

A Pursuit of External Transportation Funding for the
Indiana University Campus Bus Transportation System

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In Coordination with:

IU Campus Bus
IU Student Association
Residential Halls Association
Interfraternity Council
Pan-Hellenic Association
Graduate Professional Students Organization
IU Faculty
IU Office of the Dean of Students

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INTRODUCTION

The purpose of this document is to outline the current pursuit of external funding sources to supplement the budget of IU Campus Bus. Expanding the budget will accomplish many goals (See Appendix F: *IDS* Article and G: *Herald Times* Article, pp. 59, 61, respectively), specifically:

1. Expansion of bus services for the IU students and faculty as well as the Bloomington community.
2. Hiring more full-time Bloomington and part-time IU student drivers, providing employment opportunities for Bloomington and the IU campus.
3. Improving sustainability of IU Campus Bus via “greener” replacement alternatives (i.e. hybrid-electric buses) when the current bus fleet should require replacing.
4. Easing the financial burden on students and parents by freezing the current student transportation fee (113.12 per student, yearly).

IU Campus Bus has been eligible for Federal and State funding for over twenty years, yet until but three years ago¹, such eligibility was never discussed, considered or pursued. In the past three years, there has been unanimous student support for the pursuit of external funding, and such support has been backed by the IU faculty and IU Campus Bus, but little support has been voiced by the IU Administration and relative bureaucracy.

Planned proposals of collaboration with Bloomington Transit (BT)—the city of Bloomington’s mass transit service—have been tabled indefinitely with “IU vs. Bloomington” rhetoric being uttered by both sides; the situation remains the same—there is a large sum of money available to the IU Campus Bus Service (let alone with a united transit collaboration including both IU and BT), and each year that administrators defer the issue, IU’s students and faculty (composing 70% of BT’s ridership) as well as the entire Bloomington community are being neglected.

This document outlines the process-to-date of the pursuit of external funding, and it includes relative data and contact information for further research and discussion.

Thank you for your interest in and support of Indiana University’s students and the greater Bloomington community.

Sincerely,



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¹ See Appendix A: An Opportunity for Unification, 2007, p. 15

BACKGROUND

Student Transportation Board's Interest in Funding

At the beginning of the Fall 2006 semester, the Student Transportation Advisory Committee (STAC) was created at the request of then-Dean of Students, Richard N. McKaig to address multiple requests and concerns regarding changes in IU Campus Bus services to better fit the need of the ever-changing student population. The STAC was composed of members of various student organizations including the IU Student Association (IUSA), Residential Halls Association (RHA), Interfraternity Council (IFC), Pan-Hellenic Association (PHA) and Graduate Professional Students Organization (GPSO); the committee was to work closely with IU Campus Bus—specifically, Operations Manager Perry J. Maull.

A primary purpose of the STAC was to advise IU Campus Bus for acquisition of increases in the mandatory Student Transportation Fee, a sum assessed and granted by the IU Committee for Fee Review (CFR)—a body of students that determines the breakdown and allocation of student fees for each respective category of student service, i.e. Health Center, Indiana Memorial Union (IMU), Auditorium, Transportation, Technology (UITs).

At the first meeting with the CFR during February 2007, the STAC and IU Campus Bus asked for a percentage-increase in the Student Transportation Fee to increase services and to accommodate normal inflationary costs. The CFR was curious as to why IU Campus Bus was not seeking Federal and State funding—i.e. the Indiana Public Mass Transportation Fund (PMTF) for services from the Indiana Department of Transportation (INDOT).

Since that meeting, the STAC has been granted “Board” status from the Student Activities Office (SAO) and has become the Student Transportation Board (STB). The Board consists of members from all of the above organizations as well as an appointee of the Office of the Dean of Students and a faculty appointee by the Provost. The STB meets monthly at the IMU to discuss current issues—i.e. bus route alterations, service expansions and budget prioritization—as well as new projects—i.e. GPS tracking of IU buses. The single common agenda item over the course of the past three years has been the pursuit of external funding, as currently, 99% of the funding for IU Campus Bus comes from the mandatory student transportation fee (\$113.12/student/year). The fact that IU Campus Bus has been eligible for said Federal and State funding for over 20 years yet it has not yet entered the PMTF equation is cause for concern both for IU students, parents and faculty who shoulder the burden for the service as well as IU Campus Bus who relies solely on enrollment figures and CFR increases to expand and maintain services for the Bloomington community.

Bloomington Community's Interest in Funding

Currently, IU Campus Bus operates a universal service—no bus pass or fare is needed to ride an IU Campus Bus—for *anyone* who rides. IU also contracts BT services to make ridership of any IU student or employee free upon presentation of an IU identification card. Inclusion in the PMTF would ideally include coordination between IU Campus Bus and BT (See SWOT Analysis, p.), where the funding would be contractually governed and split between the parties. Thus an increase in IU Campus Bus funding would not only increase IU services (and thus expand services for the Bloomington residents who use IU buses for free), but an increase in BT funding would also give the opportunity for similar increases in services and opportunities. Further, even without such coordinated efforts between IU Campus Bus and BT, should IU pursue such funding as a sole entity, any increase in IU funding has a positive impact on the services offered to the entire Bloomington community, specifically in areas served by the IU Campus Bus routes.

Indiana University's Interest in Funding

Indiana University President Michael McRobbie has recently (2009) commissioned and created a new IU Office of Sustainability² with its defined mission being:

“...to advance sustainable human-environment interactions within the Bloomington campus and community by facilitating collaborative academic and operational initiatives. IUOS defines sustainability as thriving within our means to achieve balance among environmental health, economic prosperity, and social equity.”

The IUOS works to create efficient means by which to ensure IU's long-term effectiveness and survival as a community hub, a leader in “green” operations, and ultimately as a first-rate academic institution. Much focus goes into the concept of “greening” the campus, with such projects as cutting electric, water and physical waste at the gigantic Indiana Memorial Union (IMU) through marketing, advertising and efficient electricity alterations. The IUOS is also studying the feasibility and effectiveness of conversion of all IU buses to “alternative-fuel source” buses—i.e. hybrid-electric, compressed natural gas (CNG), standard gasoline—to replace the current diesel-fueled fleet. As Bloomington Transit recently acquired seven 40-foot hybrid-electric buses (by way of Federal earmarks from Indiana Senator Dick Lugar), such visibly green buses drew attention to acquiring such buses for the IU fleet from the IUOS. While it is true that IU Campus Bus will soon have to replace its fleet of 1999 diesel buses, to replace them with all hybrid-electric buses of similar size will be of significantly greater cost. The acquisition of PMTF funding could certainly apply to a move towards the greener—yet more expensive—hybrid-electric fleet. Even a partial hybrid-electric fleet would greatly reduce IU's carbon footprint.

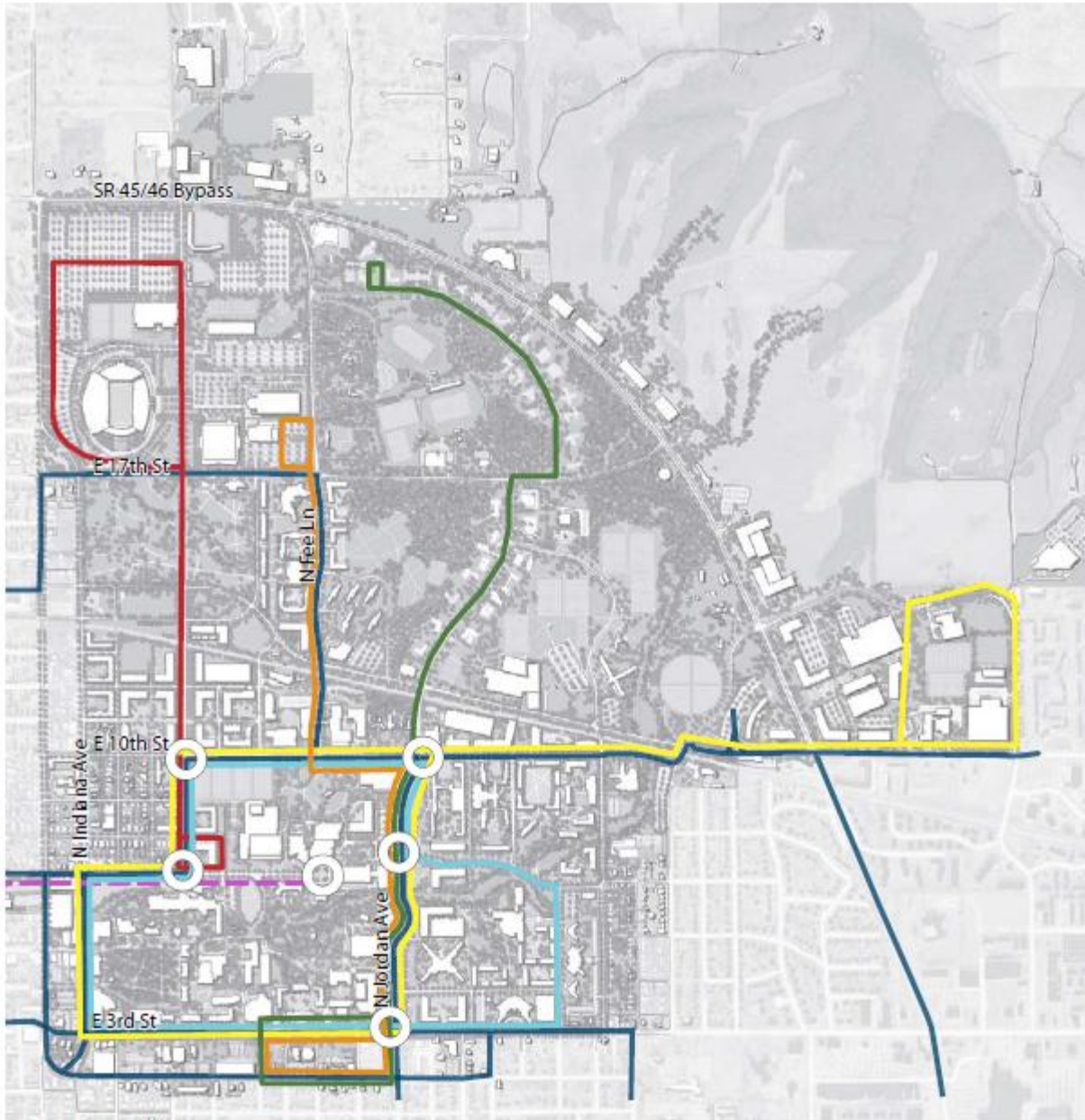
The acquisition of funds would give IU Campus Bus Service the ability to forego the Committee for Fee Review's increases of the mandatory student transportation fee, effectively freezing the fee indefinitely. This freeze in fee would not only benefit tuition-payers amidst tuition increases, but it would add to IU's credibility with such payers in that IU will do all it can to keep costs as low as possible—internally via budget cuts and streamlining efficiency, and *externally* through applying for any and all eligible grant sources. There is no practical reason why IU should have been excluded for such federal and state funding in the past, and the reasons given for IU's not entering the funding pool now (mostly political—discussed later) fail to outweigh the benefits gained by applying.

Also in 2009, President McRobbie unveiled IU's Campus Master Plan³, including massive overhauls in all regards of Indiana University: sustainable planning, campus development, landscape character, circulation and parking and campus infrastructure. The section titled “Circulation and Parking” regards IU's parking, pedestrian transportation and mass transit systems.

² <http://www.indiana.edu/~sustain>

³ <http://masterplan.indiana.edu/iub/contents.cfm>

The Master Plan calls for a change in bus routes, employing a “shuttle” technique of to/from campus routes. This system would likely streamline campus mass transportation. Changes in routes, however, call for changes in route infrastructure (i.e. bus shelters at the new service “hubs,” bus pull-off lanes, a new bridge over the railroad for the “Woodlawn corridor,” “shorter” buses for certain proposed turns on specific routes). The following is an illustration of the proposed new Bus system (and some corresponding infrastructure changes) from the “Circulation and Parking” section of the IU Campus Master Plan.



FUTURE TRANSIT

- Existing Bloomington Transit
- Future IU Transit
- Future Connection to City
- Transfer Points



SWOT REPORT ANALYSIS SUMMARY

A 2007 Kelley School of Business A 569 consulting team analyzed alternatives for IU's receiving external funding for IU Campus Bus Service. The team's stated "purpose" for pursuing external funding is to "reduce [IU Campus Bus'] dependence on the student transportation fee."

The consulting group created a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis⁴ to examine four (4) alternatives available for Campus Bus and Bloomington Transit (BT):

- Status quo
- Campus Bus becoming a BT contractor
- Campus Bus becoming a designated recipient for Federal and State funding
- Full consolidation of Campus Bus into BT

The consultants recommend unification of Campus Bus and BT, with the following results:

- Improvement of public transportation services throughout the Bloomington Community
- Additional revenue sources outside of the student transportation fee (a minimum of \$2 million from State funding and an additional \$250,000 from Federal funding)
- A further reduction of operating and overhead expenses through reconciliation of duplications and inefficiencies between the two services.

It is also recommended that the unification be governed by a single coordinating entity. Such a united front will bode well for dealing with current and future obstacles including City, State and Federal agencies—when in dealing with fund applications as well as policy issues, should they arise.

Ultimately, the consulting group recommended that IU and BT complete a plan for unification of the two bus agencies by July 1, 2008.

The plan for unification of Campus Bus and BT should incorporate the following goals:

- Public transit service should be maintained or improved as a result of the consolidation.
- Employees of the two agencies would continue to be employed by their current employer in any unification plan.
- The employees of both agencies should have their wages and fringe benefits either maintained or improved as a result of consolidation.
- Additional revenue from state and federal grants that would accrue to BT because after unification BT would be adding Campus Bus passengers, hours of service, miles of service and locally generated revenues to its own operating results would need to be recognized in their consolidation agreement between IU and BT.

⁴ See Appendix B: 2007 Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis, p. 20

- The IU student mandatory transportation fee should not be increased as a result of unification. Any increase in the fee should be based on normal increases in the cost of doing business (fuel cost increases) or in an increase in service level (more buses put into service).
- BT would need to recognize that IU students represent the overwhelming majority of its overall ridership (~70%).

The main issue for moving forward is the negotiation of the details of Unification Proposal:

- Both BT and Campus Bus are greatly concerned with allocation of additional funding—BT sees no point if they are not guaranteed a reasonable share.
- Need a mutual agreement that financially benefits both agencies.

Hard-line negotiations need to be started immediately:

- Delay represents significant opportunity cost.
- Cannot proceed without ironing out details.
- Few details have been discussed—still in initial stages.

Possible ways of determining allocation:

- Unification Steering Committee—BT agrees it's a good idea, but little detail has been discussed. How will the committee be structured and how will key decisions be made? Formation of this committee should represent a critical starting point.
- Must guarantee BT share of additional funds. (50/50 split—a generic example.)
- Can we unify, and then base a contract on additional funds, or do we determine a contract before realizing additional returns? Annual contracts would be needed in order to account for changing levels of operations, funding and ridership.
- Have BT calculate an offer under reasonable conditions—what would BT charge for these services in regular business conditions?
- Can we base the contract off of currently outsourced route (C Route)?

