the Florida Ports Council or other non-state entity.

**Option 4.** The Legislature may want to consider retaining the current program structure. Coordination with other transportation modes would be achieved through the current process.

In addition to changes in the seaport program's structure, the Legislature may also want to consider the two options related to funding discussed below.

- The Legislature may want to consider funding future seaport projects through direct appropriations instead of with bonds. Florida Ports Council staff say the 1996 and 1999 bond issues were executed to meet an immediate need for seaport projects. While bonding raises large amounts of money in the short term, it restricts the Legislature from



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using the annual payments, currently \$25 million, for anything other than the bond issues. The bond issues will also cost the state \$760.4 million in principal and interest over three decades in return for \$375.4 million raised. A Senate Budget Committee report says paying cash instead of borrowing saves long-term interest costs and makes the revenue stream available for unexpected future needs.<sup>23</sup> In addition, the committee and the State Board of Administration's Division of Bond Finance have noted sharp increases in Florida's debt burden compared to other states. The committee's report states that Florida increased its debt burden more significantly than any other state between 1993 and 1998. Paying for future seaport projects with cash instead of with bonds may help reduce Florida's debt burden growth rate.

- If the Legislature does decide to fund future seaport projects with bonds, it may want to consider using the SBA to issue the bonds on behalf of the Department of Transportation and administer the debt service payments. Issuing bonds through the SBA may result in avoiding or reducing some expenses involved with issuing bonds through the Florida Ports Financing Commission. In addition, the Legislature may want to consider using the Department of Transportation to administer the seaport bond program. It will be necessary to collect more precise data than is currently available to estimate the possible cost savings of using the SBA and the department to provide services related to future bond issues.

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<sup>23</sup> *State Government Debt Analysis, Interim Project Report 2000-05*, Florida Senate Committee on Budget, November 1999.

# Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs

Although public transportation systems provide alternatives to motorists and businesses facing increased roadway congestion, these systems are not adequately developed or effectively utilized. Reasons include lack of public support, fragmented transportation planning, and insufficient land use planning that allows urban sprawl. The results are longer commuting times, delayed delivery of goods and services, and higher highway right-of-way costs.

## *Florida relies on highways to meet transportation needs, but congestion is increasing*

Florida relies heavily on roads for transporting goods and passengers. For example, when measured by value, 78% of Florida's freight shipments move by truck. In addition, 45% of Florida's visitors arrive by automobile, and many other visitors rent cars when they come to the state. Finally, according to census data, 77% of the state's workers commute between their homes and workplaces by single passenger automobiles, and another 14% commute by car pool.<sup>24</sup>

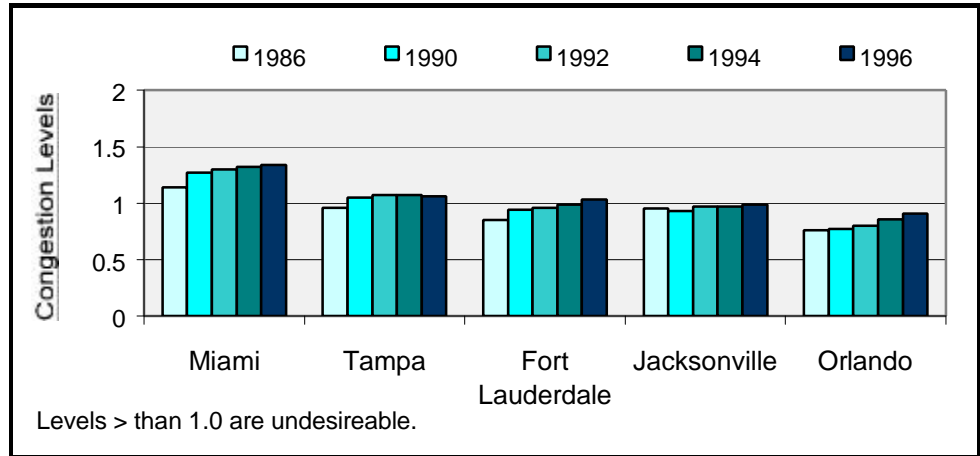
As more goods and people move through the state, Florida's roads are becoming increasingly congested. The Texas Transportation Institute has conducted an ongoing 14-year study of road congestion in urban areas throughout the nation. As shown in Exhibit 4-1, the institute found that congestion has steadily increased in all of Florida's largest urban areas. In 1996, congestion reached undesirably high levels in Miami, Tampa, and Fort Lauderdale, with Miami being the third most congested urban area in the United States.

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<sup>24</sup> Based on 1990 United States Census data reported in the 1998 *Florida Transportation Almanac*.

*Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

**Exhibit 4-1**  
**Congestion in Florida's Major Urban Areas Continues to Worsen**

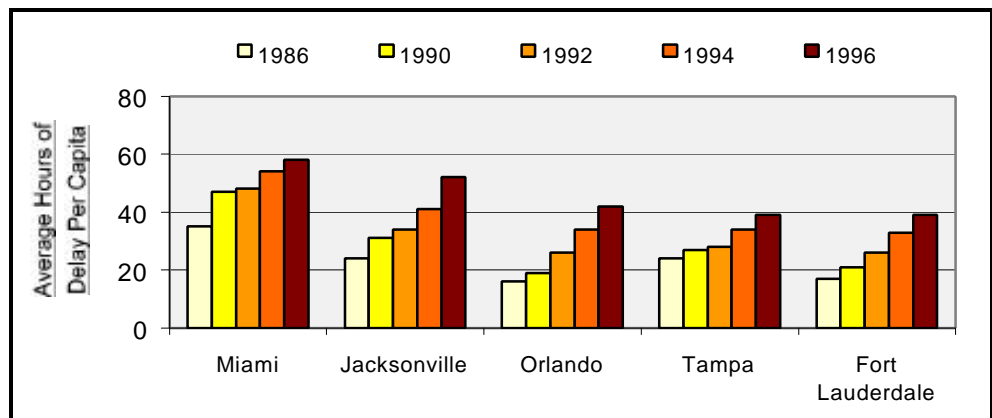


\* Measures the density of traffic, average travel per lane on freeways and principal arterial streets are estimated using areawide estimates of vehicle-miles of travel and lane-miles of roadway.

Source: *Urban Roadway Congestion Annual Report 1998*, Urban Mobility Study, Texas A & M University, Texas Transportation Institute.

The institute also found that road congestion costs Florida citizens and businesses time and money. As shown in Exhibit 4-2, the average amount of time drivers in Florida's five largest urban areas are delayed due to road congestion has steadily increased. In addition, the total cost of congestion to the residents within these urban areas is estimated to be \$3.6 billion. Exhibit 4-3 shows the annual costs due to congestion in the five major urban areas.

**Exhibit 4-2**  
**Travel Delay Due to Congestion Is Also Increasing**

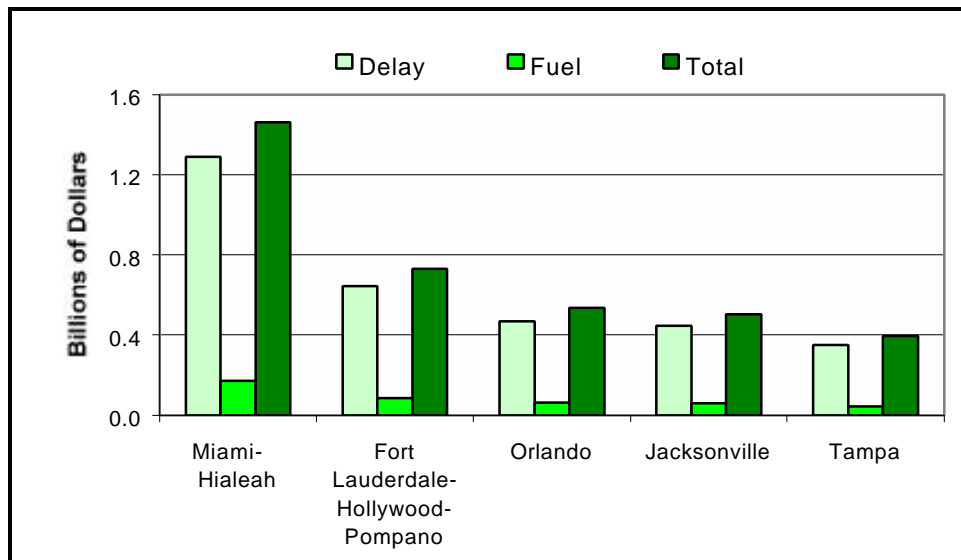


Source: *Urban Roadway Congestion Annual Report 1998*, Urban Mobility Study, Texas A & M University, Texas Transportation Institute.

