

## **Request for OPEGA Review of the GOMaine Van Pool**

### **Summary of Limited Background Research Conducted for the Government Oversight Committee In its consideration of this request**

- GOMaine is a statewide commuter services program providing information and access to alternative modes of transportation. Information is available on bus routes, park and ride locations, ferry service, rail service, shuttle service, car share service, and walking and bicycling trips. In addition to being an information resource, GOMaine provides two services: the ride share/carpooling matching service and the Emergency Ride Home Guarantee Program. The ride share/carpooling matching service provides online ride matching for carpool, vanpool, and bicycle commuters for long term commuting or single trips. The Emergency Ride Home Guarantee Program is for people registered with GOMaine who carpool, bike, walk or ride the bus. The service is a free or reimbursed taxi ride or rental car home in the event the person experiences an unforeseen workday emergency.
- The GOMaine van pool is only one component of the larger GOMaine program and the only component slated to end. Of the 9,700 registered commuters in the GOMaine program database, roughly 16% are active carpoolers and 3% are active van pool riders.
- The GOMaine van pool consists of 28 vans and 260 van pool riders. Monthly van pool fees vary depending on mileage, but range from \$105 to \$200. Van pool drivers do not pay the monthly fee.
- A van pool program has existed in one form or another since the 1980's, although these earlier iterations were smaller and limited to State employees. No one at MDOT was officially administering the program, although an MDOT employee filled this role. In the late 1990's, the GO Augusta van pool was formed with Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds, some money was set aside for administering the program and the van pool became actively managed by MDOT. Standardized rates were developed and rider and driver agreements began being used. At the same time, the Maine Turnpike Authority (MTA) had been funding a ride share program through the Greater Portland Council of Governments (GPCOG).
- In 2001, MDOT put out an RFP to administer both a ride share program and the van pool. GPCOG won the bid and GO Augusta and the Southern Maine Ride Share Program were combined as GOMaine, beginning in January 2002.
- From FY 2002 to FY 2012, the van pool account in the State's accounting system shows revenues received (rider fees) of \$1,903,986 and paid out expenses (predominantly operating expenses) of \$1,889,009 (see Table 1). Operating expenses include costs such as fuel, insurance, vehicle maintenance, cell phones, and EZ Passes. The van pool netted only \$14,977 in rider revenues over operating expenses in this period, although operating gains

have exceeded \$30,000 annually since 2009. The expense data in the van pool account, however, does not reflect all costs associated with this service, as capital and administrative costs have apparently not been captured here.

- In 2007, Governor Baldacci wanted to put more funding into the program and expand. GOMaine purchased new vans with CMAQ funds and bonds. From FY 2007 to FY 2010, according to data provided by MDOT on vans procured, MDOT provided \$818,800 in funding for capital expenditures. When these capital costs are considered, the program experienced a loss of \$803,823 over the period from FY 2002 to FY 2012.
- As previously mentioned, costs associated with administration of the van pool are also not captured in the van pool account. MDOT and MTA jointly fund the costs of the GPCOG's administration of the entire GOMaine program. Most recently, these costs were approximately \$500,000 annually with MTA providing \$115,000. MDOT estimates that approximately 50% of the administration costs associated with the GPCOG contract are associated with the van pool. According to MTA, their financial support funds particular aspects of the GOMaine program that do not include the van pool service. Additionally, MDOT—not GPCOG—handles the finances of the program. The costs associated with this work are not tracked separately.
- According to an MDOT employee who has been involved with the van pool program since its inception, a conscious decision was made when the program began to not charge van pool riders the true costs of the service in order to incentivize ridership. It appears to OPEGA that the van pool has continued as a subsidized service.
- In early 2011, MDOT examined the operating costs and capital needs. The Department determined that the 1990's van pool program model was not sustainable and that they would need close to \$1 million to replace vans. Available federal funding was drying up and CMAQ funds were being used for other purposes, such as park and ride lots across the State, signalization efforts, and the three year pilot period for the operations of the Island, Mountain, Shoreline, Sugarloaf, and Brunswick Explorer bus services. There was not enough funding to replace vans. Based on this analysis and learning that there are existing private companies interested in providing the service, MDOT decided to end the van pool. This was a policy decision made by the Department as it believed this was not a business it should be in and felt that private industry would be better able to operate a van pool service. Consequently, MDOT did not explore options for extending the program or making it self-sustainable.
- On February 24, 2012, MDOT sent letters to van pool members announcing the van pool would be ending in May. This date was selected because van use starts to dwindle at that time. MDOT also made the Transportation Committee aware of its decision to discontinue the service at a Transportation Committee meeting on March 8, 2012. OPEGA understands that members of the public being impacted by MDOT's decision also spoke to the Transportation Committee at that meeting and the Committee scheduled a subsequent meeting on March 13, 2012 to hear more about the matter. A GOMaine van driver told the Government Oversight Committee at its July 19<sup>th</sup> meeting that the public did not get another opportunity to speak to the Transportation Committee at the March 13<sup>th</sup> meeting as the Committee only heard from MDOT. The Department at that time acknowledged that the end date was too soon for a reasonable transition for current van riders, and the end date