The consulting committee recommended the following strategies for moving forward in the unification process (negotiations, contracting, funding acquisition):

- A Unification Steering Committee would be an optimal choice in determining fund allocation. This committee would be comprised of members from all relevant affected parties involved such as BT management and employees, Campus Bus management and employees, IU administration, City of Bloomington representative and members of the Student Transportation Board, for example.
- Use independent PMTF qualification as leverage to kick-start unification process.
- Use leverage of PMTF qualification to strengthen position during negotiations.
- Alternative option: Campus Bus applies for funding as an independent entity.
 - This would be necessary if BT continues to delay this process, which presents significant opportunity costs to IU; if a mutual agreement cannot be reached, applying as a stand-alone represents the best opportunity for Campus Bus.

CONTINUED OBSTACLES

While the pursuit for external funding spans almost four (4) years now, absolutely no results have been attained from any discussions. While Indiana University initially seemed keen on the idea of acquiring (potentially) millions of dollars to support its transportation infrastructure, administrators have backed away from the cause. Initial Student Transportation Board meetings, including both IU and Bloomington Transit administrators, once exuded an air of reconciliation and collaboration. Recently, however, neither party is willing to come to the meetings as absolutely no progress has been made since negotiations were indefinitely postponed in Fall 2009. As is evident by the provided meeting notes, each party has its own concerns and an inherent lack of trust for future coordination prevents initial development.

Obstacles with Indiana University

Obstacle 1: Fee review process. The current system for IU Campus Bus funding includes the aforementioned, mandatory student transportation fee, which is reviewed and increased/maintained after a biennial review. This fee is assessed during registration periods to the students' total bursar bills, each semester. The (currently) \$113.12/year/student is the only funding source accountable for serving budgetary and service demands, thus natural budgetary inflation and service necessities govern the proposed amount of increase in the fee every two years. The fact that this system has, to date, served the demands of the IU Campus Bus budget, leaves little appeal for changing it. The problem, however, is that the consistent yet necessary increases in the mandatory fee are felt by the students and parents paying the tuition—not by the university receiving it. Constantly asking for such increases is an inopportune option while such Federal and State funding is available.

Obstacle 2: Business as usual. A lack of “immediate crisis” seems to prevent IU administrators from placing the discussion regarding external funding in the queue of priorities. The 27-bus-fleet currently operated by IU Campus Bus will need replacement in two (2) years; with current budget cuts and a drastic drop in parking revenue (used to subsidize the purchasing of new buses), IU administrators are ignoring an obvious source of capital to fill such monetary voids. By the time 2012 rolls around however, and the crisis is evident, it will be far too late to enter the PMTF distribution pool. The results will be drastic. While this situation has been made clear to IU administrators via discussions with the STB and IU Campus Bus, those in charge of initiating acquisition of such funding simply look at the IU Campus Bus' balanced budget, and downplay future concerns.

Obstacle 3: Red tape bureaucracy. The avenues by which one goes about initiating discussions with administrators about the topic of pursuing external funding are clouded with “middlemen” and misdirection. Evident by the provided notes from meetings, fingers seem to be pointed to everyone but a “key” person—perhaps because there is no “key” person. Granted, the lead negotiator for IU left two (2) years ago for deployment in Iraq, but since that time, nobody has been “officially” assigned to the task. The lack of accountability seems evident at each level of administration, judging by the “what can I do for you” followed by “talk to [this person]” dialogue in each meeting. In order for results to be achieved, there should be a clear chain of command in charge of the specific issue; yet without the IU administration's recognition of the

issue's clear client demand and concern (which has been clearly and consistently voiced for three [3] years), those in charge of assigning a chain of command fail to do so.

Obstacles with Bloomington Transit

Obstacle 1: Distrust of Indiana University. While nobody denies that IU students make up roughly 70% of BT ridership, for some reason BT fails to embrace these students as public constituents. Further, IU contracts “free service with a University ID” to BT each year for its students and faculty. Ridership collaboration and facility-sharing (IU Campus Bus and BT share depot and administrative facilities) have proved to be friendly and effective—grounds for friendly collaboration in the future. Discussions with Lew May⁵ prove that BT seems skeptical of relinquishing/sharing “control” over services to/with IU. This problem, however, has no historic foundation, and is an issue better ironed-out *after* defining tactics by which to even *enter* the PMTF distribution as a combined entity. Such issues of control could be governed by a joint-board consisting of both BT and IU members to maintain fairness among both parties and their overlapping constituents.

Obstacle 2: Unwillingness to combine statistical data. BT's Lew May stated that BT would not be interested in a statistic-cooperative-effort to receive PMTF funding because simply sharing statistics is not indicative of a “truly unified system.” BT's “moral” opposition to simply entering the PMTF on a numbers-only-basis indicates a lack of fiscal interest from its business side. Besides ridership statistics, according to BT, a “unified” system would include: joint-branding of buses; BT's complete ownership of all buses (contracting them to IU Campus Bus); joint lobbying in Washington; IU's continued commitment to subcontracting of BT services for IU students, faculty and staff. Note that various bus systems nation-wide, including University of Florida-Gainesville, receive such Federal and State funding via a statistical collaboration between city and university.

⁵ See Appendix C: Meeting Notes, Lew May, 2-25-10, Ray Vanlanot

POTENTIAL FOR PROGRESS

Student Pressure: The Student Transportation Board passed Resolution No. 2009-1⁶ on behalf of every major student IU Campus Bus Service constituent group, advocating that IU administrators pursue the steps to make IU a PMTF recipient—with or without BT collaboration. The STB has also been a major force in breaking down the communication barrier, initiating talks with individual administrators for the past three (3) years; STB members have constantly put pressure on administrators to take action.

IU Campus Bus: IU Campus Bus has made every effort to cater to student needs with regard to bus service, and has contributed much effort into facilitating meetings between the STB and IU administrators as well as BT staff. IU Campus Bus continues to listen to student needs, and realizes that the current “total burden” of the mandatory transportation fee to fund IU Campus Bus could be lessened via PMTF funding.

Bloomington Community: Feedback from members of the Bloomington Community (referencing Appendix G: External Funding Article, *Herald Times* 3-22-09, p. 61) indicates support for IU Campus Bus/BT collaboration for expansion of both services. Many Bloomington residents cannot understand why IU’s twenty-year eligibility (with the potential collaborative service expansion) has gone so long unaddressed.

Bloomington Transit’s Willingness to Continue Negotiation: The meeting with BT General Manager Lew May (p. 45) indicates that despite hiccups in the process, BT is still willing to negotiate a collaborated effort via a unified system of operation. Regardless of the specifics of the “needs” from both IU and BT’s sides of the table, currently, BT has been the only party to openly commit to continued negotiations⁷.

⁶ See Appendix L: STB Resolution No. 2009-1, p. 71

⁷ A previously-scheduled negotiation meeting between IU and BT for November 2009 was cancelled by IU with plans to reschedule; IU never followed through on plans to do so.

CONCLUSION

Given the current economic climate, it is no doubt that diversified funding ensures fiscal safety for an organization such as IU Campus Bus. Further, soliciting Federal and State funding is a clear source of capital to supplement the current, mandatory student transportation fee's funding of IU Campus Bus. The following are facts regarding the current situation:

- Tuition and living expenses are rising for IU students and parents supporting them.
- Transportation costs, like other services, inherently to maintain service and feasibility.
- IU students currently fund the entire IU Campus Bus budget via the mandatory student transportation fee.
- IU students and faculty (via the Student Transportation Board) favor inclusion in PMTF funding, with or without BT collaboration.

The process of obtaining Federal and State funding for IU Campus Bus, with or without the statistical collaboration with Bloomington Transit, is muddled with miscommunication—or lack of any communication, at all. The following points are evident:

- IU students (specifically, the Student Transportation Board) have not been involved in negotiations between IU and BT.
- It is currently unclear what avenue IU is taking to negotiate its PMTF inclusion—collaboration with BT, entering as a sole entity, stepwise fund acquisition, etc.
- IU believes that negotiations are at a standstill because BT makes unfair demands for collaboration.
- BT believes that it has made serious concessions, that IU has yet to do so, and that there are plenty of points of negotiation and specifics for collaboration that have yet to be but may still be discussed.
- IU has neither a clear plan of action nor chain-of-command to specifically address the process of acquiring external funding.
- Legislative worries (i.e. City Council, state representatives, and Bloomington officials) seem to keep some key IU figures from fully expressing support for the pursuit of funding.

Transparency in negotiation progress would likely resolve many of the communication problems to date. The following are points regarding moving forward:

- Having an “all-parties” discussion prior to official negotiations would ease communication woes.
- “All-parties” would likely include IU administration, BT administration, student/faculty representation (i.e. STB, Dean of Students, Provost), IU Campus Bus, and other members of the IU negotiation team.
- A clear chain-of-command or key-man assigned to the task of negotiating and/or pursuing external funding should be established.
- IU and BT should recognize that as services to collaborative constituencies, they should act on the constituencies’ behalves and in their best interests.
- Pursuing and applying for said funding *now* rather than *waiting* for an immediate crisis ensures the ability to plan ahead to avert decreased services should such a crisis arise (i.e. 2008 oil price spiking and accompanying reduction in services).
- Entering the PMTF funding now *does not* mean an immediate acquisition of all funds for which IU (and/or BT) is eligible—millions of dollars, based on ridership—but it *does* allow a gradual inclusion in the PMTF equation, so as to ease the burden to accompanying Indiana systems.
- IU needs to receive the funds for which it has otherwise been eligible for the last twenty (20) years.
- As the students are currently shouldering the financial burden for the IU Campus Bus services, and the IU administration serves both to facilitate student services and to take charge of such tasks (as pursuing high-level funding), IU administrators should realize their key roles to alleviate student consternation with ever-increasing fees.

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**APPENDIX A:
AN OPPORTUNITY FOR UNIFICATION, 2007**

Bloomington Transit and IU Campus Bus Service
An Opportunity for Unification
September 2007

The following report provides background information for the opportunities and issues concerning a potential unification of IU Campus Bus Service and Bloomington Transit. The report begins with a discussion of the development of both IU Campus Bus Service and Bloomington Transit.

IU Campus Bus Service:

Beginning in 1962 Indiana University contracted for the operation of a library bus route with Bloomington Transit Lines, Inc. The library bus route operated in the evening only from residential areas of campus to the Main Library which was located at that time in the building which is now called Franklin Hall. The library bus was free to all passengers who were primarily IU students.

Like many other private bus companies during the post World War II era, Bloomington Transit Lines, Inc. had begun to lose money as ridership declined, because of increasing automobile ownership and use. In 1966 the private bus company informed Indiana University and the City of Bloomington that it would be forced out of business because of continued financial losses. The company offered to sell its assets to either or both public agencies. The City of Bloomington was not able to be involved in the purchase and operation of a public transit system, because municipal operation of public transportation systems was not authorized by the Indiana General Assembly until 1967. IU Campus Bus Service (CBS) was established on October 12, 1966 by Indiana University Board of Trustees through the purchase of the assets of the privately owned Bloomington Transit Lines, Inc.

Much has changed with the IU Bloomington Campus since 1966. In the early years CBS provided a connection between the core of campus and students living in the then newly constructed residence halls, what was then called Married Student Housing (now called Apartment Housing), and the Greek houses on North Jordan Avenue. At that time a much smaller percentage of students lived off-campus than is currently the case.

Until just last year, CBS ridership had been in a long term decline from its peak ridership in the late 1970s. The ridership decline was related to the movement of students to off campus housing and an increase in the number of students who own cars whether they were living on or off campus.

During the 2005-2006 academic year, CBS started to participate in the universal access by IU students. Prior to last academic year, IU students either purchased an annual or semester pass or paid a per trip fare to board CBS buses. The 2005-2006 academic year saw the highest ridership on CBS buses ever. The current academic year is on track to exceed last academic year ridership

by 20%. Current weekday ridership on all CBS buses is approximately 22,000. Ridership for the fiscal year that ended June 30, 2007 was just over 3 million passenger boardings.

IU Campus Bus Service is financially supported almost exclusively through the IU student transportation fee. The transportation fee for full-time students (6 or more credit hours) is set at \$100.94 for the academic year 2006-2007. Indiana University does not receive any federal or state operating assistance for its public transit system, because it is not the designated public transportation system serving Bloomington. Only Bloomington Transit is authorized by state and federal regulations to receive state and federal operating assistance.

For capital purchases Indiana University has been able to obtain federal grants for bus purchases. The entire CBS fleet of 27 buses was purchased with a federal transit capital grant. IU provided the entire local share (20%) of the federal capital grant for the purchase of the new buses. Also Indiana University was able to participate in the construction of a joint operations and maintenance facility with Bloomington Transit. IU dedicated the land under the joint facility as its half of the local share of the federal grant.

Background of Bloomington Transit:

In 1973 Bloomington Transit (BT) was established by the City of Bloomington to provide public transportation services for the entire Bloomington community. BT began very modestly with just a handful of buses operating on 4 bus routes. BT bus routes were and are still focused on both the IU campus and downtown Bloomington. Over the past 33 years, BT has grown into a full service public transportation system for the entire Bloomington community. BT now serves most major shopping and employment locations within the city limits of Bloomington.

In 1980 the City of Bloomington created the Bloomington Public Transportation Corporation to own and operate Bloomington Transit. The Bloomington Public Transportation Corporation is a separate legal entity from the City of Bloomington. Public transportation corporations are authorized by state law to levy a separate property tax within the city limits for support of a public transportation system. The mayor and city council appoint the 5 person board which governs the Bloomington Public Transportation Corporation. The Bloomington PTC continues to operate under the name of Bloomington Transit as it has since 1973.

BT now operates more buses than the Campus Bus Service, however it still carries fewer passengers when IU is in session than CBS. BT's annual ridership is also less than CBS annual ridership. Currently BT provides approximately 15,000 passenger trips each weekday when IU classes are in session. Currently almost 70% of BT's passengers are IU students. IU students have been riding BT on a pre-paid basis since 2000.

Bloomington Transit is financed through several funding sources: local, state and federal. Local funds are provided through a separate property tax levied within the City of Bloomington. BT also receives significant state and federal operating assistance. IU also pays BT for IU student access to all bus routes as well as the operation of the C route.

Bloomington Transit and Campus Bus Service Coordination and Consolidation Efforts to Date:

Over the years since the creation of Bloomington, there has been much discussion within Indiana University administration and within the Bloomington community leadership as to why there were two public transportation systems in the community. Some steps have been taken over the years to reduce duplication between the two systems.

The most significant step to reduce duplication was taken by the construction of a joint maintenance and operations facility for both public transit systems. Prior to the joint facility, each agency had its own operations and maintenance base.

The joint facility was built by Bloomington Transit on land owned by Indiana University. The joint facility was funded with an 80% federal grant. BT and IU equally shared the local 20%. Indiana University's half of the local share came from the value of the land that was used for the site. The joint facility opened in 1997 and operates under a long term contract between BT and IU.

The joint transit facility features a fuel island and a bush washer used by both agencies. Soy diesel fuel is purchased by Indiana University for both agencies resulting in volume discounts. Because both IU Campus Bus Service and Bloomington Transit are publicly owned operators of public transportation services they both receive a rebate on motor fuel taxes. Building services (for HVAC, etc.), utilities and janitorial services are split between the agencies resulting in cost savings for both agencies. Most internal functions (bus maintenance, bus operations, administration, etc.) are still independent, operated separately by each agency.

In 2000 the C Route serving Tulip Tree and the College Mall area was out-sourced to Bloomington Transit for operation. This route serves mainly off campus student housing in the area surrounding the College Mall, as well as providing a link for students who live on campus to get to the College Mall. Because BT operates this service, all of the passengers carried, miles operated and revenue generated are included in BT's state and federal formulas, thereby generating revenue from state and federal sources for BT. The C Route is one of the top two most popular BT bus routes.