## *Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

### Exhibit 4-3

#### In 1996, Total Annual Costs Due to Congestion Were Substantial



Source: *Urban Roadway Congestion Annual Report 1998, Urban Mobility Study*, Texas A & M University, Texas Transportation Institute.

As congestion grows, Florida's ability to attract and retain businesses diminishes. A recent study of the Florida Chamber Foundation concluded that Florida businesses depend on efficient, multi-modal transportation. However, Florida's transportation planning has focused on facilitating home-work trips, and business needs for transporting goods and passengers are not being effectively met. If current trends continue, Florida's businesses will be unable to compete with businesses from other states.

## *Florida's ability to increase road capacity is limited*

Although one solution to highway congestion is to build more roads, the state's ability to do so is limited, particularly in the highly developed urban areas that experience the most congestion. Highly urbanized areas contain little undeveloped land, making the acquisition of highway right-of-way in those areas very expensive. In Fiscal Year 1997-98, Florida had the highest right-of-way acquisition costs of any state, paying \$490 million to obtain needed right-of-way. In addition, adding lanes to existing highways often creates unacceptable safety and environmental consequences. Finally, multi-lane roads adversely affect the quality of the neighborhoods they pass, so their construction is often opposed by local neighborhood associations. In Milwaukee, the city is exploring the idea of demolishing a nearby interstate highway.

## *Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

To encourage more efficient use of roadways and to decrease the likelihood of adverse environmental consequences, the Department of Transportation has limited the width of roads it will construct to 10 lanes in urban areas and 6 lanes in non-urbanized areas. Department staff believe that Florida will never be able to construct enough highways to meet its transportation needs. Consequently, in areas such as Dade County, where the road system has already reached width limits, staff are looking for other ways to meet transportation needs.

### ***Public transportation systems could satisfy many transportation demands***

Many of Florida's transportation demands could be met by public transportation systems. For example, according to a study done by the Florida Chamber Foundation, nearly half of international shipments through Florida neither originate nor terminate in the state. In all likelihood, these shipments could move directly from seaports to railroads, thereby decreasing truck traffic on the highway system. However, many ports are not directly connected to rail systems, and shipments going through these ports must be trucked to the nearest rail terminals.

In addition, because Florida's airports and major attractions are not connected by rail or transit systems, Florida's visitors have little alternative to renting private passenger cars to get to their destinations. If convenient public transportation systems connected airports, major attractions, and cruise ports, many visitors would probably use these systems, decreasing the burden on the highway system.

Finally, if Florida's urbanized areas had more convenient transit systems, a higher number of commuters would probably use these systems for trips between homes and workplaces. People will use transit systems if trains or buses run frequently, get them where they need to go, and do not greatly lengthen the time they spend traveling between homes and workplaces. One of the U.S. Federal Transit Administration's indicators for a high quality transit system is the percentage of population living within one-quarter mile of transit with service frequency of 15 minutes or less. Program staff indicates that in the state, only a small portion of the Miami area system would meet this indicator. Furthermore, although the Tri-County Commuter Rail Authority (serving Broward, Dade, and Palm Beach counties) moves passengers efficiently among the three counties, its stations have to connect with local bus systems and the Metrorail for passengers to reach their intended destination. Therefore it often falls short of getting its passengers to their final destinations, which tends to limit ridership.

## ***Florida's public transportation systems have not been adequately developed for a number of reasons***

A number of factors contribute to the failure of Florida's public transportation systems to meet current needs and compete successfully with trucks and automobiles. These factors include the following:

- a fragmented transportation planning system,
- limited information on transportation demands,
- lack of public support for transit systems, and
- land use planning that promotes highway use.

## ***The transportation planning function is fragmented***

Florida's transportation planning structure consists of 25 metropolitan planning organizations, 14 deepwater seaports, the Department of Transportation (DOT), and the Florida Seaport and Economic Development Council. Federal law requires states to use metropolitan planning organizations to coordinate the transportation planning process within highly populated areas.<sup>25</sup> The metropolitan planning organizations develop transportation improvement programs for priority highway, rail, and airport projects in their jurisdictions. Within the Department of Transportation, the department's district offices review these plans and select the projects they will include in the state transportation program, which becomes the basis for the department's legislative budget request. A separate, parallel planning process exists for seaports, in which the 14 seaports each develop a list of the projects they want to construct with state funds, and the Florida Seaport and Economic Development Council selects the projects that will receive state grant funds and bond proceeds.

This transportation planning structure is fragmented in a number of ways.

- Most of Florida's metropolitan organizations serve local rather than regional territories due to their small size.
- Within DOT, planning functions for roadway, public transportation (railway, airports, and transit), and seaports are handled by separate organizational units.

Most of Florida's metropolitan organizations serve local rather than regional territories. Of the 25 metropolitan planning organizations in

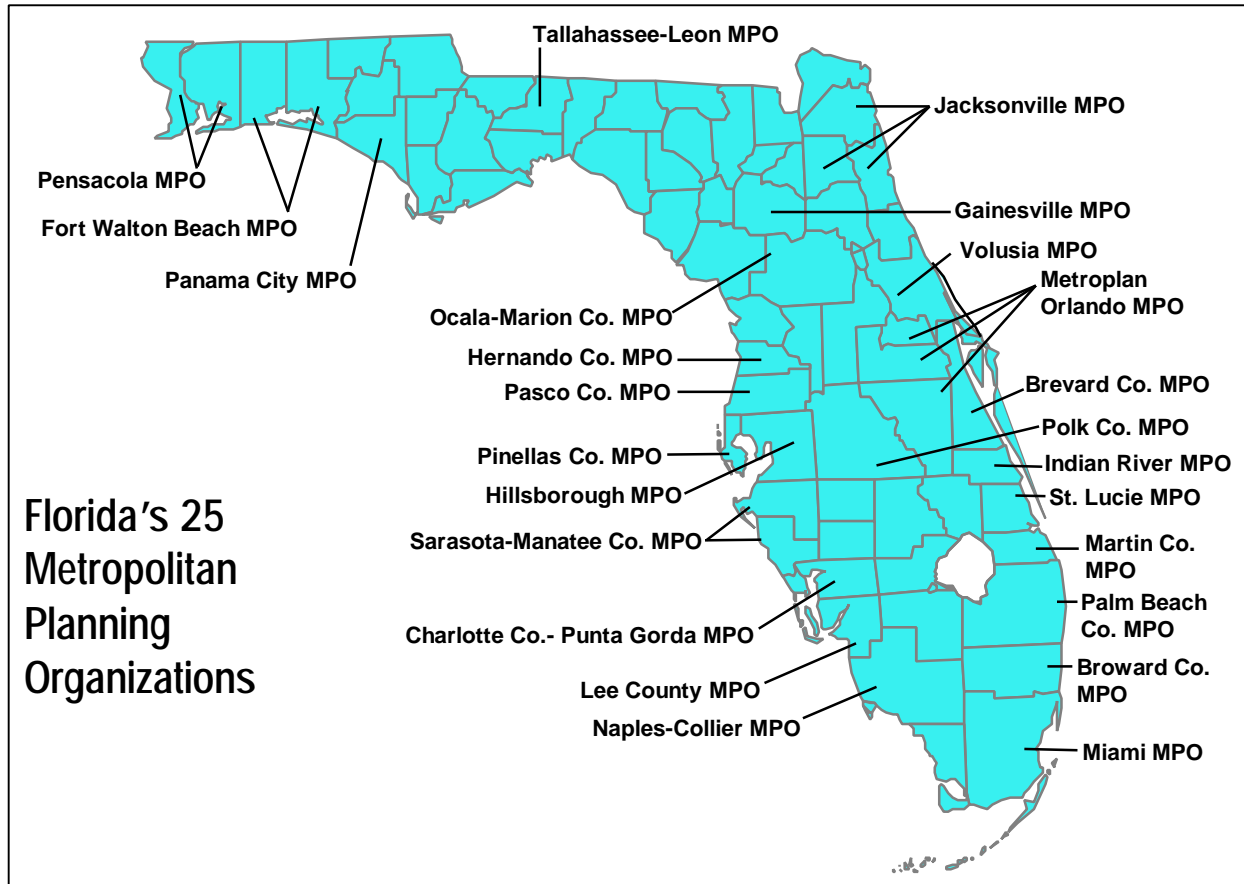
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<sup>25</sup> Areas with populations of fewer than 50,000 people do not need to have metropolitan planning organization. In these areas, county commissions work with the department to plan transportation projects.

*Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

Florida, 20 serve single-county areas, 3 serve two-county areas, and 2 serve three-county areas. (See Exhibit 4-4.) Consequently, these organizations tend to focus on meeting local needs.

Exhibit 4-4  
20 of Florida's 25 MPOs Serve Single County Areas



Source: 1998 Florida Transportation Almanac, University of South Florida, Center for Urban Transportation Research.

However, in many of the state's large metropolitan areas, transportation needs are more regional than local, and these needs are not being met. For example, in 1990, more than 77,000 residents of Broward County worked in Dade County, while nearly 32,000 residents of Dade County worked in Broward County. Despite this inter-county movement, transportation planning within the area is largely performed by local entities, with separate MPOs serving Dade, Broward, and Palm Beach counties. The Tri-County Commuter Rail Authority (Tri-Rail) meets some inter-county transportation needs. However, each county has its own separate transit system, and these systems are not well integrated with one another or with Tri-Rail. According to the South Florida Regional Planning Council, the region needs coordinated transit schedules and uniform fare structures to enable riders to easily transfer from one transit

## *Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

system to another. Without this improved coordination, the regions' transit systems are unlikely to meet the needs of people commuting between counties within the region.

In addition to the disconnected transportation planning system created by a multitude of single-county MPOs, the system is further fragmented because the planning functions for the separate transportation modes of roadway, public transportation (railway, air, and transit) and seaports are handled by separate units within DOT. These units tend to concentrate more on making improvements to the individual transport modes than they do on building a seamless, interconnected transportation system. In addition, the department and the metropolitan planning organizations have limited authority in selecting seaport projects that are funded with state bond proceeds. This creates a potential that seaport projects will not be well coordinated with other transportation projects.

## ***Better data is needed to enable the state to design and build effective public transportation systems***

In addition to the fragmented planning structure, a lack of detailed information about transportation demand and performance makes it difficult for transportation planners to design effective intermodal public transportation systems. According to the proceedings of a 1997 conference sponsored by federal, state, and local transportation organizations or their associations, better data is needed about passenger and commodity transportation demands and the social-economic characteristics of transportation users. In addition, transportation planners need better data about the operation of transportation systems, including how the systems react to disruptions from maintenance or accidents and the amount of time they are not functioning. Finally, planners need better data about the impact of transportation systems on accessibility, mobility, economic development, environmental resources, and community development.

In Florida, the Department of Transportation collects some of this type of data; however, it needs more detailed information in order to determine how to best target transportation dollars to meet current and future needs. To collect more detailed information, the department has implemented a detailed study about when, where, and why people travel in southeast Florida. As part of this first-of-its-kind study, the department conducted random telephone surveys and interviews of the general public, bus and rail system riders, area employees, and visitors. This study should provide the department with information it can use to design more effective public transportation systems for the south Florida region.



## *Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

Similar information is needed in other areas of the state. Although some of these areas, such as the northwest region, have not yet experienced the transportation problems of Florida's major metropolitan areas, better information and planning could help them avoid future problems.

### ***Public transportation systems receive little public support***

Because public transportation systems have not been designed to conveniently meet transportation needs, they receive little public support. Without this support, these systems are unlikely to receive the resources needed to improve them.

This occurs because the MPOs that begin the planning process for most transportation projects are largely comprised of elected city or county officials, and these officials must respond to the perceived needs of the constituents they serve. Consequently, they tend to favor highway improvement projects over public transportation projects. In addition, the MPOs have focused on highway projects that facilitate individual trips between homes and workplaces, probably because most of their constituents perceive road congestion during peak commuting times as their primary transportation problem. Therefore, transportation planning has tended to neglect businesses needs for freight transportation.

Also, public transportation projects frequently need to be funded by the revenues they generate or by local governments, which have limited ability to raise needed revenues without public referendums. Although airports, seaports, and trains, all of which satisfy transportation demands that cannot be met by private automobile, are able to generate sufficient revenues to cover their operating costs, transit does not. Exhibit 4-5 shows the farebox recoveries for Florida's transit systems.

*Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

**Exhibit 4-5  
1996 Farebox Recovery of Florida Transit Systems**

<b>Transit System</b>	<b>Farebox Recovery</b>
Gainesville Regional Transit System	43.4%
Metro-Dade Transit Agency	34.1%
Lynx Transit (Orlando)	31.4%
Tallahassee Transit	30.2%
Broward County Mass Transit Division	29.0%
Tri-County Commuter Rail Authority	25.0%
Pinellas Suncoast Transit Authority	23.7%
Hillsborough Area Transit Authority	21.8%
Escambia County Area Transit	21.4%
Lakeland Area Mass Transit District	21.3%
Jacksonville Transportation Authority	21.0%
Lee County Transit	20.6%
VOTRAN (Volusia County)	20.4%
Key West Department of Transportation	19.4%
Manatee County Area Transit	14.3%
Palm Beach County Transportation Authority	11.1%
Sarasota County Area Transit	10.2%
Bay County Council on Aging	6.9%
Space Coast Area Transit (Brevard County)	6.6%
Indian River County Council on Aging, Inc.	5.8%
<b>Statewide Average</b>	<b>29.0%</b>

Source: *1996 Performance Evaluation of Florida's Transit Systems*, University of South Florida, Center for Urban Transportation Research, March 1998.

Transit systems frequently cannot cover their operating costs for two reasons. First, because the majority of Florida commuters travel by automobile, transit systems often do not operate at full capacity, which drives up their cost-per-passenger trip. Second, Florida's transit systems tend to serve those who cannot drive private automobiles either because it is too expensive for them to own and operate a car or because they have a disability that prevents them from driving. These transit riders often are incapable of paying high enough fares to cover the costs of operating a transit system.

Since they cannot generate sufficient revenue to cover their operating costs, the burden for funding transit systems rests largely on local government. Since their ability to raise property taxes is limited, local governments may need to get voters or a majority of county

## *Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

commissioners to approve local sales tax or gas tax referendums to provide the revenue necessary for them to improve transit services.

Without voter support for public transportation projects, such referendums are likely to fail. For example, a referendum for a penny sales tax to support public transportation in Dade County recently failed. Although much of this failure was attributed to the public's distrust of local government and unwillingness to pay more taxes, analysts also suggested that few voters believed that they would benefit from an improved transit system. The only two neighborhoods that voted in favor of the tax were those whose residents already used transit as a primary mode of transportation.

## *Current land use planning and development practices support use of personal automobiles*

Land use planning and local development practices strongly influence businesses' and individuals' transportation choices. When land use is compact and housing units are located in close proximity to commercial and business development, individuals are likely to walk, bike, or use transit systems as their primary means of transportation. However, when development is diffuse and housing units are located considerable distances from commercial and business development, individuals are likely to rely on personal automobiles to get from one point to another.