was extended to September 1, 2012. The Transportation Committee did not take any formal action on MDOT’s policy decision presumably because the van pool service is not a program required by statute and the discontinuation of the service did not result in any change to MDOT’s budget that required presentation as a specific Highway Fund budget initiative.

- Approximately \$233,000 remains in the van pool “expense account.” This amount differs from the \$14,977 that was netted from van pool rider fees and the operation of the van pool in the ten-year period FY2002 - 2012. According to MDOT, the \$233,000 is primarily the cumulative balance of rider fees dating back to the 1980’s and some miscellaneous funds from the proceeds of the sale of surplus vehicles and insurance payments.
- MDOT states that, after the van pool ends, the funds remaining in the van pool “expense account” will be used for the inspection, maintenance, and removal of graphics from the vans, which, if roadworthy, will then be donated to regional transportation providers such as Penquis CAP and KVCAP. Vans in poor condition will be auctioned off. Any leftover funds will be used for the continuation of the larger GOMaine program, including the Emergency Ride Home Program.

<b>Year</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Operating Gain/Loss</b>	<b>Additional Capital</b>	<b>Annual Gain/Loss</b>	<b>Cumulative Gain/Loss</b>
2002	\$80,698	\$86,966	(\$6,268)		(\$6,268)	(\$6,268)
2003	\$93,345	\$86,900	\$6,445		\$6,445	\$177
2004	\$83,310	\$198,076	(\$114,766)		(\$114,766)	(\$114,589)
2005	\$93,987	\$133,296	(\$39,309)		(\$39,309)	(\$153,898)
2006	\$108,170	\$108,404	(\$234)		(\$234)	(\$154,132)
2007	\$113,395	\$90,176	\$23,219	\$268,400	(\$245,181)	(\$399,313)
2008	\$187,018	\$192,637	(\$5,619)	\$144,234	(\$149,853)	(\$549,167)
2009	\$241,675	\$205,596	\$36,079	\$216,656	(\$180,577)	(\$729,744)
2010	\$298,713	\$249,200	\$49,513	\$189,510	(\$139,997)	(\$869,741)
2011	\$309,342	\$279,648	\$29,694		\$29,694	(\$840,047)
2012	\$294,335	\$258,111	\$36,224		\$36,224	(\$803,823)
<b>Totals</b>	<b>\$1,903,986</b>	<b>\$1,889,009</b>	<b>\$14,977</b>	<b>\$818,800</b>	<b>(\$803,823)</b>	

Source: OPEGA analysis of revenue and expenditure data obtained from query of State’s accounting data warehouse and van procurement information provided by MDOT.