During the current fiscal year, BT is charging \$13.79 per service hour for the operation of the C Route. This charge is substantially less than what it costs IU Campus Bus Service to operate a service hour. It costs IU Campus Bus Service \$42.76 per service hour. BT only has to bill \$171,417 to operate 12,424 annual hours of service on the C Route. If IU Campus Bus Service were to operate the C Route the cost would be \$531,290. That is a difference of some \$359,833.

BT does not have lower operating costs than IU Campus Bus Service. In fact, on the average, BT pays its bus drivers more than IU Campus Bus Service pays its bus drivers; yet BT's total operating cost for an hour of service is very close to IU Campus Bus Service's similar hourly cost. The difference between what it costs to provide the service and what BT needs to charge is made up by federal and state operating assistance that is available to BT. State and federal

operating assistance is not available to IU Campus Bus Service because it is not the designated public transportation system for Bloomington.

During the 2006-2007 school year, BT and IU agreed to jointly hire a certified bus training instructor. The bus driver training instructor provides classroom and field practice for both BT and CBS bus drivers. Prior to the signing of this agreement between BT and IU, CBS had no classroom training using a curriculum certified by the U.S. Department of Transportation's Transportation Safety Institute. Bus driver training for new CBS bus drivers consisted of a senior driver taking a trainee out to the Purple Lot (located north of Memorial Stadium) for training to pass the driving exam (in order to obtain a Commercial Driver's License) and to get familiar with existing Campus Bus Service bus routes. Prior to the bus driver training agreement, BT only had a part-time bus training instructor on its staff. The joint bus driver training program allows both agencies to share the services of a full-time bus training instructor at a substantial cost savings over separately hiring a bus driver training instructor.

Bloomington Bus Transportation Route and Efficiency Study:

A study of the opportunities and issues of coordination of BT and CBS was published in June 2002 by the Bloomington metropolitan planning organization. The study was prepared by Urbitran Associates, Inc. and was entitled "Bloomington Bus Transportation Route and Efficiency Study."

The study found that the public transit services provided by each agency had very little overlap or redundancy. CBS bus routes were and still are focused on the IU Bloomington campus. The only CBS route that operated largely off campus (C Route) had already been outsourced to Bloomington Transit in 2000. Many BT bus routes service the IU campus, but there is little overlap in the routes. BT's Route 1 along 17th street and Fee Lane overlaps with the A Route operated by campus Bus; however Route 1 operates on an hourly frequency. IU Campus Bus Service's A Route operates every 5 minutes during the day and every 20 minutes in the evenings and on weekends.

The study found that there were several internal operations (scheduling, dispatching, vehicle maintenance, etc.) that could be consolidated to eliminate duplication and save operating expenses for both agencies. These internal functions had large amounts of duplication and/or redundancy.

The study recommended the following timeline for coordination and consolidation of various function of the two agencies:

Calendar Year 2003

- *Indiana University Board of Trustees to vote in April on extension of Universal Access to IU Campus Bus Service.*
- *Implementation in September of final phase of the Universal Access, providing pre-paid, unlimited access to all IU students on both transit systems.*

- *BT and Indiana University sign a multi-year contract regarding coordination issues which outlines steps that will be taken as well as funds that will be exchanged.*
- *Begin marketing coordination by releasing a consolidated BT/IU Campus Bus Service guide to coincide with the start of the Fall Semester.*
- *BT takes over scheduling function of IU Campus Bus Service and develops revised schedules for the Fall Semester.*
- *Bloomington MPO completes study that recommends new and/or improved park and ride locations. BT and Indiana University agree on a park and ride funding plan.*

Calendar Year 2004

- *Joint marketing plan is prepared, followed by implementation through the creation of advertisements, informational brochures, etc.*
- *BT takes over dispatching functions for IU Campus Bus Service, allowing Campus Bus Service to reduce the number of its dispatchers, some of whom may be hired by BT.*
- *BT and Campus Bus should work out an arrangement for hiring an individual to implement, maintain, and operate the joint AVL system.*

Calendar Year 2005

- *AVL system is received and an employee responsible for operating and maintaining it is hired jointly by Bloomington Transit and IU Campus Bus Service.*
- *Initial discussions of a consolidation of maintenance functions take place between Bloomington Transit and Indiana University.*

Calendar Year 2006

- *If an agreement can be reached, BT and IU Campus Bus Service bring together maintenance functions, resulting in a single department that maintains both fleets.*
- *Indiana University and BT evaluate the success of coordination efforts, including the consolidated maintenance department, and initiated system consolidation discussions.*

**APPENDIX B:
2007 STRENGTHS, WEAKNESSES, OPPORTUNITIES,
THREATS (SWOT) ANALYSIS**

Indiana University

Kelley School of Business

External Funding Alternatives Analysis for IU Campus Bus Service

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Fall Semester 2007

EXECUTIVE SUMMARY

This report contains the investigation of additional funding alternatives for Campus Bus and reducing its dependence on the student transportation fee.

After examining the four funding alternatives available for Campus Bus and Bloomington Transit (BT): the status quo, Campus Bus becoming a BT contractor, Campus Bus becoming a designated recipient for federal and state funding, and full consolidation of Campus Bus into BT, the recommendation is for Campus Bus to proceed with the unification proposal forming a federation of the two agencies under the umbrella of BT.

The unification of Campus Bus and BT will allow for the improvement of public transportation services throughout the Bloomington community, additional revenue sources outside of the student transportation fee (a minimum of \$2 million from State funding and an additional \$250,000 from Federal funding), and a further reduction of operating and overhead expenses through the reconciliation of duplications and inefficiencies.

Unification will create a seamless public transportation system for the entire community for the first time since the 1960's. This will make it easier for the Bloomington community and Indiana University students to understand the access available to them.

The unification will also create a single coordinating entity for future operations and planning. Having Campus Bus and BT operating as one will enable a unified front in combating future hurdles with the City, State, and Federal agencies when filing for additional funds.

The major hurdles Campus Bus will face when applying for additional funding will deal with cooperation between Campus Bud and BT, approval from the City of Bloomington, and Federal agencies. Each hurdle will be discussed in further detail within the report.

METRICS USED FOR EVALUATING ALTERNATIVES

The following metrics were used when evaluating each of the four alternatives:

1. Feasibility: Is this option viable?
2. Financial analysis: An in-depth "what if" analysis was considered for each of the options to identify which option would bring in the most money.
3. Key players: the following list contains each party that was considered for the feasibility of each of the alternative options.
 - a. Campus Bus – Student Transportation Advisory Committee (STAC) – IU Administration
 - b. Bloomington Transit
 - c. City of Bloomington
 - d. State reaction
 - e. Federal reaction
4. Non-monetary costs and benefits

FUNDING ALTERNATIVES

An examination of the four potential funding alternatives from the SWOT analysis and unification proposal are presented with our findings for completeness: the status quo, Campus Bus becoming a BT contractor, Campus Bus becoming a designated recipient for federal and state funding, and full consolidation of Campus Bus into BT.

Alternative 1: Status Quo

Under this alternative, Campus Bus would continue to operate as it has for the past 40 years as an organizational unit of Indiana University. Cooperation and coordination with BT would continue to reduce duplication between the two independent agencies. Campus Bus would not obtain any federal or state financial operating assistance. Indiana University would continue to pursue federal capital assistance to purchase new buses, upgrade park and ride facilities, and passenger shelters. The only source of operating revenue for operations would be the student transportation fee.

The status quo option would rely heavily on the internal leadership, knowledge, and expertise of Campus Bus staff. The Student Transportation Advisory Committee (STAC) would become an even more integral function as staff would have to use them to develop creative recommendations to handle the increasing passenger loads with very limited financial resources. The staff would also have to reevaluate past practices in order to operate more buses to accommodate the larger passenger loads.

The status quo alternative does not address many of Campus Bus' weaknesses that were identified by the constituent groups in the SWOT analysis. By not going after any additional funding, Campus Bus would still struggle to attract more drivers, pay current drivers a competitive wage, or to get away from being almost exclusively dependent on the student transportation fee. The student transportation fee is subject to change annually by the Committee for Fee Review, the President, and the Board of Trustees.

The status quo alternative also does not address the duplication of internal services, such as dispatching and bus servicing and cleaning, between Campus Bus and BT. The opportunity to cooperate with BT to reduce duplication of services and redundancy would gain importance.

Under the status quo alternative Campus Bus would only have access to Congressionally earmarked federal discretionary capital grants. Congressional earmarks of federal transit capital assistance have recently been placed under increased scrutiny. During FY 2007, all federal transit capital grants are being awarded on the basis of competitive applications from designated recipients. Discretionary federal transit capital grants can vary from year to year and earmarks are never guaranteed. Under the status quo alternative, Campus Bus has no access to annual federal formula capital grants. As a result, Campus Bus would not be able to undertake a strategic planning process since it would not have a regular stream of federal capital funds.

The following table shows the projected sources of funding for period FY 2008 through FY 2013 for Campus Bus under the Status Quo Alternative. The Student Fee column is the current transportation fee incremented by 3% for each fiscal year.

The PMTF column refers to the State of Indiana Public Mass Transportation Fund the source of state operating funds for public transportation systems.

The Federal Intensive column refers to the new Federal Transit Administration funding for urbanized areas with less than 200,000 in population. The Federal Capital column refers to the congressionally earmarked capital funds from the Federal Transit Administration that are currently in the approved Bloomington urbanized area Metropolitan Planning Organization's Transportation Improvement Program.

The Status Quo alternative does not allow any additional buses to be placed into service through the year 2013. The 3% annual increase in the student transportation fee would barely keep up with inflation. No other sources of operating revenue would be made available to Campus Bus over the 6-year period.

Status Quo Sources of Funding

Year	Student Fee	PMTF	Federal Intensive	Federal Capital	Total
2008	\$3,849,061	0	0	\$594,000	\$4,443,061
2009	\$3,964,533	0	0	\$1,500,000	\$5,464,533
2010	\$4,083,469	0	0	0	\$4,083,469
2011	\$4,205,973	0	0	0	\$4,205,973
2012	\$4,332,152	0	0	0	\$4,332,152
2013	\$4,462,117	0	0	0	\$4,462,117
Total	\$24,897,304	0	0	\$2,094,000	\$26,991,304

Alternative 2: Campus Bus Becomes a BT Contractor

Under this scenario, Campus Bus would become a service provider under contract with BT. Campus Bus would begin reporting its operating results to BT using Federal Transit Administration (FTA) guidelines under the National Transit Database. Reporting of Campus Bus operating results to BT would allow BT to incorporate those results with its own operating results in reporting to both the Federal Transit Administration and the Indiana Department of Transportation (INDOT). Eventually, Campus Bus operating results would generate additional federal and state operating assistance for the Bloomington urbanized area.

An agreement would need to be reached between BT and Indiana University on how those additional funds might be shared. BT currently receives over \$800,000 annually from the IU student transportation fee. Additional federal and state funds allocated to BT from Campus Bus operating results could be used to either freeze future increases or reduce the amount of funds required from the IU student transportation fee by BT. In addition, the agreement would need to

outline how federal formula capital assistance would be allocated between the two agencies. Both agencies would continue to seek federal discretionary capital grants independently.

Cooperation and coordination with BT would continue to reduce duplication and redundancy between the two independent agencies.

This scenario would be modeled on how the University of Michigan's bus service began to be credited for federal and state financial assistance as a service contractor to the Ann Arbor Transportation Authority. The University of Michigan currently files a separate National Transit Database report for the operating results of its bus service, however the University of Michigan has agreed to allow the Ann Arbor Transportation Authority to retain all federal and state funds that are generated as a result of its bus operation. In exchange, the Ann Arbor Transportation Authority uses these additional federal and state funds to lower the cost of service contracts to the University of Michigan.

By becoming a contractor, Campus Bus could include its figures when BT reports its operating results to the National Transit Database (NTD) of the Federal Transit Administration (FTA). By reporting its operating results in the National Transit Database Campus Bus would become eligible for formula funding from both federal and state sources.

There would also need to be continued cooperation and coordination to reduce redundant functions between the two transit agencies. A funding agreement would need to define all aspects of how the additional federal and state financial assistance would be shared by BT and Campus Bus.

Federal and state funding is based on a formula process which means that the additional funding would not only be stable but predictable. Having the constant flow of revenue would better allow Campus Bus to hire personnel, pay competitive wages, and schedule capital expenditures. Additional federal and state revenue would also allow Campus Bus to develop additional services to meet increasing passenger demands.

These additional state funds could be used as local share for federal transit capital grants to purchase of additional and replacement buses and to construct new and replacement bus passenger shelters around campus.

The additional state funding could also be used to hold BT harmless for any reduction in state assistance it might get as a result of Campus Bus entering the state formula for the first time. The additional state operating assistance could be used to replace all of BT's farebox proceeds (estimated to be approximately \$500,000 per year), thus making BT a fare free system, just like Campus Bus. No fares would need to be charged on BT and no IDs would need to be shown. In fact, the fareboxes could be removed from the BT buses.

A fare free BT would allow the entire Bloomington community to enjoy unlimited access to public transit, just as IU students have enjoyed since 2000. BT operating on a fare free basis would without doubt have a significant increase in ridership by non-student Bloomington

residents. A fare free BT system with significantly increased ridership would also generate additional state and federal financial assistance, as well.

The following table shows the projected sources of funding for period FY 2008 through FY 2013 for Campus Bus under the BT Contractor Alternative. The Student Fee column is the current transportation fee frozen for the next 6 years. The amount of the student fee could be increased, but only through additional student enrollment. The transportation fee could be frozen for the entire 6 year period.

The PMTF column refers to the State of Indiana Public Mass Transportation Fund the source of source of state operating funds for public transportation systems.

The Federal Intensive column refers to the new Federal Transit Administration funding for urbanized areas with less than 200,000 in population this is based on operating results of the public transportation systems serving those areas. The Federal Capital column refers to the Congressionally earmarked capital funds from the Federal Transit Administration that are currently in the approved Bloomington urbanized area Metropolitan Planning Organization’s Transportation Improvement Program.

BT Contractor Sources of Funding

Year	Student Fee	PMTF	Federal Intensive	Federal Capital	Total
2008	\$3,849,061	\$268,037	\$241,216	\$594,000	\$4,952,314
2009	\$3,849,061	\$342,336	\$248,452	\$1,500,000	\$5,939,849
2010	\$3,849,061	\$1,421,670	\$255,906	0	\$5,526,637
2011	\$3,849,061	\$2,434,526	\$263,583	0	\$6,547,170
2012	\$3,849,061	\$3,381,032	\$271,491	0	\$7,501,584
2013	\$3,849,061	\$3,482,463	\$279,635	0	\$7,611,159
Total	\$23,094,366	\$11,330,064	\$1,560,284	\$2,094,000	\$38,078,714

Alternative 3: Campus Bus Becomes a Designated Recipient for Federal and State Funds

Under this scenario, Campus Bus would become a designated recipient of both federal and state formula financial assistance. Campus Bus service would independently report its operating results to the FTA under National Transit Database guidelines. An agreement between BT and Indiana University would be required to allocate federal and state formula funds between the two public transportation systems.