In Florida, recent development patterns have supported decreased population density and separation of differing land uses. For example, in Broward and Dade counties, most new development has been located away from established urban areas along the coast and toward the less densely populated areas in the western area of the counties. According to the South Florida Regional Planning Council's report, this sprawling pattern of residential and commercial development is likely to result in the increase of private automobile use over the next 20 years.<sup>26</sup> Similarly, the Tampa Bay Regional Planning Council noted that growth within the Tampa Bay region could easily be classified as urban sprawl. Over the last 20 years, the number of people living in the Tampa Bay area increased by 85%, while the number of people residing in the cities of Tampa, St. Petersburg, and Clearwater increased by only 15%.<sup>27</sup>

In addition, residential and commercial land uses are frequently segregated. Commercial development typically occurs as strip development along arterial roadways or in large regional malls rather

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<sup>26</sup> *Strategic Regional Policy Plan for South Florida*, South Florida Regional Planning Council, August 1995.

<sup>27</sup> *Tampa Bay Strategic Regional Policy Plan*, Tampa Bay Regional Planning Council, December 1995.

## *Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

than adjacent to residential development. This makes it difficult for individuals to walk or bike from their homes to groceries, dry cleaners, and frequently used business establishments. It also makes individuals reluctant to use transit to commute between their homes and workplaces because they often need to combine these commutes with errands such as grocery shopping or picking up children.

Although the public's preference for single family residential housing is the primary factor contributing to low-density, single-use land development, other factors also contribute. For example, until recently, most urban zoning codes discouraged mixed-use developments that put residents within walking distance of commercial services. In addition, transportation concurrency requirements do not permit developers to locate in areas that do not have sufficient road capacity to handle the automobile trips the development is likely to create unless they agree to pay for widening the roads. As noted in the *Final Report of the Transportation and Land Use Committee* created by the Florida Legislature, this encourages urban sprawl by making it more costly for developers to build projects in central city locations where roadways are already constrained.<sup>28</sup>

In addition, local development codes frequently require commercial developments to provide off-street parking, which encourages automobile use by making it easier for individuals to find parking spaces for their cars. When parking is constrained, transit ridership increases. For example, in Gainesville, the University of Florida did not expand its parking spaces to keep up with increases in its student, faculty, and staff populations. Instead, it entered into an agreement with the Gainesville Transit System to make it easier for university students and staff to take buses to and from the campus. As a result, the number of people riding public buses increased 67% (from 1.2 million to nearly 2 million) during 1998. Although changes in bus schedules and a special student transit pass contributed to the increase in bus ridership, the Gainesville transit director said that the primary contributing factor was constrained parking availability.

Further, in an attempt to facilitate the movement of automobile traffic, local governments often construct large roadway projects through urban neighborhoods. These large roadways are noisy and carry a large volume of high-speed traffic. They tend to discourage pedestrians or bicyclists, which in turns limits use of public transit since most people must walk from public transit stops to their final destinations. According to the *Final Report of the Transportation and Land Use Study Committee*, Florida leads the nation in the number of pedestrians and bicyclists killed in automobile-related accidents. Busy multi-lane roadways also reduce the

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<sup>28</sup> *Final Report of the Transportation and Land Use Study Committee*, January 1999, was directed by the Florida Legislature.

## *Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

attractiveness of urban neighborhoods, thereby encouraging more people to move to quieter suburban neighborhoods or areas beyond suburban neighborhoods.

Finally, Florida's land use and transportation planning systems are not well integrated. Although the planning process was designed to ensure that the essential elements in a comprehensive plan are not inconsistent, it does not ensure that the elements support one another. The Transportation and Land Use Study Committee found that transportation, land use, affordable housing, environmental, and other planners frequently do not work together to achieve common goals and objectives. Consequently, these planners have little incentive to develop optimal solutions that balance conflicting needs.

## Conclusions and Recommendations —————

Florida has relied heavily on roads to meet the transportation needs of its citizens, businesses, and visitors. But its roadways are becoming increasingly congested, especially in the major urban areas of the state. However, due to high right-of-way costs, problems with air quality, and other adverse consequences, the feasibility of building more highways to relieve road congestion is low.

Many of the state's transportation needs could be met by an integrated, intermodal public transportation system. However, Florida's public transportation systems have not been adequately developed to meet current and future needs due to a fragmented transportation planning system, inadequate data for system planning, lack of public support for public transportation projects, and land use practices that support the use of motor vehicles.

If current trends continue, Florida's urban areas could experience situations similar to that of the Atlanta area. As is the case in Florida, the Atlanta area's local governments were part of a regional planning organization; however, this organization had no power or authority to implement its plan. For example, Cobb County blocked Atlanta's rail transit system, MARTA, from coming into the county even though many of the county's residents commute to the city. As a result of continued sprawl and uncoordinated transportation planning, road congestion reached a point that threatened the area's future economic growth. Citing problems in getting employees from home to work, one company cancelled plans to locate operations in the Atlanta area.

In response to the threats to future prosperity posed by road congestion, local business leaders called for the development of one regional agency with sufficient authority to meet local transportation needs. The Georgia

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Legislature enacted a law creating the Georgia Regional Transportation Authority and giving it absolute authority over all transportation development projects and land use decisions within the Atlanta area. Although the authority does not have taxing authority, it can withhold state dollars from any local government that does not contribute to its transportation development projects. This transfer of authority previously vested in elected local officials to an appointed regional body is unprecedented. Nevertheless the transfer received strong support from nearly all stakeholders in the Atlanta area. Most local officials were willing to give up some of their local autonomy if doing so would help resolve the area's transportation problems.

So far, transportation problems within Florida's urban areas have not raised sufficient concerns to garner support for the creation of regional authorities similar to the Georgia Regional Transportation Authority. However, a Florida Chamber Foundation study recommends greater coordination of transportation plans of adjacent metropolitan planning organizations.<sup>29</sup> In addition, the Transportation and Land Use Study Committee recommended a planning process that would better integrate land use and transportation planning. It also recommended eliminating transportation concurrency requirements for redevelopment projects in central urban areas.

The 1999 Legislature addressed some of these recommendations by passing the Growth Policy Act (Ch. 99-378, Laws of Florida). This act allows municipalities and counties to designate urban in-fill and redevelopment areas and to waive transportation concurrency requirements for developments occurring within these areas. The law also contains other provisions designed to promote urban in-fill and public transportation. For example, it authorizes community development districts to operate transit systems.

The 1999 Legislature directed the Department of Transportation to develop an intermodal development plan to connect airports, seaports, highways, and rail systems for passengers and freight. The department had already started this activity in 1998. A group called the Freight Stakeholders Task Force advised the department on the plan's freight element, and also recommended projects for "fast track" funding from money previously designated for the abandoned high-speed rail project. In November 1999 a five-person committee recommended 29 public transportation projects for funding at an estimated total cost of \$57.5 million.

Recent changes to federal and state laws have also required the transportation planning process to place greater emphasis on developing

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<sup>29</sup> *Transportation Cornerstone Florida, Moving Florida's Economy into the 21<sup>st</sup> Century*, Cambridge Systematics, Inc., January 1999.

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intermodal connections and moving freight. These changes should help address some of the concerns expressed by the business community.

Nevertheless the Legislature can further strengthen public transportation projects in a number of ways. We recommend that the Legislature, Governor's Office, or department consider taking the actions discussed below.

- To strengthen coordination of the transportation planning process, the Legislature may want to consider requiring metropolitan planning organizations to better integrate the plans of other MPOs within their regional planning areas and making regional planning agencies responsible for overseeing the compatibility of MPO plans within their regions. In addition, the Governor's Office and department should encourage MPOs in major metropolitan areas to consolidate or broaden their areas to better represent a regional perspective. This should help improve coordination of seaport and other transportation development projects.
- To develop better transportation planning data, the Department of Transportation should coordinate the collection and assessment of data to identify public transportation projects that would provide the maximum feasible mobility and economic benefit to the state. It should also develop and encourage metropolitan planning organizations to use system-wide performance measures such as customer satisfaction and mobility to determine the effectiveness of the transportation projects within their areas.
- To help build public support for public transportation projects, the department should continue to promote use of public transportation systems. In addition, the Legislature may want to consider allowing counties and municipalities to levy discretionary gas taxes for public transportation projects without referendums or greater than a majority vote.
- To better coordinate projects among transportation modes the Legislature may want to consider establishing an intermodal project selection group within the department to reallocate the \$70 million it planned to appropriate for the high-speed rail project to other public transportation projects of regional or statewide importance. The group would also select all intermodal projects connecting airports, seaports, highways, railways, and transit systems. The group would be similar to the "fast track" selection committee already in place. However, it would have 9 to 15 members appointed by the House Speaker, the Senate President and the Governor, and would broadly represent state agencies, local governments, and the business community. This will improve public transportation services and thereby encourage greater use of these services, along with providing better coordination among transportation modes.

*Florida's Public Transportation Systems Are Not Keeping Pace With Transportation Needs*

- To help improve the compatibility of land use and transportation planning, the Legislature may want to consider implementing the smart growth alternative planning process recommended by the Transportation and Land Use Study Committee.<sup>30</sup> In addition, the Department of Transportation should continue its new policy of ensuring that new road development be pedestrian, bicycle, and transit friendly.

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<sup>30</sup> Smart growth alternative planning emphasizes the unification of transportation, environmental, housing, land use, and other planning functions.



## Appendix A

# Statutory Requirements for Program Evaluation and Justification Review

Section 11.513(3), F.S., provides that OPPAGA Program Evaluation and Justification Reviews shall address nine issue areas. Our conclusions on these issues as they relate to the Public Transportation Program are summarized below.

**Table A-1**  
**Summary of the Program Evaluation and Justification Review of the Public Transportation Program**

Issue	OPPAGA Conclusions
The identifiable cost of the program	For Fiscal Year 1999-2000, the Public Transportation Program was allocated \$445.5 million. The allocations include \$9.5 million for the program's operating budget and \$436 million in grants that are provided to local governments for public transportation projects. (See page 4.)
The specific purpose of the program, as well as the specific public benefit derived therefrom	<p>The Public Transportation Program's purpose is to promote safe interconnected public transportation systems in Florida by providing grants, technical assistance, and planning support to local governments and private entities that own and operate these systems. (See page 1.)</p> <p>The Public Transportation Program is essential and should be continued. A well-functioning, interconnected transportation system is vital to Florida's economic health. Without good transportation systems, the state would lack the means of marketing its goods and services. In addition, public transportation systems generally carry greater quantities of passengers or goods than highway systems and make more efficient use of their fixed infrastructure. (See page 6.)</p>
Progress towards achieving the outputs and outcomes associated with the program	During Fiscal Year 1998-99, transit ridership, public transit passenger trips, airplane passenger enplanements, and tons of cargo shipped by air all increased while the volume of trade shipped by water stayed about the same as in prior years. However, most of these measures are affected by national and international economic trends than by the program's activities. For example, the weather, service quality, and economic conditions affect transit ridership, while the volume of trade shipped by water and air are greatly affected by national and international economic market conditions. (See page 8.)
An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, F.S., associated with the program	The program met 8 of its 11 PB <sup>2</sup> performance standards as established in the General Appropriations Act for Fiscal Year 1998-99. The performance measures that were achieved in transit ridership, airplane passenger enplanement, and projects funded were due to favorable market conditions that resulted in an increase in transit riders, airplane passengers, and local governments being able to obtain matching funds for needed projects. (See page 8.)

Issue	OPPAGA Conclusions
<p>Alternative courses of action that would result in administering the program more efficiently and effectively</p>	<p>The Department of Transportation should continue to administer the Public Transportation Program. The program is logically placed within the Department of Transportation because this agency has statutory responsibility for developing a balanced statewide transportation system that will ensure the safe and effective movement of people, goods, and services. (See page 7.)</p> <p>Outsourcing or privatizing the program's major functions in managing the public transportation system is not a viable alternative. We could not identify any real advantages or cases where the private sector provides grant management in the form that would meet the public transportation program's needs. However, some public transportation functions are currently outsourced or privatized. For example, program staff hire consultants to conduct planning/engineering studies and to perform transit vehicle inventories and safety inspections. (See page 7.)</p> <p>The program's process for managing public transportation grants is generally effective at ensuring proper use of grant funds. (See page 11.) However, the seaport program's structure restricts accountability and the state's authority to develop an integrated, balance statewide transportation system. While the following options can be considered individually or in combination, we recommend options 1 and 2 together. (See pages 19 and 20.)</p> <p><b>Option 1.</b> The Legislature may want to consider strengthening the state agencies' authority on the FSTED Council. The three agencies currently have non-voting status on the council and their review of seaport projects is limited to determining consistency with specific state and local policies and plans. The state agencies should be granted voting status on the council and any agency should be allowed to withhold funding from a project that the agency believes is not in the state's best interest. Florida Ports Council staff support expanding the agencies' review power.</p> <p><b>Option 2.</b> The Legislature may want to consider creating an intermodal project selection group that would select all off-port intermodal access projects and other intermodal projects, while restricting the FSTED Council's project selection authority to projects located only on seaport property. This option would retain some autonomy for the seaports in selecting on-port projects while ensuring coordination of intermodal access (off-port) projects with other transportation modes. The intermodal project selection group could aid in better coordination of projects among all transportation modes.</p> <p><b>Option 3.</b> The Legislature may want to consider establishing a new office in the Department of Transportation to administer the seaport program. This office would have authority to approve on-port seaport projects for funding and approve any modifications of these projects. Off-port projects would be selected through the intermodal project selection process discussed in Chapter 4. The office would also develop a five-year seaport mission plan. The FSTED Council would serve in an advisory role to the department. Granting seaport project funding approval to a seaport office in the department would make this process consistent with the project funding approval processes for all other public transportation modes and provide better coordination among those modes. The new office would also eliminate the need to contract this activity to the Florida Ports Council or other non-state entity.</p> <p><b>Option 4.</b> The Legislature may want to consider retaining the current program structure. Coordination with other transportation modes would be achieved though the current process.</p>

Issue	OPPAGA Conclusions
	<p>In addition to changes in the seaport program's structure, the Legislature may also want to consider the two options related to funding discussed below. (See pages 20 and 21.)</p> <ul style="list-style-type: none"> <li>The Legislature may want to consider funding future seaport projects through direct appropriations instead of with bonds. Florida Ports Council staff say the 1996 and 1999 bond issues were executed to meet an immediate need for seaport projects. While bonding raises large amounts of money in the short term, it restricts the Legislature from using the annual payments, currently \$25 million, for anything other than the bond issue. The bond issues will also cost the state \$760.4 million in principal and interest over three decades in return for \$375.4 million raised. A Senate Budget Committee report says paying cash instead of borrowing saves long-term interest costs and makes the revenue stream available for unexpected future needs. In addition, the committee and the State Board of Administration's Division of Bond Finance have noted sharp increases in Florida's debt burden compared to other states. The committee reported that Florida increased its burden more significantly than any other state between 1993 and 1998. Paying for future seaport projects with cash instead of with bonds may help reduce Florida's debt burden growth rate.</li> <li>If the Legislature does decide to fund future seaport projects with bonds, it may want to consider using the SBA to issue the bonds on behalf of the Department of Transportation and administer the debt service payments. Issuing bonds through the SBA may result in avoiding or reducing some expenses involved with issuing bonds through the Florida Ports Financing Commission. In addition, the Legislature may want to consider using the Department of Transportation to administer the seaport bond program. It will be necessary to collect more precise data than is currently available to estimate the possible cost savings of using the SBA and the department to provide services related to future bond issues.</li> </ul> <p>To further strengthen the public transportation system, OPPAGA recommends that the Legislature, Governor's Office, or department take the following actions. (See pages 35 and 36.)</p> <ul style="list-style-type: none"> <li>To strengthen coordination of the transportation planning process, the Legislature may want to consider requiring Metropolitan Planning Organizations to better integrate the plans of other MPOs within their regional planning areas and making regional planning agencies responsible for overseeing the compatibility of MPO plans within their regions. In addition, the Governor's Office and department should encourage MPOs in major metropolitan areas to consolidate or broaden their areas to better represent a regional perspective. This should help improve coordination of seaport and other transportation development projects.</li> <li>To develop better transportation planning data, the Department of Transportation should coordinate the collection and assessment of data to identify public transportation projects that would provide the maximum feasible mobility and economic benefit to the state. It should also develop and encourage metropolitan planning organizations to use system-wide performance measures such as customer satisfaction and mobility to determine the effectiveness of the transportation projects within their areas.</li> </ul>