This agreement would allow Indiana University on behalf of Campus Bus to file and obtain approval of federal and state capital and operating assistance grants independent of BT. In addition, the agreement would need to outline how federal formula capital assistance would be allocated between the two agencies. Both agencies would continue to seek federal discretionary capital grants, independently.

Cooperation and coordination with BT would continue to reduce duplication and redundancy between the two independent agencies.

This scenario would be modeled on the agreement between the University of Iowa's CamBus and Iowa City Transit where each of those agencies is a designated recipient of federal and state transit financial assistance.

Under this scenario, Campus Bus would become a designated recipient of federal and state funding. The designated recipient status would need to be approved by the Bloomington Metropolitan Planning Organizations (BMPO) and the Indiana Department of Transportation (INDOT). As a designated recipient Campus Bus would independently report its operating statistics to the Federal Transit Administration.

As a designated recipient Campus Bus would directly control the additional federal and state funding subject to approval by the Bloomington MPO through its annual Transportation Improvement Program (TIP).

The following table shows the projected sources of funding for period FY 2008 through FY 2013 for Campus Bus under the Designated Recipient Alternative. The Student Fee column is the current transportation fee frozen for the 6-year period.

The PMTF column refers to the State of Indiana Public Mass Transportation Fund the source of state operating funds for public transportation systems. The PMTF grows much more under this scenario, because the PMTF formula rewards efficiency and productivity.

Campus Bus as an independent agency would generate the most state operating assistance, because it is more efficient and productive relative to other public transportation systems in the state. As a designated recipient Campus Bus would generate almost twice as much PMTF funds as would be generated under the service contractor alternative or under full consolidation alternative.

The significantly increased state funding under this scenario would have the most impact on public transportation development in the future of any of the 4 scenarios.

The Federal Intensive column refers to the new Federal Transit Administration funding for urbanized areas with less than 200,000 in population this is based on operating results of the public transportation systems serving those areas. The Federal Capital column refers to the Congressionally earmarked capital funds from the Federal Transit Administration that are currently in the approved Bloomington urbanized area Metropolitan Planning Organization's Transportation Improvement Program.

Independent filing poses many political risk factors and hurdles with the city. BT is very much against Campus Bus filing independently. Since the City of Bloomington is in cooperation with BT, it poses a large threat to Campus Bus receiving additional funding.

Designated Recipient Sources of Funding

Year	Student Fee	PMTF	Federal Intensive	Federal Capital	Total
2008	\$3,849,061	\$2,630,078	\$241,216	\$594,000	\$7,314,355
2009	\$3,849,061	\$3,204,882	\$248,452	\$1,500,000	\$8,802,395
2010	\$3,849,061	\$3,690,168	\$255,906	0	\$7,795,135
2011	\$3,849,061	\$3,875,084	\$263,583	0	\$7,987,728
2012	\$3,849,061	\$3,991,337	\$271,491	0	\$8,111,889
2013	\$3,849,061	\$4,111,077	\$279,635	0	\$8,239,773
Total	\$23,094,366	\$21,502,626	\$1,560,284	\$2,094,000	\$48,251,276

Alternative 4: Consolidate Campus Bus into BT

Under this scenario Campus Bus would be consolidated into BT as the campus division of BT. Indiana University would no longer operate its own public transportation system, although it would still own significant public transportation assets. All employees required to operate the BT campus division would be employees of BT.

Indiana University would continue its 40 year agreement with BT for the lease of the land under the joint transit facility. IU would continue to own all current and future buses assigned to the BT campus division. IU would provide all of the local share for replacement or expansion buses, passenger shelters, and park and ride facilities for the BT campus division. IU would provide half the local share for any expansion of the joint transit facility.

All of the operating results of the BT campus division would be incorporated into BT's National Transit Database reports. All additional federal and state formula funding would accrue to BT. An agreement between IU and BT would need to be developed to recognize how the additional federal and state funding would be credited to IU for the operation of the BT campus division and unlimited access by IU students to BT's other fixed routes.

This measure would create a restructuring of the management and staff at Campus Bus Service. Undoubtedly, certain positions would be eliminated through the merging of the two operations. Extensive negotiations would have to occur in order to protect as many of the Campus Bus staff as possible. BT would need to hire bus drivers and mechanics from Campus Bus in order to continue operating the BT Campus Division. IU students have voiced their appreciation for Campus Bus drivers and describe them as being very friendly.

The following table shows the projected sources of funding for period FY 2008 through FY 2013 for Campus Bus under the Consolidation of BT and Campus Bus Alternative. The Student Fee column is the current transportation fee which would be frozen for the 6 year period.

The PMTF column refers to the State of Indiana Public Mass Transportation Fund the source of source of state operating funds for public transportation systems. The PMTF revenues would be the same as the revenues that were generated under the service contractor alternative.

The Federal Intensive column refers to the new Federal Transit Administration funding for urbanized areas with less than 200,000 in population this is based on operating results of the public transportation systems serving those areas. The Federal Capital column refers to the Congressionally earmarked capital funds from the Federal Transit Administration that are currently in the approved Bloomington urbanized area Metropolitan Planning Organization's Transportation Improvement Program.

BT/Campus Bus Consolidation Sources of Funding

Year	Student Fee	PMTF	Federal Intensive	Federal Capital	Total
2008	\$3,849,061	\$268,037	\$241,216	\$594,000	\$4,952,314
2009	\$3,849,061	\$342,336	\$248,452	\$1,500,000	\$5,939,849
2010	\$3,849,061	\$1,421,670	\$255,906	0	\$5,526,637
2011	\$3,849,061	\$2,434,526	\$263,583	0	\$6,547,170
2012	\$3,849,061	\$3,381,032	\$271,491	0	\$7,501,584
2013	\$3,849,061	\$3,482,463	\$279,635	0	\$7,611,159
Total	\$23,094,366	\$11,330,064	\$1,560,284	\$2,094,000	\$38,078,714

RECOMMENDATION

IU and BT complete a plan for unification of the two bus agencies by July 1, 2008.

The plan for unification of Campus Bus and BT should have the following goals:

- Public transit service should be maintained or improved as a result of the consolidation.
- Employees of the two agencies would continue to be employed by their current employer in any unification plan.
- The employees of both agencies should have their wages and fringe benefits either maintained or improved as a result of consolidation.
- Additional revenue from state and federal grants that would accrue to BT because after unification BT would be adding Campus Bus passengers, hours of service, miles of service, and locally generated revenues to its own operating results would need to be recognized in the consolidation agreement between IU and BT.
- The IU student mandatory transportation fee should not be increased as a result of unification. Any increase in the fee should be based on normal increases in the cost of doing business (fuel cost increases) or in an increase in service level (more buses put into service).
- BT would need to recognize that IU students represent the overwhelming majority of its overall ridership.

The unification of Campus Bus and BT will take the form of a federation of the two agencies under the umbrella of BT. Employees of Campus Bus would continue to be employed by IU. Buses currently owned by IU would continue to be owned by IU. The use of IU employees and assets by BT would be outlined by an Interlocal Agreement between the two public agencies.

All external relations with federal and state funding agencies would be handled by BT as a single designated recipient of federal and state financial assistance. IU would continue to partner with BT to provide half of the local share for capital projects for the benefit of the BT Campus Division, just as IU partnered with BT in the construction of the Joint Transit Facility. Potential capital projects could include replacement or expansion buses, bus passenger shelters, or remodeling or expansion of the Joint Transit Facility. BT would be the grantee for all federal and state public transportation grants.

BT Campus Division-Operations

A campus division of BT will need to be created to accomplish unification. IU and BT will modify their existing 5 year contract to provide IU employees to operate the BT Campus Division. Continuing the employment of Campus Bus employees by IU will ensure that no employee has his or her wage rate or fringe benefits negatively impacted by the unification of the two systems. The current fleet of IU owned buses would be leased to BT. However, the IU buses would not be repainted into BT colors to continue to recognize the substantial investment that Indiana University has made in the public transit system that serves the entire Bloomington community.

The BT Campus Division will operate IU campus routes A, B, D, E, X, and U during class sessions. Employees of the BT campus division will be all those appointed and hourly bus drivers who are on the payroll of IU Campus Bus Service on June 30, 2008. New employees of the BT Campus Division will continued to be hired by Indiana University. BT's Campus Division would also continue to actively recruit and hire IU students as part-time bus drivers. The creation of a BT Campus Division will also insure that the existing BT bus drivers, either full time or part-time maintain their same seniority list untouched by the unification of IU Campus Bus Service and BT. The creation of a BT Campus Division will allow for the seniority lists of the now two separate agencies to be kept separate.

BT Campus Division-Maintenance

All of the mechanics of IU Campus Bus Service will be included in the contracted services for the BT Campus Division. Supervision of the mechanics will be provided by the BT Maintenance Manager.

Seniority dates of the mechanics would be assigned within the BT campus division-maintenance area. The mechanics would primarily work on the buses that are leased by IU to BT. Mechanics will be available for assignment to any BT bus as the work load permits. No new mechanics would be hired into the BT Campus Division. All new or replacement mechanics for the BT Campus Division will be given a BT seniority date.

BT will manage the entire joint transit facility maintenance department as a single unit. Currently there are 4 service bays designated for BT and 5 service bays designated for Campus Bus within the joint facility. This allocation of bays was based on the relative fleet size between BT and Campus Bus in the mid 1990's when the planning for the joint transit facility was being done.

At that time Campus Bus had more buses than BT and was thus allocated one additional service bay than was allocated to BT. There will also now be no need for two parts rooms in the joint transit facility. This should minimize the inventories that need to be carried in comparison to currently. By integrating all personnel and the service bays into a single management structure the personnel and bays will be more fully utilized than currently is the case.

Transfer of Responsibility for IU Buses

Indiana University has a fleet of 27 transit buses that were acquired with a federal grant. Consistent with Federal Transit Administration regulations a transfer of responsibility for these buses will need to be approved by the FTA. Indiana University will continue to hold title to these buses until they are withdrawn from service.

The buses will be leased to BT under the terms of the unification agreement. The buses will not be repainted into BT colors. When these buses are in need of repainting they will be repainted in a paint scheme approved by and paid for by Indiana University. Maintenance of the buses leased to BT by IU will be provided by and paid for by BT under terms of the unification agreement.

The 27 buses owned by IU will be assigned to the BT Campus Division and continue to provide services on campus bus routes: A, B, D, E, X, and U. The service level on these routes or any new routes that Indiana University may want to implement in the future will be determined through a purchase of service contract.

IU will be responsible for providing the local share for the replacement of these buses at the end of their federally prescribed useful lives. Federal regulations require that a transit bus attain a minimum of 12 years of service or 500,000 miles before becoming eligible for replacement.

In the event that Indiana University wishes to increase the number of buses serving the campus, IU will be responsible for funding the local share for any expansion buses.

Joint Transit Facility

The current agreement for the operation of the joint transit facility will remain in effect until its expiration. IU will continue to pay half of the operating expenses of the facility. IU will provide half of the local share for the expansion or remodeling of any portion of the joint transit facility over the remainder of the current land lease agreement.

Conclusions

The unification of Campus Bus and BT will provide Bloomington community enhanced access to state and federal financial resources by combining the operating results from both systems into

a unified report. The Bloomington community can expect a minimum of an additional \$2 million a year in state operating assistance funds and another \$250,000 in federal operating assistance funds through unification of the two public transportation systems.

Unification will allow Indiana University to continue its 40 year commitment to public transportation service on the IU Bloomington Campus. Unification will also allow IU to continue to supply the local share for capital projects that directly benefit the BT Campus Division. Unification will also allow Indiana University employees to continue to provide public transportation services through the BT Campus Division through a contractual arrangement.

Unification will also provide that a single policy making board, the Bloomington Public Transportation Corporation Board of Directors will make decisions regarding public transportation services for the entire Bloomington community, including the IU Bloomington Campus.

HURDLES TO OVERCOME

In order to start negotiations for the unification proposal, there are four major hurdles campus bus and BT will have to overcome:

1. Campus Bus and BT will have to come to an agreement on how the funds will be allocated and the details of the unification contract.
2. The City of Bloomington:
 - a. The City of Bloomington will have an opposition to backing Campus Bus and BT if it does not see the benefit of the additional funding adding value to the community.
 - b. A board of directors exists that overlooks the functioning of the transportation system in Bloomington. In order to allow IU to retain control over the operations of the Campus Bus Division, IU will require at least two representatives on the board.
3. The State of Indiana:
 - a. IU's eligibility to receive State funding will be called into question.
 - b. There will be opposition from the other transportation systems in the state on Indiana, as increased funding for BT will lead to reduced funding for their transportation systems as the funding comes out of a fixed pool.
4. Federal Transit Authority:
 - a. If the Campus Bus service is to be outsourced to IU, the Federal Transit Authority requires a competitive bidding process.
 - b. BT will not be able to guarantee the Campus Bus Division to IU, if they are out bid by another organization.

HURDLE – IU’S CONCERNS WITH UNIFICATION

The most important issue regarding the unification proposal for Campus Bus is the allocation of funding. Since Campus Bus has much greater ridership than BT, it is important that this is leveraged so that Campus Bus will be able to take advantage of the additional State and Federal funding. How the funding is allocated will be a key negotiating issue throughout the unification process. It will be important to have a solid understanding of how the funding will be used once received.

Also important to Campus Bus is control over its current and future operations. This includes both current routes and times as well as IU employees. The structure of the unification must be that all Campus Bus employees remain employed by IU and are no worse off in terms of wages, fringe benefits, and seniority. Campus Bus would also need to negotiate to remain in control of future operations.

Campus Bus must also negotiate a way to retain the cream and crimson colors on each bus. There is obvious tension regarding this topic. While a seamless integration is important, retaining the tradition and IU spirit is important for campus morale. It has been suggested that depending on which division purchases the buses would determine the coloring. Another proposed deal would be an entirely new marketing theme chosen in cooperation between Campus Bus and BT which could be an expression of the unification and collaboration efforts.

In addition to Campus Buses operations, after the unification it is important to have at least two employees of Campus Bus sit on the Board of Directors of the City of Bloomington. This will allow Campus Bus to remain in control of future decisions made by the city and will help guarantee Campus Bus will not be unheard after the unification.

In summary, there are five key debatable issues for Campus Bus to be aware of before negotiations begin: fund allocation, operations, current employees, maintaining identity (bus colors), and having representatives on the Board of Directors of the City of Bloomington. These five issues must be thoroughly discussed before negotiations begin to make sure Campus Bus achieves its desired results from the unification process.

HURDLE – BLOOMINGTON TRANSIT

BT represents the biggest hurdle in terms of moving forward with the unification proposal. Identifying the main criteria BT requires in order to accept the unification proposal is the first step towards meeting an agreement that would benefit Campus Bus, BT, and the community as a whole.

Multiple interviews were conducted with the General Manager of BT, Lew May. The purpose of the interviews was to obtain a good understanding of BT’s assumptions, opinions, interests, and concerns dealing with the unification proposal.

Primary Concerns

Lew May made it quite evident that allocation of funds is a critical issue. He feels this area of negotiation is the starting point, and that BT's primary goal is to receive a share of the additional funds created from IU's ridership figures that would be included in BT's ridership figures when applying for State and Federal aid.

At this time, there seems to be little detail concerning this matter and a lack of communication. Addressing this issue is of utmost importance and any delay could result in an opportunity cost for all parties that stand to benefit from these additional funds.