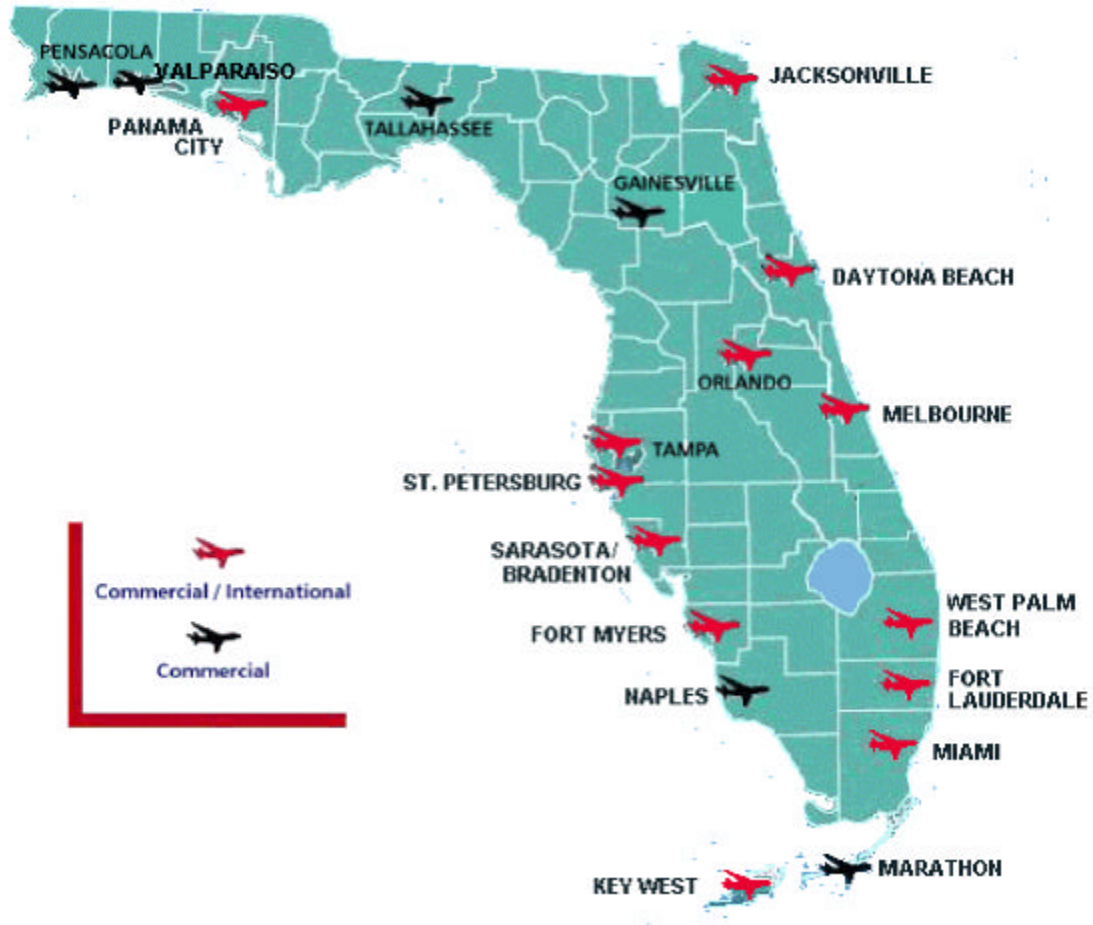
## Appendix A

Issue	OPPAGA Conclusions
<p>The consequences of discontinuing the program</p>	<ul style="list-style-type: none"> <li>• To help build public support for public transportation projects, the department should continue to promote use of public transportation systems. In addition, the Legislature may want to consider allowing counties and municipalities to levy discretionary gas taxes for public transportation projects without referendums or greater than a majority vote.</li> <li>• To better coordinate projects among transportation modes the Legislature may want to consider establishing an intermodal project selection group within the department to reallocate the \$70 million it planned to appropriate for the high-speed rail project to other public transportation projects of regional or statewide importance. The group would also select all intermodal projects connecting airports, seaports, highways, railways, and transit systems. The group would be similar to the "fast track" selection committee already in place. However, it would have 9 to 15 members appointed by the House Speaker, the Senate President and the Governor, and would broadly represent state agencies, local governments, and the business community. This will improve public transportation services and thereby encourage greater use of these services, along with providing better coordination among transportation modes.</li> <li>• To help improve the compatibility of land use and transportation planning, the Legislature may want to consider implementing the smart growth alternative planning process recommended by the Transportation and Land Use Study Committee.<sup>1</sup> In addition, the Department of Transportation should continue its new policy of ensuring that new road development be pedestrian, bicycle, and transit friendly.</li> </ul> <p><sup>1</sup> Smart growth alternative planning emphasizes the unification of transportation, environmental, housing, land use, and other planning functions.</p> <p>Abolishing the program would prevent the department from achieving its goal of promoting safe, interconnected public transportation systems in Florida. This would likely result in the consequences noted below.</p> <ul style="list-style-type: none"> <li>▪ The services of some forms of public transportation would be reduced or unable to handle increases in demand. This could lead to greater dependency on the highway system and increases in the state's road construction and maintenance costs. (See page 7.)</li> <li>▪ Reduction in public transportation services could limit economic growth in highly developed areas of the state where building additional highways may not be viable. (See page 7.)</li> <li>▪ The elimination of state funds could cause local governments to lose up to \$27 million annually in federal matching funds for public transportation projects. (See pages 6 and 7.)</li> </ul>
<p>Determination as to public policy; which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part</p>	<p>The Department of Transportation is funded primarily from dedicated fund sources that come from the State Transportation Trust Fund and the Federal Aid Highway Trust fund. Both trust funds receive revenue from specific tax sources that are dedicated to transportation. These fund sources include fuel use and sales tax, state comprehensive enhanced transportation system tax, aviation fuels tax, motor vehicle license and title tax, and highway user fees. In addition, local governments provide matching funds ranging from 5% to 50% of cost, depending on the type of projects to receive these grants. (See page 4.)</p>

Issue	OPPAGA Conclusions
	<p>Section 206.46(3), F.S., provides that a minimum of 14.3% (a minimum of 15% beginning in Fiscal Year 2001-02) of all state revenues deposited in this trust fund shall be committed annually to public transportation projects. The need for the program, as outlined above, indicates that it is sound public policy to continue funding the program as statutorily outlined to provide a safe, interconnected statewide transportation system for Florida's citizens and visitors and to ensure the mobility of people, goods and service. (See pages 2, 6 and 7.)</p> <p>However, the Legislature may want to consider funding future seaport projects with direct grants in the General Appropriations Act instead of with bonds. Although bonding raises large amounts of money in the short term, it restricts the Legislature from using the annual payments, currently \$25 million, for anything other than the bond issue. (See pages 20 and 21.)</p>
<p>Whether the information reported pursuant to s. 216.03(5), F.S., has relevance and utility for the evaluation of the program</p>	<p>The program's performance-based program budgeting (PB<sup>2</sup>) measures need some modifications to adequately assess program effectiveness of activities and accomplishments in managing public transportation. Most of the current outcome and output measures are affected more by general economic conditions than program activities. For example, the weather, service quality, and economic conditions affect transit ridership, while the volume of trade shipped by water and air are greatly affected by the national and international economic markets. (See pages 8 and 9.)</p> <p>In its Fiscal Year 1999-2000 Legislative Budget Request, the department has proposed new measures for Fiscal Year 2000-01. The measures reflect many of OPPAGA's recommendations found in OPPAGA Report No. 98-55. (See page 9 and Appendix G.)</p>
<p>Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports</p>	<p>The program has established sufficient control systems to ensure that performance data are accurate. Performance information is generally reliable. However, the program could improve its accountability system for data reliability if the department's inspector general validated the reliability of data from sources outside the agency, even though program staff believe these outside data sources are reliable. (See Appendix G.)</p>

## Appendix B

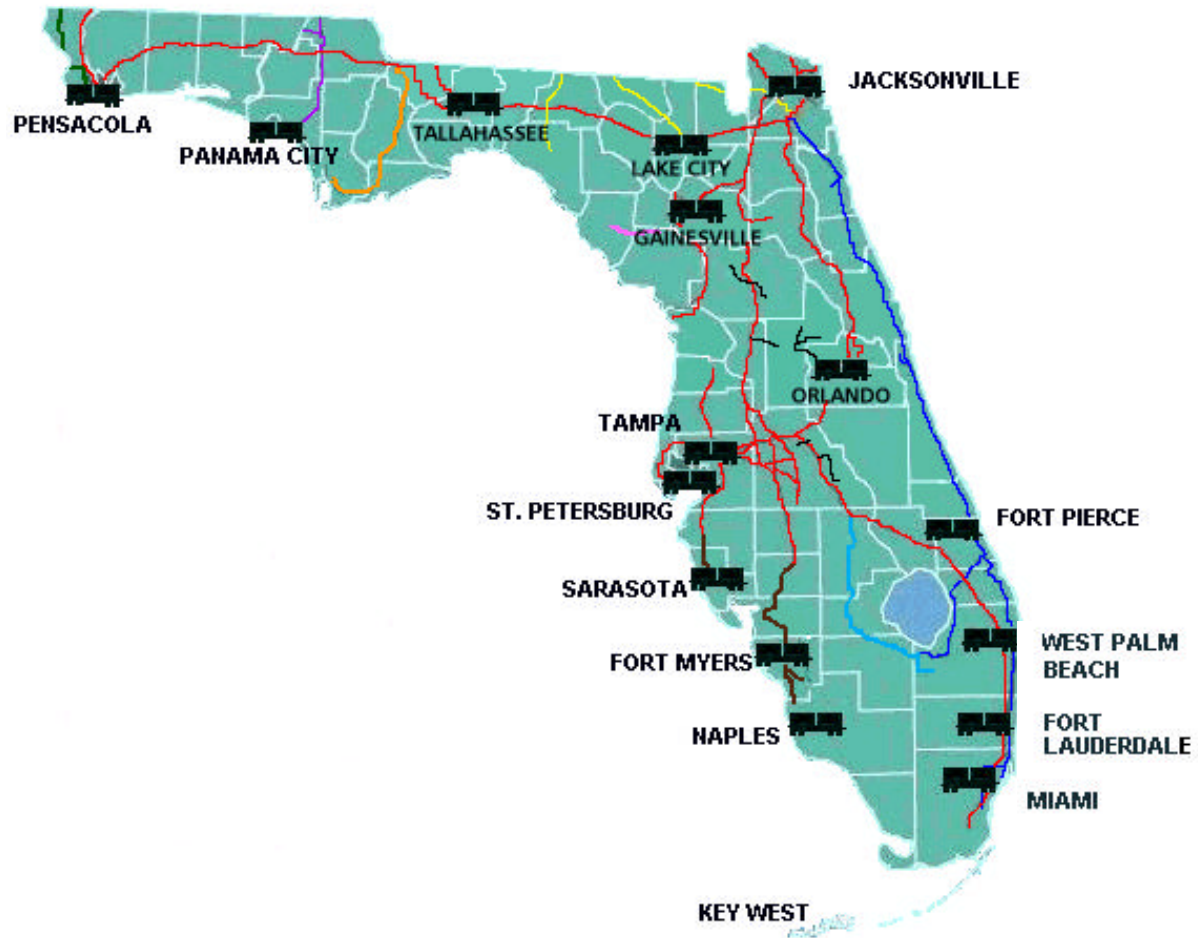
# Airports in Florida



Source: Florida Department of Transportation.

## Appendix C

# Railroads in Florida



Source: Florida Department of Transportation.

## Appendix D

# Seaports in Florida



Source: Florida Department of Transportation.



## Appendix E

# Transit Systems in Florida



Source: Florida Department of Transportation.

## *Appendix F*

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# Responses from the Florida Department of Transportation and the Florida Ports Council

In accordance with the provisions of s. 11.45(7)(d), F.S., a draft of our report was submitted to both the Secretary of the Florida Department of Transportation and the Chairman of the Florida Seaport Transportation and Economic Development Council (in care of the Florida Ports Council) for each to review and respond.

The department's written response is reprinted herein beginning on page 47. Where necessary and appropriate, OPPAGA's comments have been inserted into the body of the response.

A written response from the Florida Ports Council is also reprinted herein beginning on page 50.



**Florida Department of Transportation**

**JEB BUSH  
GOVERNOR**

605 Suwannee Street  
Tallahassee, Florida 32399-0450

**THOMAS F. BARRY, JR.  
SECRETARY**

January 13, 2000

Mr. John N. Turcotte, Director  
Office of Program Policy Analysis  
and Government Accountability  
111 West Madison Street, Room 312  
Tallahassee, Florida 32302

Dear Mr. Turcotte:

As required by Section 11.45 (7) (d), Florida Statutes, our written revised response to your review of the Florida Department of Transportation's Public Transportation Program Justification Review is attached. The revisions are due to on-going discussions between the Department and OPPAGA's staffs.

I would like to express my appreciation to the OPPAGA staff for their hard work and efforts in conducting this review. With diligence and cooperative attitude, the OPPAGA staff spent numerous hours meeting with the Public Transportation Office staff and in delving into the intricacies of the public transportation program. The report is very well written and represents a high degree of professionalism by OPPAGA's staff.

If you have any questions, please call me at 414-5244.

Sincerely,

A handwritten signature in black ink, appearing to read "Marion Hart, Jr." with a stylized flourish at the end.

Marion Hart, Jr.  
State Public Transportation Administrator

MH/nhs

cc: Mr. Ken Morefield

**JUSTIFICATION REVIEW  
PUBLIC TRANSPORTATION PROGRAM  
(REPORT 99-00)**

The report presents an accurate description of the Department's public transportation program and provides a fair assessment of the program's benefits, resources and performance. It states that the public transportation program is essential and should be continued; that FDOT is the appropriate agency to administer the program; and that outsourcing or privatizing the program's major functions is not a viable alternative. The report also notes that the public transportation program's grant management processes are generally effective in ensuring that grant funds are used appropriately.

The report indicates that the State's public transportation system is unable to meet current needs and to compete successfully with other modes of travel. It attributes this failure to several factors including the existence of a fragmented transportation planning system, availability of limited information on transportation demand, lack of public support for transit systems and land use planning that promotes highway use.

While we concur with OPPAGA's overall assessment, we disagree with the stated conclusion that planning within the Department is fragmented. All transportation planning within FDOT is consolidated and conducted under the direction of the Assistant Secretary for Transportation Policy. Planning is formally structured administratively within the FDOT to complement these statutory requirements. The Public Transportation Office and the Office of Policy Planning have distinct but complementary responsibilities in building the Florida Transportation Plan.

The Public Transportation Office agrees with OPPAGA's conclusions listed on pages 37 to 41 of the report. We also find the menu of options provided for changing the seaport program structure to be quite comprehensive. All options should be carefully evaluated and considered particularly those dealing with the integration of seaports into the statewide transportation system.