BT also feels the community would benefit as a whole if all public transportation in Bloomington was of one identifiable brand, namely Bloomington Transit. It was stressed that this desire was BT's second primary concern although the details regarding fund allocation overshadow the entire process. BT fully acknowledges IU's desire to maintain their identity on campus, but feels it would not benefit the community, as two brands have and will continue to confuse both local residents and IU students.

As we continued to discuss this issue, there seemed to be points of compromise. Initially, BT could keep the current IU buses painted red and white until it is time to replace them. However, once replaced, BT's desire is to have replacement buses painted in BT colors.

Lew stated that if IU were to fund the replacement of these buses, BT would be more willing to allow the present colors to remain the same. If BT funds the replacement of these buses, they would need to be painted in BT colors.

In addition, although BT would be applying for State and Federal funding alone, allocation of additional funds would need to be detailed in the unification proposal. BT would also be in charge of planning all operations in Bloomington including the proposed Campus Bus Division.

BT desires control over applying for funds as well as managing and planning public transportation throughout Bloomington, including being the coordinator of all planning for public transportation development in Bloomington community including Campus Bus Division and managing the maintenance staff (IU employees integrate).

Lew stated IU retaining their existing employees for the proposed Campus Bus Division is not a concern. Already, BT contacts some of its services to outside entities who incorporate their own employees

BT Assumptions and Views

BT does feel this opportunity can mutually benefit all parties involved. However, they feel much of the required details are far from being addressed. It is our opinion that at this stage, BT may be as much, if not more concerned with the threats as opposed to the opportunities the unification proposal presents in their eyes. These threats mainly revolve around money allocation and control over brand and management functions.

According to Lew, IU does not qualify for State funding as a stand alone. In his view, Campus Bus does not represent a public transportation system. He feels IU needs BT as a partner to create a unified front to overcome hurdles dealing with the City of Bloomington as well as applying for government funding.

Lew insisted that if IU were to file for State Funding as a stand alone, there would be a unified front against Campus Bus consisting of BT, the City of Bloomington, and other State public transportation entities that face reduced funds from IU qualifying for PMTF funds.

It is also Lew's view that city council members question IU's contribution to the City of Bloomington. He feels these members are wary of IU focusing on themselves as opposed to the community at large.

These views, assumptions, and primary concerns need to be addressed immediately. It is critical that BT understands that IU does indeed qualify as a stand alone. The primary concerns are the starting point of the unification process. Without negotiating the details, any further planning or development will not be realized in terms of the unification proposal.

HURDLE – CITY OF BLOOMINGTON

The City of Bloomington will have an opposition to backing campus bus and BT if it does not see the benefit of the additional funding adding value to the community.

The city of Bloomington is concerned about the fact that Indiana University has not paid its dues to the community, although if BT is compensated well under the new arrangement, the unification proposal will have the full backing of the City of Bloomington.

A board of directors exists that overlooks the functioning of the transportation system in Bloomington. In order to allow IU to retain control over the operations of the Campus Bus Division of the unified BT, IU will require at least two representatives on this board.

An agreement will have to be made between BT and the city on the operation of the Campus Bus Division. Indiana University will require majority control over the operation of all routes and timings of existing routes as well as additional routes that might come about in the future.

HURDLE – STATE REACTION

Campus Bus has the ability to bring in an additional \$2 million dollars of state funding. It is imperative Campus Bus begin working towards bringing in the additional funding and stop relying on the student transportation fee.

Public Mass Transportation Fund (PMTF)

One of the potential barriers facing the unification of BT and Campus Bus is the opposition from other public mass transportation systems. Their potential argument would stem from the loss of state aid from the Indiana PMTF. This is because the PMTF receives 0.635% of the state sales and use tax; 12.35% of this amount is then given to the Northern Indiana Commuter Transportation District (NICTD) and the rest to the Indiana public bus systems.

Public bus system funds are annually allocated to eligible municipal corporations (as defined by I.C. 36-1-2-10). Distributions are calculated from a formula based on population, passenger trips, total vehicle miles, and locally derived income. The bus systems are separated into four groups: Group 1 is for large fixed routes, Group 2 is for small fixed routes, Group 3 is for urban demand response, and Group 4 is for rural demand response.

Each group gets a percentage of the PMTF based upon their group's percentage of operating expenses of the total. Thus the unification would be at the expense of the other systems as the total amount of aid is fixed each year. After each group is allocated their funds, the systems within each group will receive an amount based on their efficiency in serving passengers, miles, and income generation. The equation is:

$$\frac{\text{Total amount of money to be awarded} * 33.33\% * \text{Individual Performance}}{\text{Group Performance}}$$

Effect of unification on PMTF distributions

Currently BT is in Group 1. By unifying with Campus Bus in 2007 the new performance improves significantly. The unification increased estimated aid to \$3.15 million from \$1.64 million, a \$1.5 million difference of 91.77%.

The other members in Group 1 carry the majority of this burden. This is because although Group 1 receives more funds due to the addition of Campus Bus operating expenses, BT will receive more than that amount. This is because upon unification, BT's efficiency in serving passengers increases by 131%, their millage efficiency increase by 31%, and their income generation increases by 158%. Since the other systems don't change, those with the worst efficiencies will suffer the greatest.

Groups 2 through 4 lose 2.06% due to the increase of Group 1's total operating expense relative to all groups. None of the systems within these groups will lose over \$20,000 dollars and all will lose the 2.06%.

Potential Opposition

Assuming that significant losses are those greater than -5% change or \$20,000, the only systems to lose significantly are Evansville, Fort Wayne, Gary, Indianapolis, Lafayette, Muncie, and

South Bend. All of which are in Group 1. Therefore, we can assume that these cities will possess the greatest threat to our unification.

Arguments against opposition

Gary's transit system has been losing aid in the past as less people seem to be riding the bus. In fact, 2006 showed the lowest ridership since 1992 with almost a 50% drop, thus it should not be a surprise that they will lose funding again in 2007 so they may not be a significant problem.

Lafayette is similar to Bloomington since they are both college towns and understand the importance of serving students. Additionally, it gives a reason for the inclusion of Campus Bus as Lafayette incorporates student ridership with no objection from the other systems. Thus Lafayette's opposition may be reduced although still high as they lose the largest percentage of funding.

From the perspective that the most important aspect of transportation is maintaining a high service level, the other systems will be impacted less because in 2007 the PMTF will increase by \$2.01 million. If we compare the after unification numbers with 2006 allocation amounts only 17 systems actually lose funds when compared to 2006. Of which only 3 systems lost more than \$20,000.

Indiana Department of Transportation's (INDOT) mission statement is: "INDOT will plan, build, maintain, and operate a superior transportation system enhancing safety, mobility and economic growth.

Emphasis on superiority is demonstrated by the use of a performance formula to determine distributions within transportation groups. By not allowing the unification to occur, the state would be funding less efficient systems.

Furthermore, safety and mobility are increased in Bloomington through this unification and state aid will be increased to its fair share. This increase in funding will provide less congestion both in the streets and on the buses which will increase mobility and reduce accidents. The increase in mobility will encourage economic growth as the community will get better service and coverage so that everyone in the community will have better means of travel.

Lastly funds are disbursed to each group based upon operating expenses of the group. The inclusion of Campus Bus increases the total amount for Group 1, which contains our potential opposition. Although they would lose funds, the distribution within Group 1 is performance based and not fixed, giving the other systems the potential to receive more money if they improve their performance relative to Bloomington.

Inclusion of past operating figures

Regarding, the inclusion of past campus bus numbers for funding, it is our understanding that it would be unlikely. We contacted Linda Hart of Hancock county, Jen Weinstock of Wells County, and Dawn Layton of Clinton County, all of whom will receive funding starting 2007.

However they have been reporting their numbers to INDOT for at least the past two years. However, these counties are all in Group 4 as opposed to Group 1. They also started getting these funds as they became public transportation agencies whereas Campus Bus is already a public transportation system.

According to James English at INDOT, all new applicants would receive federal funds for the first two years and state funding in the third. This is because they would like to have the opportunity to see the reaction from general population and to audit the applicant's information. Our situation is unique because BT already receives funding which would demonstrate that there is local support for receiving state funding. Ultimately the decision will be up to the board at INDOT as it make the rules.

Qualification as a Public Transportation

It is not a requirement to be a Public Transportation Corporation to receive PMTF as only 8 of 59 applicants are not Public Transportation Corporation. Furthermore according to Indiana statute IC 8-23-3-8, an eligible recipient is defined as any grantee that receives federal funds under the Federal Transit Act or that provides public transportation in Indiana.

HURDLE – FEDERAL TRANSIT ADMINISTRATION

After the unification, the unified public transit system is expected to generate an additional \$250,000 a year in Federal Transit Administration operating assistance under the “intensive use tier” for urbanized areas under 200,000 in population. Currently BT receives \$375,000 annually for this category of federal financial assistance based on its operating results alone.

Distribution of any additional federal and state financial assistance that is generated by the operation of BT Campus Division will be credited to BT and Campus Bus's contract for services. New state and federal operating assistance could also be used to add additional bus services to the BT Campus Division.

Possible hurdles that BT and Campus Bus will face in qualifying for this funding is the possibility of losing the amount of Federal Funding Campus Bus currently receives. BT needs to outsource to the most competitive bidder. This should not pose a great threat since public transportation is not a profitable business and can only be done with aid.

Indiana University should have the most competitive bid as it has access to student fees as well as potential aid from both potential state and federal funding. Worst case scenario would be that \$361,824 is lost from federal funds and deducted from the increase of \$1.4 mln from state funds.

Federal Intensive Notes:

- The calculations were made according to the Small Transit Intensive Cities Performance Data and Apportionments table.

- Six categories of operations are calculated; each categorical benchmark reached by a qualified transportation system results in that system being awarded \$120,608 for the coming fiscal year.
- As a stand alone, Campus Bus surpasses two benchmarks, totaling \$241,216.
- As a stand alone, BT surpasses three benchmarks, totaling \$723,648.
- When combined, Campus Bus allows BT to surpass a total of five benchmarks, totaling \$1,206,080; however, Campus Bus would only receive \$241,216 as a result because BT would have cleared three on its own.
- Acting as a stand alone with a designated recipient status, as a service contractor, or as a consolidated unit, Campus Bus would receive the same amount of money (\$241,216) for being responsible for clearing the same amount of benchmarks (two) for FY 2008.
- For all future years, an additional 3% in funding was added to the calculations.

In the efforts of looking towards gaining outside revenues, Campus Bus has also inquired about what sort of federal funding would be available to BT and Campus Bus if they were to combine. The Federal Transit Authority (FTA) used the information from the FY 2005 National Transit Database reports – which Campus Bus does not report to presently. The results are attached.

In the report that came out on Friday, March 23, 2007, BT is set to earn \$361,824 in federal funds. This is based on a set of six criteria established by the FTA. The criteria are as follows: passenger miles per vehicle revenue miles, passenger miles per vehicle revenue hours, vehicle revenue mile per capita, vehicle revenue hour per capita, passenger miles per capita, and passenger trips per capita. For each of the criteria met by a small urbanized area an award of \$120,608 is given; BT met three of the six and therefore has earned the amount they shall receive for FY 2007.

Using the corresponding data for FY 2005 for Campus Bus, if combined, the service would have surpassed five of the six benchmarks. This would increase revenues by \$241,216 resulting in a grand total of \$603,040 in FY 2007. It must be noted that the data used for calculations was based on FY 2005, and therefore is a vast underestimate of what Campus Bus is carrying in passengers presently. In 2005, Campus Bus had over 1.7 million passengers; Campus Bus expects to surpass 3,000,000 this year. This is of course due to the implementation of the Universal Pass program after 2005.

The vast increase in efficiency of service would have a large impact on all the benchmarks that include passenger miles and trips. The rest of Campus Bus's calculations remain approximately the same over the last three years; it is just our ridership that has increased dramatically. If we used our 3,000,000 estimate for FY 2007 in the calculations, Campus Bus as a stand-alone would surpass the final benchmark of passenger miles per vehicle revenue hour. However, as a combined unit, the total for that category, although greatly improved, would still not pass the benchmark. The other five categories would see a noticeable increase in Campus Bus's favor over and above the required level.

Regardless, an extra \$241,216 could go a long way at Campus Bus. For example, that increase in funding could provide six more full-time appointed bus driver positions. A goal of Campus Bus

is to increase the number of appointed bus driver positions as a way to better take care of our employees. There is still a significant gap between the pay rates of Campus Bus drivers compared to those at BT. This federal funding could help promote and retain even more valuable drivers.

Small Transit Intensive Cities Performance Data and Apportionments

(Total Funding Available for Apportionment = \$36,061,750) for FY 2007								
Urbanized Area (UZA) Description	Passenger Miles per Vehicle Revenue Mile	Passenger Miles per Vehicle Revenue Hour	Vehicle Revenue Mile per Capita	Vehicle Revenue Hour per Capita	Passenger Miles per Capita	Passenger Trips per Capita	Number of Performance Factors Met or Exceeded	STIC Funding: @ \$120,608 per Factor Met or Exceeded
Average for UZAs with populations 200,000 – 999,999	5.561	95.935	10.951	0.729	72.570	13.348		
Bloomington, IN (BT)	6.828	72.674	10.499	0.986	71.691	23.619	3	\$ 361,824
Campus Bus Service	5.625	56.253	4.994	0.499	28.091	18.728	2	\$ 241,216
Combined CBS/BT	6.441	67.155	15.493	1.486	99.782	42.347	5	\$ 603,040
	<u>BT Para</u>	<u>BT Bus</u>	<u>BT Total</u>	<u>CBS</u>	<u>Total</u>			
Passenger Miles	139,617	6,488,654	6,628,271	2,597,208	9,225,479			
Vehicle Revenue Miles	120,747	849,934	970,681	461,700	1,432,381			
Vehicle Revenue Hour	11,273	79,933	91,206	46,170	137,376			
Capita	92,456	92,456	92,456	92,456	92,456			
Passenger Trips	35,168	2,148,561	2,183,729	1,731,472	3,915,201			
Avg. Passenger Trip			3.04	1.50	2.36			

CENTERPIECE FOR MOVING FORWARD – MONEY ALLOCATION

The main issue for moving forward is the negotiation of the details of Unification Proposal

- Both BT and Campus Bus are greatly concerned with allocation of additional funding – BT sees no point if they are not guaranteed a reasonable share
- Need a mutual agreement that financially benefits both agencies

Hard-line negotiations need to be started immediately

- Delay represents significant opportunity cost
- Cannot proceed without the details
- Few details have been discussed – still in initial stages

Possible ways of determining allocation

- Unification Steering Committee – BT agrees it's a good idea, but little detail has been discussed. How will the committee be structured and how will key decisions be made? Formation of this committee could represent a critical starting point.
- Must guarantee BT share of additional funds
- 50/50 split – a generic example
- Can we unify then base a contract on additional funds or do we determine a contract before realizing additional returns? Annual contracts would be needed in order to account for changing levels of operations, funding and ridership.
- Have BT calculate an offer under reasonable conditions – What would BT charge for these services in regular business conditions.
- Can we base the contract off of currently outsourced route?

RECOMMENDED STRATEGIES FOR MOVING FORWARD

- A Unification Steering Committee would be an optimal choice in determining fund allocation. This committee would be comprised of members from all relevant effected parties involved such as BT management and employees, Campus Bus management and employees, IU administration, City of Bloomington representative and members of the Student Transportation committee for example.
- Use independent PMFT qualification as leverage to kick-start unification process.
- Use leverage of PMFT qualification to strengthen position during negotiations.
- Alternative Option: Campus Bus applies for funding as independent entity.
 - This would be necessary if BT continues to delay this process, which presents significant opportunity costs to IU. Furthermore, if a mutual agreement cannot be reached, applying as a stand-alone represents the best opportunity for Campus Bus.

Note: IU students are the overwhelming preponderance of ridership for both BT and IU Campus Bus.

**APPENDIX C:
MEETING NOTES (TO DATE)**

October 23, 2009, 10:00 AM

Meeting with Bruce Jacobs⁸ and Mark Kuchefski⁹

Meeting Notes, Ray Vanlanot

Parties Present:

- Bruce Jacobs: *Executive Director-Indiana Memorial Union/Auditorium, Executive Office Auxiliary Services and Programs; Member-Sustainability Task Force*
- Mark Kuchefski: *Office of VP and CFO: Director-Document Services, IU/BT Collaboration Negotiation Team*
- Ray Vanlanot: *Chairman-Student Transportation Board, IU Graduate Student*

Talking Points:

1. *External Funding*
 - a. Progress & status: Where do negotiations stand currently and why the lag?
 - b. Contacts for future meetings/discussion: Who is the game-changing party in negotiations?
 - c. Student input: Why aren't negotiations transparent, and why haven't students been involved?
 - d. Timeframe: Why has it taken 3 years to initiate negotiations, how much longer?
 - e. Obstacles: What is needed to grease the wheels and why all of the red tape?
2. *Advertising, Outside Source of Revenue for IU Campus Bus System*
 - a. Red tape/avenue for progress
 - b. Contract: Contract outer-IU businesses to abide by IU advertising policies
 - c. Contacts for meetings
 - d. Revenue generation: Why say no to more money for system?
 - e. Community outreach: BT does it already (outside buses)

Meeting Notes:

1. *External Funding*
 - Timing comes amidst state turmoil
 - INDOT: good timing—talk to Kent McDaniel¹⁰
 - Clear eligibility for funding: IU Campus Bus nonexistence
 - BT hasn't received proposals well

⁸ Bruce Jacobs: Executive Director-Indiana Memorial Union/Auditorium, Executive Office Auxiliary Services and Programs; Member-Sustainability Task Force

⁹ Mark Kuchefski: Office of VP and CFO: Director-Document Services, IU/BT Collaboration Negotiation Team

¹⁰ Kent McDaniel: Executive Director-IU Transportation Services; Executive Director-Indiana Transportation Association; Chairman-Bloomington/Monroe County Metropolitan Planning Organization (MPO) Policy Committee; Vice-Chairman Bloomington Transportation Board

- Kent at state-level, Kent as member of BT board, Kent as MPO member
- BT didn't take a cut
- BT won't budge now, they seemed to be open to negotiations at first
 - IU is "still willing to negotiate" – Mark
- Early summer (each year) the allocations for PMTF are firm
- Sustainability Task Force: transportation is an "issue in queue" – Bruce
 - Hired Bill Brown, Director of IU Campus Sustainability
- Creation of "Regional Umbrella" would provide regional infrastructure
 - i.e. Corporation (i.e. Monroe County) and subsidiaries (i.e. IU Campus Bus & BT)
 - Could then serve Ivy Tech campus (unrelated)
- Construction/budgetary ramifications
 - Congress/legislative fallout—history of Bloomington spite towards IU
- Contacts:
 - Ray McCom: Chairman, BT Board
 - Doug Priest: Senior Associate Vice President
 - Neil Theobald: Vice President and CFO
 - President Michael McRobbie
 - Lynn Coyne: Assistant Vice President of Real Estate
 - Julie Bauters: Assistant Vice Provost

Later discussion with Jim Grandorf¹¹: Talk to administration and propose: "If you don't want to seek external funding, then you can [match and provide the money you're not getting for us]."

¹¹ Jim Grandorf: Clinical Professor of Accounting-Indiana University; Faculty Representative (Office of the Provost-Student Transportation Board)

November 11, 2009, 10:00 AM
Meeting with Kent McDaniel¹⁰
Meeting Notes, Ray Vanlanot

Parties Present:

- Kent McDaniel: *Executive Director-IU Transportation Services; Executive Director-Indiana Transportation Association; Chairman-Bloomington/Monroe County Metropolitan Planning Organization (MPO) Policy Committee; Vice-Chairman Bloomington Transportation Board*
- Perry Maull: *Operations Manager-IU Campus Bus; Representative (IU Campus Bus)-IU Student Transportation Board*
- Jim Grandorf: *Clinical Professor of Accounting-Indiana University; Faculty Representative (Office of the Provost-Student Transportation Board)*
- Ray Vanlanot: *Chairman-Student Transportation Board, IU Graduate Student*

Talking Points:

1. *External Funding*
 - a. Progress & status: Where do negotiations stand currently and why the lag?
 - b. Contacts for future meetings/discussion: Who is the game-changing party in negotiations?
 - c. Student input: Why aren't negotiations transparent, and why haven't students been involved?
 - d. Timeframe: Why has it taken 3 years to initiate negotiations, how much longer?
 - e. Obstacles: What is needed to grease the wheels and why all of the red tape?
 - f. Conflict of interest: Don't all of your transportation "hats" compete with your ability to keep IU's best interests in mind?

Meeting Notes:

- There is no direct discussion w/ INDOT (because of Kent's state affiliation)
- Marty Sennett¹²: "[Enormous impact on PMTF¹³ if IU enters the pool]" – Kent
- CIRT (9-county control) regional bus authority (NW Indiana)
 - Formula = based on operations
- 2006: a 20% increase in PMTF (~ \$7M)
 - PMTF total: \$41.4M; a 2.6% loss last year
- All 4 entering PMTF recently = lesser ridership than IU (100K for all, total)
- Expect more state cuts next year (2011)
- Lynn Coyne¹⁴ had meeting w/ Mayor Kruzan: "[City wants control]" – Kent
- "[City Council feels like underdog to IU]" – Kent
- Need to sweeten the pot for BT: emphasize more ridership/service for them

¹² Marty Sennett: General Manager-Greater Lafayette Public Transportation Corporation (CityBus); IU Alumnus

¹³ See: Appendix E: PMTF Distribution (FY 2009-2010), p. 58

¹⁴ Lynn H. Coyne, J.D.: Assistant Vice President-IU Real Estate and Economic Development; Associate Counsel-IU; Instructor of Business Law-IU Kelley School of Business; Lead Negotiator-IU/BT Collaboration Negotiation Team

- In order to “move forward” with negotiations
- Michigan Model of Transit:
 - U of M gives all ridership stats to Ann Arbor
 - U of M then gets credit for such ridership
 - For IU/BT (hypothetical):
 - We pay BT \$1M/year
 - BT also gets \$1M from state
 - = We keep \$1M
- “[Lew¹⁵ wants total control of IU operations]” – Kent
- BT chooses not to have student drivers
- Timing:
 - There’s still time to get in funding for next round
 - INDOT’s willingness to accept offer
 - I-69 expansion problems (unrelated)
- If BT is separate from City Council, why would the CC care? – Ray
 - Appointments to the CC can be fired
 - NOTE: Kent is appointed by CC
- “...I can’t advocate [for external funding] anymore than I already am.” – Kent
- “Lew wants to own all buses” – Kent
 - Privatize buses
- “Lew wants BT branding on the buses” – Kent
- “[Lew wants all employees to wear] BT uniforms” – Kent
- Problems with charter operations
 - Customer control over route/schedule
- A regional transport authority (RTA) is unlikely
 - Kent doesn’t remember discussing this prior
 - NOTE: RTA *was* discussed during October 23,2009 meeting with Bruce Jacobs and Mark Kuchefski, see 10/23/09 notes

¹⁵ Lewis May: General Manager-Bloomington Transit; Member- Bloomington/Monroe County Metropolitan Planning Organization (MPO) Technical Advisory Committee

February 25, 2010, 9:00 AM
Meeting with Lew May¹⁵
Meeting Notes, Ray Vanlanot

Parties Present:

- Lew May: *General Manager-Bloomington Transit; Member- Bloomington/Monroe County Metropolitan Planning Organization (MPO) Technical Advisory Committee*
- Perry Maull: *Operations Manager-IU Campus Bus; Representative (IU Campus Bus)-IU Student Transportation Board*
- Jim Grandorf: *Clinical Professor of Accounting-Indiana University; Faculty Representative (Office of the Provost-Student Transportation Board)*
- Ray Vanlanot: *Chairman-Student Transportation Board, IU Graduate Student*

Talking Points:

1. *Current Partnerships:* Cooperation between BT and IU has produced many benefits for BT.
 - a. The Joint Transit Facility was constructed on IU land using a federal grant acquired by BT. The IU land became part of the local share for the project.
 - b. IU has paid half of the utilities and other expenses (janitorial) for the joint facility. IU's share Utility payments are over \$60,000 for the current fiscal year.
 - c. BT's substantial ridership increases started in 2000 with unlimited access for IU students to all BT routes.
 - d. Unlimited access was expanded to IU faculty and staff a couple of years ago and now generates an additional \$50,000 a year in revenue from IU Parking Operations.
 - e. BT also acquired the C Route from IU (now called Route 9) which became along with Route 6 one of the two most heavily used routes.
 - f. IU students now constitute almost 70% of BT's ridership.
 - g. IU provided half of the local share (10%) of the project cost to replace the bus wash and other related work.
 - h. IU pays BT about \$1 million a year for unlimited access and other services provided to IU by BT. This amount represents approximately 25% of the mandatory student transportation fee.
2. *Future Prospects:*
 - a. IU and Bloomington have a strong link going back almost 200 years.
 - b. Neither IU nor Bloomington can be separated.
 - c. IU could continue to be a partner with BT to assist with the local share for capital improvements, such as the recent replacement of the bus wash facility.
 - d. IU could help BT expand the current site by providing part of the local share for a federal grant as well as assist with lobbying at the federal and state levels.
 - e. IU could continue expand payments for unlimited access for IU students, faculty, and staff.
3. *Impediments to Cooperation:*
 - a. BT has been described as "playing hardball" in negotiations over the PMTF.
 - b. Does the current "hard line" stance by BT mean BT wants to walk away from the gains it has made in over the past 15 years in working with IU?

- c. What can we agree upon today to foster cooperation between BT and IU?
- d. Future steps for cooperation?

Meeting Notes:

- What BT needs to go forward is a “unified system” for Bloomington – Lew
- What “IU wants” is a “Data Unification” where IU and BT simply combine data for formula
 - The Mayor agrees with BT regarding unification to move forward
- BT is OPEN to negotiation
 - Lew called Lynn Coyne¹⁴ in November 2009 to continue negotiations, never got a response
 - IU has yet to make a major concession to grease the wheels of negotiation progress
- BT’s 3 points for negotiation consideration:
 - (1) Fully unified policy making
 - (2) Fully unified advocacy (Federal lobbying)
 - (3) Fully unified fleet
- (1) Policy:
 - Mayor would give seats to IU for council (up to 7 members on board)
 - BT wants IU’s continued commitment
 - Ridership
 - Subcontracted services
 - IU paratransit
- (2) Advocacy:
 - BT hires a lobbyist on Capitol Hill to lobby legislators for funding (i.e. earmarks)
 - 4 new hybrid buses were obtained via Dick Lugar’s earmark for \$2.2M
 - Currently, IU and BT both enter (independently) for such lobbying
 - Creating competition for similar interests rather than a single proposal
- (3) Fleet:
 - Using a “joint brand” (i.e. a BT/IU Campus Bus unification)
 - Does NOT mind keeping IU’s buses Red/White, having IU logo
 - Have bus system owned by BT, contracted operations w/ buses
 - Agrees to “give” buses (transfer ownership) to IU should IU want to “back-out” of board and/or unified obligations
 - Paratransit: IU can’t dump paratransit needs onto BT—must maintain current charter services
- Four POSITIVE things to take back to IU:
 - IU Campus Bus route buses would maintain red/white coloration and IU logo (w/ addition of a joint logo for BT & IU)
 - IU could always have an “out” while having a contracted agreement that BT would transfer bus ownership back at anytime (could be done in the same day, if needed)
 - IU would still maintain direction/budgeting/use of the Student Transportation Fee, would be guaranteed control over that amount (independent of PMTF funding which would be contracted separately through board agreements)
 - IU could (finally) have board influence, with IU representation on such a board

February 25, 2010, 9:00 AM
Meeting with Lew May
Meeting Notes, Perry J. Maull

Parties Present: See Prior Notes (p. 30)

Talking Points: See Prior Notes (p. 30)

Meeting Notes:

Lew started the discussion with the following points:

- BT wants a truly unified system, not a sham unified system.
- INDOT has to approve any unification plan.
- Any increase in Bloomington's share of the PMTF will come at the expense of transit systems elsewhere in the state.
- He believes that what IU is proposing for unification would only combine data and not be a real unification.
- Bloomington Mayor Kruzan backs BT's positions in the negotiations to date.

Lew stated that BT has three major issues that need to be addressed in any unification:

1. There must be a single policy making board for public transit in the community. IU can have representatives on an expanded BT Board.
2. There must be a single advocacy for public transit at the Federal and State levels. BT and IU need to pursue a single request for Federal funds, not two separate requests that compete with one another.
3. There must be a unified fleet. However joint branding would allow buses assigned to campus service to be painted red and white with a notices that they are part of the public transit system serving the entire Bloomington community. IU employees, including IU student employees, would continue to provide the campus services. A contingency clause would be included in the contract that would allow the transfer of campus buses to IU in the event that the contract for services was not renewed at some time in the future.

Lew stated that IU has agreed to any of the above issues. Finally BT would want IU to commit to continuing the mandatory student transportation fee or an equivalent amount into the future.

Lew elaborated more on the three major issues with the following thoughts:

- IU wants to continue to compete for Congressional earmarks.
- BT has been successful pursuing earmarks in the past, but the future of Congressional earmarks is doubtful.
- A single capital program that both agencies could support would have more potential of success than two competing requests from the same small town in Southern Indiana.
- Unified Policymaking requires true partnership based on trust, but there doesn't seem to be much trust at the moment.

Jim asked Perry to prepare a summary of how places like Lafayette, Gainesville, and Champaign-Urbana have successfully worked through their partnerships.

February 25, 2010
E-mail Exchange with Neil Theobald¹⁶

From: Raymond Vanlanot <rvanlano@umail.iu.edu>
To: theobald@indiana.edu
Date: Thu, Feb 25, 2010 at 12:19 PM
Subject: Student Transportation Board, External Funding Opportunities
Mailed-by: umail.iu.edu

Dear Vice President Theobald,

I'm Ray Vanlanot (BS '08), a graduate student at IU, and I've had the pleasure of serving as the chairman of the Student Transportation Board since its inception (as the Student Transportation Advisory Committee) three years ago at the request of then-Dean McKaig. Our board has met monthly for the past three years, with representatives from all of the major student constituencies (i.e. IUSA, RPS, IFC, PHA, GPSO) as well as our faculty representative, Jim Grandorf and IU Campus Bus Operations Manager, Perry Maull.

Our board has had much input and discussion regarding the sustainability of IU Campus Bus and the need (and theoretical eligibility) for an external funding source (as ~98% of the operating budget is shouldered by the continually-increased student transportation fee). Having met with IU's Kent McDaniel, President McRobbie, Dean McKaig, Dean Goldsmith, Bruce Jacobs and Mark Kuchefski--as well as Lew May of BT--I've been pointed in your direction for discussion on the progress and/or position of IU in the negotiation processes to approaching the concept of external funding.