There is one area of disagreement that we would like to point out as follows:

Page 26, second paragraph - Florida's transportation planning structure consists of much more than MPOs, seaports, FDOT, and FSTED. Airports, Transit Agencies, Counties, local governments and other state agencies are all included and are integral components of Florida's comprehensive transportation planning process. Also, there is not "a separate, parallel planning process for seaports" as stated in the report. The Seaport Mission Plan is, by statute (FS 311.07), the modal plan for water transportation in support of the FTP. All seaport projects approved by the FSTED Council must be found consistent with statutory eligibility and the work program by the Department; must have an economic benefit to the State as determined by OTTED and must be found consistent with local comprehensive plans by the DCA. Furthermore, projects must be included in the MPO Transportation Improvement Programs before commitment and funding can take place.

*OPPAGA's Comment*

*Although we agree that the transportation planning process includes other entities than those listed in our report, we believe that the department's statements further provide evidence that transportation planning is fragmented. The various transportation planning entities mentioned serve specific transportation purposes, while the integration and coordination of these entities has been found to be problematic in a number of transportation studies. For example, the 1999 Final Report of the Transportation and Land Use Study Committee states "The failure to project future transportation demand properly, coupled with 47 years of under funding transportation needs accounts for part of the highway congestion problem. Equally important is the failure of the multitude of local transportation planning organizations (MPOs, seaport, airport, transit, expressway authorities, and regional planning councils) to plan together to design and build an integrated, interconnected, cost effective transportation system."*

*Also, statutes clearly separate the seaport project selection and funding process from the rest of the transportation planning process. The Florida Seaport Transportation and Economic Development Council was established to select seaport projects and develop the Seaport Mission Plan. While seaport projects must be found consistent with the department's plans, the department does not select or have final approval of these projects. No other transportation projects are selected in this manner.*

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December 8, 1999

Mr. John W. Turcotte, Director  
Office of Program Policy Analysis and  
Government Accountability  
P.O. Box 1735  
Tallahassee, FL 32302

Dear Mr. Turcotte,

Thank you for your letter of December 3, 1999, relating to the Draft Justification Review of the Florida Department of Transportation (FDOT) Public Transportation Program, and requesting comments by December 17, 1999. The Florida Seaport Transportation and Economic Development (FSTED) Council is a public agency requiring public notice in order to convene. The FSTED Council will meet on January 26, 2000, to formally respond to your draft document.

However, due to the fact that members of OPPAGA's office will be testifying before the Legislature on this draft report on December 9, 1999, the Chairman of the FSTED Council, Mr. Charles A. Towsley, asked that we provide the following comments of a factual nature which have been glaringly omitted from the preliminary report.

The most important factor in the development of the FSTED Program is the "seaport/state partnership" created by the Florida Legislature. Section 311.07(3)(a), F.S., requires a 50-50 match in funding: 50% state and 50% seaport, thus the state and seaports are equal partners. The actual methodology of the state match is a "reimbursement process" by the state of 50% of the funds spent by an eligible seaport on a state approved project. This requires the seaport to spend 100% of the funds initially prior to receiving any state funding. This process clearly demands a strong local commitment to financing and building needed seaport infrastructure.

The Florida Legislature also recognized the "bottom up" approach for economic development in the State of Florida. Local governments that operate and manage the seaports in this state select and prioritize projects based upon the demand factors of their seaport maritime customers. Maritime industry imperatives require:

- Operational efficiencies.
- A seamless, integrated intermodal system.
- Responsiveness to changing user needs.
- Capital investment decisions based on market demand.
- Reacting to competitive challenges external to the State of Florida.

Canaveral Port Authority Port Everglades Port of Fernandina Port of Ft. Pierce  
Jacksonville Port Authority Port of Key West Manatee County Port Authority Port of Miami Port of Palm Beach  
Panama City Port Authority Port of Pensacola Port St. Joe Port Authority Port of St. Petersburg Tampa Port Authority  
John R. LaCapra, President

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If the Legislature had desired the State to retain final decision-making authority on seaport development, then it would have purchased the seaports from local governments and have established a state ports authority. In its wisdom, the Florida Legislature recognized that a state partnership with seaports as envisioned in the FSTED Program would provide the incentives for Florida's seaports to become excellent planners in order to service the ever-growing international movement of cargo and people in Florida. The FSTED Program partnership has been very successful, providing high-paying blue collar and white collar jobs and increasing tax revenues for local and state governments. The attached Executive Summary of the MGT of America study shows that the return on investment for the state and local partners under the FSTED Program is immense and will continue to grow.

The purpose of the seaport planning process as set out in Chapter 311, Florida Statutes, is to be sensitive to real-world seaport market demands. Our seaports must invest dollars in seaport projects in order to satisfy the service needs required by our seaport customers. It is the seaport customer who creates the jobs, the state and local tax revenues, and the economic opportunity for Floridians. Thus, the FSTED Program planning process is not a static process, but a demand-sensitive program that requires constant review and adjustment. We listen to the business plans of our customers, anticipate future market demand, and build the facilities to keep Florida competitive. The annual update of the Seaport Mission Plan accomplishes this ongoing assessment and evaluation process.

The discussion provided by OPPAGA's preliminary report serves to suggest that the seaport plans are not being integrated into the state transportation plan, and that this is a problem because of the FSTED Program structure. We request that you examine the mission and purposes of the FSTED Program and review our Seaport Mission Plans from the beginning of the program in 1990 through this year. Florida's seaports have in the past, and will continue to implore the FDOT and the Metropolitan Planning Organizations (MPOs) to wake up to the "reality" of seaport "throughput issues" of cargo and people. Seaport Master Plans are part of each appropriate Local Government Comprehensive Plan. It is not that we are not fulfilling our statutory mission, but that others are not listening. **Nothing, either statutory or policy-oriented, currently prevents these entities from producing an integrated transportation planning process.** You can lead a horse to water, but you cannot make him drink!

Florida's seaports are the only entities which have undertaken a planning process which is "out of the box" of FDOT's single-minded, unitary modal planning process. We have recognized that we are dependent on the other modes of transportation if we are to satisfy our customer demands of moving goods and people, **BETTER, FASTER and CHEAPER from POINT A to POINT B.** The interesting fact about this movement is that most often at least one of the final points of movement is not within the geographical boundaries of the State of Florida. Thus, we have actionable planning

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decisions based upon today's reality which recognizes that:

- International commerce markets are external of Florida.
- Market growth = increased throughput.
- Maritime industry demands for service require prompt response.

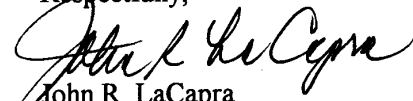
Florida's seaports and the FSTED Council have continually sought assistance from the FDOT, MPOs and other transportation providers to fund the construction of landside access facilities to our seaports which will recognize our maritime imperatives and satisfy tomorrow's needs. We are the voice which has preached that all transportation modes must work as partners to build integrated transportation corridors. This is essential to Florida's continued competitiveness in international commerce.

Simply put, the FSTED Program is structured to meet 21<sup>st</sup> Century global competitive issues for the movement of cargo and people. It has an excellent, proven track record, and is responsive to the needs of Florida's maritime users – those private sector groups creating high paying blue collar and white collar jobs for Floridians. The future demands that the FSTED Program provide leadership to seaports and our related modes of transportation to develop regional planning, integrated transportation logistics systems, and trade corridors.

Several other issues have been raised which we will address in further detail in our response, but we believe it is important to note that the FSTED Council either has already addressed the management concerns noted in the Comptroller's Report or is working with the FDOT to jointly take action to improve the FSTED Program process. Additionally, with respect to the use of the State Division of Finance to issue the FSTED Program bonds, there is no statutory authority for the state to issue these bonds.

In conclusion, once the FSTED Council has met and approved a response to your draft report, we will forward it to you.

Respectfully,

  
John R. LaCapra  
President

JRL/rds

Attachment

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*Appendix G*

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[OPPAGA Report No. 98-55](#), Public  
Transportation Program Meets Most Standards;  
Accountability System in Need of Strengthening