I've heard great things from those who have worked with you (i.e. Luke Fields), and I'd certainly appreciate the chance to meet with you for such a discussion on behalf of IU students. I'm free to meet as early as next week to discuss - but anytime that might work best for you would be just fine. Thanks for your time!

Sincerely,

Ray Vanlanot

From: Theobald, Neil D <theobald@indiana.edu>
To: Raymond Vanlanot <rvanlano@umail.iu.edu>
Date: Thu, Feb 25, 2010 at 7:10 PM
Subject: RE: Student Transportation Board, External Funding Opportunities
Mailed-by: indiana.edu

Ray:

We proposed a solution earlier last fall that would allow Campus Bus and BT to seek PMTF funding. Unfortunately, BT indicated that they could not abide by IU policies under which IU must (a) control the scheduling of routes with the Bloomington Campus (these routes are critical to both our campus parking and transportation plans), and (b) allocate all revenues collected by the mandatory student transportation fee (we cannot transfer control of our student fees to the city). I am very open to further discussions, but unless the city's position changes, I am not sure there is anywhere to go here.

Neil

¹⁶ Neil Theobald: Vice President and Chief Financial Officer-Indiana University

June 22, 2010, 3:30 PM
Meeting with Lynn Coyne¹⁴ and Mark Kuchefski⁹
Meeting Notes, Ray Vanlanot

Parties Present:

Lynn Coyne, J.D.: *Assistant Vice President, Associate Council, Head IU/BT Negotiator*
Mark Kuchefski: *Office of VP and CFO: Director-Document Services, IU/BT Collaboration Negotiation Team*
Ray Vanlanot: *Chairman-Student Transportation Board, IU Graduate Student*

Talking Points:

External Funding

- Progress & status
- Student input—chance to speak on students behalf/transparency
- Timeframe
- Obstacles

Meeting notes:

External Funding

- Need to have sufficient enough justification for applying for PMTF funding
 - Benefits gained from PMTF must outweigh any political fallout from other state systems
- BT still is wanting TOTAL route control and ownership of fleet
 - Implication: BT control over the allocation of Student Transportation Fee – IU won't support this
- Bus replacement
 - Replacement of 1999 buses via federal grant funding won't be an issue when needed
 - IU will apply as they did before, and there's no reason that the money won't be grated again in the next 3-5 years when the buses reach their "age limit"
 - Conditional of federal approval
- Referring to Lew May's mentioning of "IU's cancelling a November 2009 meeting without calling back to reschedule"—neither Lynn nor Mark has any recollection of a negotiation meeting being scheduled nor having cancelled one
- PMTF eligibility
 - According to IU: Yes, IU Campus Bus is eligible with or without BT
 - According to BT & Bloomington: No, IU Campus Bus is not eligible alone
- INDOT
 - Neil Theobald went to INDOT (within last 6 months) to discuss IU entering PMTF
 - Explored Indiana transportation's hypothetical "climate" should IU enter the PMTF pool at this time
 - Results would be catastrophic due to money IU receives (that would be reallocated towards IU from the other systems already counting on said money)

- Conclusion: Now is not the time to enter PMTF funding for fear of ruining other systems, statewide
- Said systems being ruined could have severe political fallout for state-supported IU projects into the future
- Joint lobbying in Washington DC
 - Lew May stated that it is silly to have two lobbyist groups in Washington DC, “competing” for money for the same region (Bloomington)
 - IU sees no problem with this, as there is no “set number of buses” to be appropriated, so really no regional competition.
 - Such dual/individual lobbying has never been a hindrance to such appropriations in the past, it will likely not be a problem now or in the future.
 - Joint lobbying is another example of BT’s wanting total control over IU Campus Bus functions
- University of Michigan & Ann Arbor, MI Unification
 - Lynn and Mark were both aware of such “statistical unification”
 - IU has proposed such unification during negotiations
 - BT has rejected such unification, with Lew stating his “moral opposition” as he considers such unification to be “sham” unification, and that INDOT would not support this
 - IU supports asking INDOT if this would, in fact, be a “sham” unification (though multiple other systems nationwide do just that)
 - IU will not approach INDOT about the issue without BT’s support to approach
 - BT does not support approaching INDOT for this issue (likely because the outcome would not favor BT’s position on the issue)
 - **If BT were to come around and support such statistical unification, IU WOULD SUPPORT and MOVE FORWARD with attaining PMTF funding.**
 - It should be INDOT, however, that makes this analysis and approves such a step.
- Progress
 - Negotiations are “at an endpass”
 - In current situation, it is “better to do nothing than to strong-arm BT into a corner,” effectively killing the potential for further negotiations
 - Kirk White will be back in a month—“we’ll see what he can do”
 - Negotiations haven’t been on hold in Kirk’s absence, but his city ties can likely provide some forward momentum, as they did prior to his deployment
- Unification board
 - IU agrees with students that should there be a board to govern IU/BT operations pending unification, IU should have a majority of the seats
 - IU ridership is main constituency
 - IU student funding is main funding source
 - IU’s seats on such a board should be proportional to IU student funding/ridership
 - BT has yet to concede any IU seat—let alone a majority—to such a board
 - Though Lew May stated that he would consider 2 seats (of 5) reasonable
 - Such a designation, however, is not Lew May’s call

Take Home Point: Convincing BT to move forward with statistical unification (i.e. University of Michigan & Ann Arbor, MI) would guarantee IU's support and moving forward in seeking PMTF funding.

APPENDIX D:

IU Task Force on Campus Sustainability
Campus Sustainability Report, January 2008

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Indiana University Task Force On Campus Sustainability VII Transportation



Transportation

Objective: *To promote a sustainable transportation system that will provide safe access and mobility for students, faculty, staff and visitors, and to ensure that individuals have a broad range of safe and convenient transportation options to walk, bicycle, carpool, or ride public transit to and around campus.*

Background

This report focuses on the transportation dimension of sustainability on the IU Bloomington campus. Commuting to and from campus is a significant contributor to the university's environmental footprint. The employees purchasing parking permits from IUB live cumulatively 44,000 miles from campus.¹ Assuming those commuters drive an average passenger car and make the round trip five days a week for 48 weeks a year, then they travel 21 million miles each year and emit 10,000 tons of carbon dioxide. Such trips actually contribute more carbon to the atmosphere through the extraction and refining of oil into gasoline. They also emit other pollutants, such as particulate matter, and nitrogen and sulfur oxides, which create serious environmental health hazards. More automotive use also results in more pollution run-off from streets and parking lots.

A sustainable transportation policy should support compact growth and multi-use development, where walking, bicycling, and bussing are more practical. For example, new campus development on the east or north side of campus could take the form of a mixed-use village

instead of a single-use office park. New campus developments could include employee housing options to directly reduce commuting impacts.

In addition, because the university is the largest employer in the region, the results of campus policies affect land use patterns beyond the campus. The beautiful, pedestrian friendly

campus core fails as a model for environmental sustainability if a high percentage of students and employees drive a car to reach it every day. Where people choose to live is based on many factors, but the lack of transportation options and our historic focus



on providing road capacity and parking for additional cars has played a crucial role in our culture's sprawling pattern of development. Building a house outside of town first requires at least one, and usually two parking spaces at the place(s) of employment. That same house then requires parking spaces at the grocery store, cinema, and most other destinations. While many causes of sprawl are beyond the university's control, campus transportation policy is an important tool in helping to shape more sustainable development in the region. Most students come to campus with little experience of transportation modes outside of automobiles. A sustainable transportation policy

¹ The data supporting this number are discussed in [Appendix VII-C](#).

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would encourage students to experience other modes and may influence their travel choices long after they have graduated. The attractiveness of Bloomington and the university are threatened by the sprawl and its corrosive effects on campus and the surrounding neighborhoods. The distinctiveness of the IU Bloomington experience is shaped largely by its focal position in the region. Unlike commuter campuses, most students enjoy the vibrancy of the campus and adjacent city culture. It is our belief that a sustainable transportation future will preserve the best attributes of the IU experience for future generations to enjoy while at the same time shrinking the university's ecological footprint.

Many aspects, especially the educational component, of transportation sustainability are difficult to measure. That does not diminish their importance, but this report focuses on measures that will indicate whether the university is making progress toward sustainability. The most important indicator, by far, is the modal split of people traveling to campus for study, employment, and business. Modal split refers to the proportion of transportation types used by people. Common modes of commuting to campus include walking, single-occupancy vehicles, car/van-pooling, taking buses, and biking. Directly measuring modal split is impractical, so careful surveying is necessary. For indicating sustainability, some modes may be subdivided. For instance, the university may distinguish among drivers of automobiles based on whether they carpool or use low emission vehicles. In general, the goal of a sustainable transportation plan ought to be to decrease the single-occupancy vehicle proportion of the commuting modal split. Over all, the university can claim progress toward transportation sustainability if it is significantly reducing the proportion of the campus population driving alone to and from campus. This is something many peer institutions are succeeding in doing.

Any successful sustainability effort will have to provide greater incentives for members of the IUB community to use their cars less. That will likely require significant enhancements for pedestrians, cyclists, bus users, and car/van poolers. It will also require reconsidering current policies that create incentives to drive, such as the cost and supply of parking.

The university's use of fuel efficient and non-carbon fueled vehicles is another important indicator of sustainability. In Fiscal Year 2007, university-owned vehicles from the Bloomington campus traveled approximately 3.0 million miles.² Therefore, even modest gains in fuel efficiency or non-carbon fuels could contribute to sustainability. Approximately half of the campus fleet's total miles are from on-campus trips. The university should minimize vehicular transportation within the domain of campus as well as between campuses.

This report begins with a brief assessment of the current transportation picture at IU-Bloomington. It then focuses on the key indicators of transportation sustainability and suggests some initiatives that may improve those indicators. We suggest a multi-pronged approach that involves pedestrian, bike, bus, and parking policies. Cross-cutting recommendations seek to improve coordination and accountability.

Assessment

A 1992 IU transportation plan ([Appendix VII-A](#)) traced the history of increased automobile dependence on campus over the past century and devised a five-year plan to reduce the automobile proportion of the modal split. Its recommendations included strengthening parking enforcement, limiting traffic on Seventh Street to buses and other specially authorized vehicles, shuttle

² Half this mileage is from the daily rental fleet (now outsourced to Enterprise Rent-a-Car) and the other half is from permanently assigned vehicles, such as police cars and physical plant trucks. It does not include approximately 120 IUB vehicles maintained by campus departments.

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bus service for the stadium parking lot, generally strengthening of all bus services, promoting car- and van-pooling, and encouraging bike/pedestrian modes. Since 1992, the improvement of bus service was the main positive result and is the strength of the current system. Another important success has been strengthening parking enforcement. Also, since 1992 parking permit fees have increased beyond the inflation rate.

A 1998 survey collected responses from 317 students, 99 faculty, and 163 staff. Table I summarizes the 'modal split' of students and faculty/staff commuting to/from campus, as well as the faculty's travel patterns within campus. A resurvey of students in 2001 provided similar results.

Table I. Modal split of travel patterns by IU students, faculty, and staff, conducted in 1998.

	Students	Fac/Staff	Fac/Staff on campus
Walk	44%	5%	69%
Bus	21%		1%
Drive	23%	79%	20%
Car pool	7%	6%	1%
Bike	4%	3%	2%
Drive w/ passengers	2%	4%	
Drive IU vehicle		1%	7%

The study described in [Appendix VII-C](#) finds that most employees purchasing parking permits live relatively close to campus. Some 70% live within 5 miles of campus, 86% within 10 miles of campus, and 92% within 15 miles of campus.

We are left with a picture of a campus that remains too reliant on cars for transportation and with few attractive alternatives. Planning options for improving this situation involve building on strengths, and beginning to repair weaknesses. Notable strengths are the campus and city bus systems, a fairly compact core campus, large numbers of students living on or near campus (or in relatively dense clusters), and attractive hous-

ing options for IU employees close to campus. Weaknesses include a lack of clear, low-stress pedestrian and bike routes to campus; a sprawling campus outside the core with poor pedestrian infrastructure; inadequate coordination and planning to consider bike/pedestrian improvements; and a fragmented approach to campus accessibility. Any effective plan will need to address the components of: education, enforcement, incentives, and infrastructure.

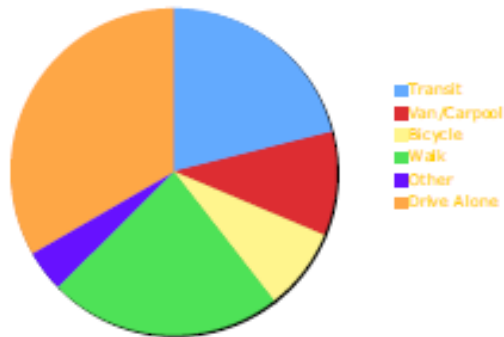
Context: Comparison with Peer Institutions

There are a significant number of North American universities that have a sustainable transportation plan. They are mainly concentrated on the west coast of the United States with a high number in Canada and the Northeast as well. These schools typically started their transportation planning with a survey of their current transportation situation and modal split. The survey data are then used to set benchmarks and develop programs to shift the university's transportation mix towards a more sustainable distribution. The University of Washington in Seattle combined a 50 percent raise in parking prices in 1991 with the introduction of a system that allows free rides on public transport for a quarterly fee. (Toor et al. 2004, 176, 178). This led to a decrease in the modal proportion of single-occupancy vehicle use, as illustrated below:

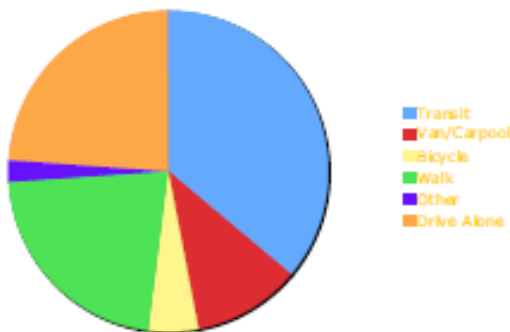
The University of California at Irvine pays employees to give up their parking passes, rather than charging more for the passes. Employees who voluntarily do not drive receive a monthly ten-dollar credit that can be used around the university and certain local businesses. They may also elect to receive 4 free days of parking per month for emergencies (<http://www.parking.uci.edu/AT/modes/walkorbike.cfm>)

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University of Washington 1989 Modal Split



University of Washington Modal Split 2002



Cornell University is a school with similar transportation demands (14,226 employees and 20,638 students) and surrounding community (Ithaca has around 30,000 residents) as Indiana University--Bloomington. Cornell has made great strides in reducing single occupancy vehicle trips to its campus. It has accomplished this with a comprehensive transportation demand management program. Since 1990 it has reduced the number of cars on campus by 2,600 each day, saving an estimated 400,000 gallons of fuel per year. The university did this by subsidizing local bus service with its OmniRIDE program (but only for those not holding a parking permit), adding alternative fuel vehicles to their campus fleet, encouraging bicycle use and participating in long term transportation planning efforts with the city of Ithaca and the surrounding county. It also offers reduced price parking permits to groups that surrender their individual permits. Both this system and the free bus service have 30

day trial periods to allow people to test their ability to use the alternative programs in lieu of driving themselves to campus. The people who opt for the OmniRIDE program also receive a book of day passes to perimeter parking lots every 6 months to allow them some flexibility. In 2001 the school adopted the Kyoto protocols to curb campus-wide CO₂ emissions. Cornell may exceed its target goals in 2010, partly in thanks to its successful transportation planning.

(<http://www.sustainablecampus.cornell.edu/gettingaround/demand.html>, <http://www.cornell.edu/about/facts/stats.cfm>) [Appendix VII-B](#) reprints a more detailed summary of Cornell's experience from Toor et al. 2004.

There are several schools within the Big Ten that are currently working to create more sustainable campuses. Michigan State University has added 15 hybrid vehicles to the fleet and uses bio-diesel for all diesel powered vehicles. Off-campus bus ridership has increased 80% over the same time period. This is thought to be due mainly to the growth of apartment complexes to the north of the campus that offer free bus passes. On-campus bus ridership is also up 53%. The school has purchased hybrid electric busses for its fleet along with the hybrid motor pool vehicles. Student parking permits are down 6% and employee permits 8%. There has also been a 75% increase in bicycle registration. By gathering and reporting on these indicators the University hopes to make the employee and student populations aware of the campus's transportation situation and encourage further reductions in single occupancy vehicle use and a move towards buses and carpooling. (<http://www.ecofoot.msu.edu/c.s.report.htm>)

Iowa State University's Sustainable Transportation Systems Program seeks to:

- Improve transportation energy efficiency and reduce emissions through roadway design, traffic operations, and community design and planning

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- Advance the use of sustainable fuels, technologies, and energy efficient transportation modes
- Increase understanding of the economic and environmental impacts of renewable fuels and encourage use of sustainable transportation energy sources, and
- Investigate economic models that encourage more efficient passenger and freight movement

It works toward these goals through research projects that assess current conditions and develop workable alternatives (<http://www.ctre.iastate.edu/stsp/index.cfm>).

Some universities include prohibitions on some categories of parking as part of their transportation plans. For instance, Ohio State bans first-year students living in residence halls from bringing cars on campus or purchasing university parking permits. (<http://www.tp.ohio-state.edu/students/parking/firstyear.shtml>)

Identification of Metrics for Evaluation

Our principal metric for sustainability should be the modal split for transportation to and from campus. Overall, sustainability will require progress in reducing car-dependency. That may require different programs for different groups of people. For instance, students may have different behaviors and respond to different incentives from faculty/staff who are permanent residents of the area.

Surveys will be the principal source of data to determine modal split. However, counting the number of vehicles entering campus and traveling on roads surrounding campus, the number of parking permits, the ridership of city and campus buses, the number of parking spaces on campus, and the number of cars parked on campus all may also help track trends. Pedestrian counts at key intersections and bike counts at central sites may also contribute to our knowledge of the modal split.

Other metrics for transportation may include the fuel efficiency of the motor pool, intra-campus vehicular use, delivery service trips, and the proportion of all vehicles that employ low-emission energy sources.

Long-term Targets

In order to make progress on the modal split, I.U. will need to create attractive alternatives to driving single passenger vehicles to campus. This will require making walking, biking, and bus riding more convenient and safer. It will also require education and awareness of alternatives to car commuting. While the university can choose from many options to increase alternatives, the university must address the incentives created by its parking policies. The animating vision for targets to change the modal split is to provide people with options rather than to mandate changes in behavior.

Cross-cutting Recommendations

1. **Campus Planning** – Transportation is a critical component of any campus plan. We need to ensure that alternative modes of transportation are given as much importance as automobile travel in any plans for the future of the campus. The university should plan new campus development for walk-able mixed uses to minimize the need for car trips. It should consider a range of on campus or near campus housing types including non-student housing. Special effort should be made to introduce mixed uses in the parking areas at the campus perimeters where walking is unpleasant and feels unsafe due to a lack of human activity. The inclusion of the office for parking operations in the new Atwater parking garage is a small but positive step in this direction.
2. **Accountable Administration** – A single person and office on campus should be responsible for and have funded authority to make significant progress toward improving IU's transportation sustainability.
3. **Funding of transportation priorities** – Most transportation funding is generated by the parking passes, parking fines and the student

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transportation fee. We need to be able to make at least the parking pass and parking fine revenue “fungible” so that it can be spent on other transportation initiatives. Currently, parking operations does fund campus bike and pedestrian improvements, but at a level that could be significantly increased.

4. **I.U. Fleet** – We should minimize energy use by campus vehicles. The two principal methods to achieve this will be more coordination and planning to reduce trips and acquisition of more energy efficient vehicles.
5. **Reducing travel** – We should also look at ways to reduce travel both within and between IU campuses, such as telecommuting, distance education, and video conferencing. The technology now exists to make these options much more practical in the right situations. Saving travel time would be a bonus of this effort.

Pedestrian Policies

The core campus is pedestrian friendly, but outside of that central zone many areas lack pedestrian amenities. And, getting to campus is not as safe and convenient as it could be. The university can make walking more attractive by concentrating on three areas:

1. Work with the city to improve the walking routes to campus. Improve university maintenance of sidewalks outside the core campus area so that they are as safe and convenient as sidewalks on the core campus. Engineer improved pedestrian road-crossing via prominent crosswalk markings, bump-outs, pedestrian islands, signage, and traffic calming devices. Consider concepts such as road narrowing and enforcement of crosswalk laws.
2. Examine ways to encourage faculty, staff and students to live within walking distance of campus. Items to be considered could include more residence halls on campus, encouraging more apartments closer to campus, incorporating housing and commercial uses into new campus developments, helping first-time home buyers to live close to campus.
3. Improve communication about pedestrian walkways to and throughout campus. Publicize the

university contact responsible for pedestrian safety and sidewalk maintenance so that problems may be reported promptly. Promote a pedestrian oriented lifestyle to students, staff, and faculty. Emphasize the physical, financial, social, and educational benefits. Make this part of IUB's 'niche' marketing to prospective students and staff. Publish a map of walking routes with distances to popular destinations, etc.

Bicycle Policies

Like walkers, cyclists often have an easier time on campus than they do getting to campus. The university can make biking more attractive by concentrating on three areas:

1. Work with the city to improve the bikeways into campus, and be sure that they connect easily to bikeways within the campus.
2. Improve the bike “infrastructure” on campus, including better bike routes, especially from the north and east sides of campus, more bike racks, bike garages, and better delineated bike routes on campus. This may require a comprehensive plan. Coordinate with the city's system of signed bike routes and its greenways plan.
3. Improve communication about bike availability, bikeways, and bike safety to and throughout campus.

Bus Policies

The bus system has grown tremendously over the last 10 years, but there are still improvements that could be made. We want to make it as convenient as possible for people that are within walking distance of the bus routes. The university can make walking more attractive by concentrating on three areas:

1. **Traffic** – One of the factors that make the bus a less attractive option is the problems with maintaining bus schedules due to traffic problems. If buses could travel more quickly between stops, they would become more attractive to potential campus users. Among the ideas to consider for improving travel times are: establishing dedicated bus lanes, where right-of-ways permit; and opening 7th street to buses, bikes, and pedestrians only

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2. Bus Routes – The bus routes might be improved by:
 - a. Studying the Stadium Park-and-Ride and the value it brings to the mission of sustainable transportation, along with potential changes to routes and infrastructure;
 - b. Coordinating with other public transit providers to: create more express Bloomington Transit routes to campus, and more bus routes from areas outside of the city, such as Ellettsville and Greene County, to campus;
 - c. Ensuring the continued viability of East Tenth Street bus service by working with the city on ways to upgrade the railroad underpass between Union Street and the Bypass.
3. Improve communication about the available bus routes.

Parking Policies

The campus must also address the incentives created by parking policies in order to achieve significant reductions in the modal proportion of single occupancy vehicular commuting. Parking fees are a major factor in the mode of transportation commuters choose. The price of parking determines in large part what the demand for parking spots will be. In economic terms, this means that the parking-price elasticity is high; a price change will create a notable change in demand. Typical parking price elasticities range from -0.1 to -0.6 , with -0.3 the most frequently cited value, meaning that a 100 percent increase in parking prices leads to a 30 percent reduction in parking demand. (Millard-Ball et al. 2004.)

Of course, the quality of available transportation options is important; the better the options, the higher the elasticity. Campuses with high parking costs and good quality alternative modes have far fewer commuters driving to campus. Universities have found that controlling parking supply, price and providing quality transit have reduced the amount of driving to campus without a loss of ability to get to campus. In

fact, it commonly becomes easier to get to campus. (Toor et al. 2004.)

At IU, revenues from parking tags do not pay the full cost of creating and maintaining the parking places. Parking spaces that use valuable land and construction of parking garage spaces are commonly between \$15,000-25,000/space. The new garage at Atwater and Indiana Avenues is on the high end of this range. Drivers also do not pay most of the environmental costs of the pollution they create on and near campus.

Parking operations supplements the revenues from parking permit sales through enforcement fines, which constitute approximately one third of the department's budget. At other universities, including some Big Ten schools, citation revenues are commonly used for the full provision of all transportation modes. The University of California campuses do not allow use of citation revenue for parking facilities.

A 2005-2006 parking rate survey showed the following rates at Big-10 Schools:

School	Annual Cost
Purdue	\$200
IU	\$253
Michigan St.	\$285
Illinois	\$399
Penn State	\$408
Northwestern	\$426
Ohio State	\$550
Univ. of Michigan	\$666
Iowa	\$756
Wisconsin	\$1,025/\$685
Minnesota	\$1,368

Parking costs can be onerous for those who have few transportation alternatives, and there are important equity issues involving low-salary staff who live far from campus with few alternatives to driving. The concept of parking cash-out is to transfer the parking subsidy directly to the employee and charge him/her the unsubsidized price for parking. This gives the employee the

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choice of finding an alternative to driving alone and keeping the money, or purchasing the parking permit at no (or little) net additional cost to the employee.

Other options to provide IU employees with more options for commuting include: paying employees to car-pool or to forego parking permits; offering a number of free day-passes for employees who do not purchase an annual pass; and providing preferred parking (after disabled parking) for car/van pools, bikes, low-emission vehicles.

The parking supply on campus is the ultimate determining factor in how many cars can come to campus. Consideration should be given to reducing the supply of surface parking lots to create green space, or residential housing. This would have serious beneficial effects on surface runoff, nearby housing, car-use and infill development (sprawl reduction). Many of these suggestions should be considered for gradual implementation.

References

Adam Millard-Ball, Patrick Siegman, and Jeffrey Tumlin. 2004. Solving Campus Parking Shortages: New Solutions for an Old Problem. *Planning for Higher Education*, 33(1): 30–43. <http://www.scup.org>

Will Toor and Spenser Havlick. 2004. *Transportation & Sustainable Campus Communities*. Island Press: Washington, D.C.

APPENDIX E: PMTF Distribution (FY 2009-2010)

INDIANA DEPARTMENT OF TRANSPORTATION 2010 PUBLIC MASS TRANSPORTATION FUND ALLOCATION

SYSTEM NAME	2010 ALLOCATION	2009 ALLOCATION	% CHANGE	\$ CHANGE
<u>Group One</u>				
Bloomington	\$2,061,991	\$2,030,078	1.57%	\$31,913
Evansville	\$1,558,534	\$1,627,152	-4.22%	(\$68,618)
Fort Wayne	\$1,832,635	\$1,866,977	-1.84%	(\$34,342)
Gary	\$968,786	\$1,056,755	-8.32%	(\$87,969)
Indianapolis	\$11,157,583	\$11,631,612	-4.08%	(\$474,029)
Lafayette	\$3,693,300	\$3,701,978	-0.23%	(\$8,678)
Muncie	\$1,564,307	\$1,644,820	-5.50%	(\$90,513)
South Bend	\$2,683,523	\$2,889,233	-7.12%	(\$205,710)
Subtotal	\$25,510,659	\$26,448,605	-3.55%	(\$937,946)
<u>Group Two</u>				
Anderson	\$294,107	\$340,832	-13.71%	(\$46,725)
Columbus	\$279,401	\$268,443	4.08%	\$10,958
East Chicago	\$387,233	\$430,980	-10.15%	(\$43,747)
Hammond	\$642,762	\$654,925	-17.13%	(\$112,163)
Marion	\$219,867	\$248,194	-11.41%	(\$28,327)
Michigan City	\$289,098	\$294,438	-1.81%	(\$5,340)
Richmond	\$424,852	\$476,604	-10.86%	(\$51,752)
TARC	\$1,193,469	\$1,201,233	-0.65%	(\$7,764)
Terre Haute	\$390,874	\$318,495	22.73%	\$72,379
Subtotal	4,021,663	4,234,144	-5.02%	(\$212,481)
<u>Group Three</u>				
Elkhart	\$675,736	\$691,653	-2.30%	(\$15,917)
Goshen	\$62,410	\$58,895	5.97%	\$3,515
Kokomo	\$393,714	\$398,619	-1.23%	(\$4,905)
LaPorte	\$80,644	\$91,345	-11.71%	(\$10,701)
NIRPC	\$719,065	\$689,388	4.30%	\$29,677
Valparaiso	\$23,201	\$0	n/a	
Subtotal	\$1,954,770	\$1,929,500	1.29%	\$24,870
<u>Group Four</u>				
Bedford	\$111,477	\$130,223	-14.40%	(\$18,746)
Boone County	\$79,779	\$48,973	62.90%	\$30,806
Cass County	\$383,744	\$368,493	4.14%	\$15,251
Clinton County	\$103,524	\$109,067	-5.08%	(\$5,543)
DeKalb County	\$33,557	\$0	n/a	\$33,557
Fayette County	\$71,361	\$60,190	18.64%	\$11,211
Franklin County	\$129,092	\$150,906	-14.46%	(\$21,814)
Fulton County	\$78,905	\$67,573	16.77%	\$11,332
Hamilton County	\$84,624	\$55,748	51.80%	\$28,876
Hancock County	\$67,301	\$54,037	6.04%	\$3,264
Hendricks County	\$172,364	\$154,959	11.23%	\$17,405
Huntingburg	\$13,949	\$17,161	-18.72%	(\$3,212)
Huntington County	\$82,088	\$88,676	-7.43%	(\$6,588)
Jay/Randolph/Delaware/Blackford/Henry	\$200,481	\$212,787	-5.78%	(\$12,306)
Johnson County	\$234,265	\$232,226	0.88%	\$2,039
KIRPC	\$175,756	\$181,729	-3.29%	(\$5,973)
Knox County	\$161,139	\$150,146	7.32%	\$10,993
Kosciusko County	\$106,598	\$121,343	-12.15%	(\$14,745)
LaGrange County	\$25,320	\$0	n/a	\$25,320
Madison County	\$60,570	\$49,519	22.32%	\$11,052
Marshall County	\$16,063	\$5,779	177.95%	\$10,284
Miami Co.	\$69,170	\$64,414	7.38%	\$4,756
Mitchell	\$17,752	\$22,138	-19.81%	(\$4,386)
Monroe County	\$304,853	\$330,567	-7.78%	(\$25,714)
New Castle	\$86,816	\$98,147	-12.56%	(\$12,331)
Newton Co.	\$90,863	\$90,253	0.68%	\$610
Noble County	\$96,458	\$109,820	-12.17%	(\$13,362)
Orange County	\$137,573	\$128,751	6.85%	\$8,822
Rush County	\$10,534	\$0	n/a	\$10,534
Seymour	\$52,273	\$53,939	-1.99%	(\$1,063)
SIDC	\$642,382	\$485,244	11.78%	\$57,138
SIRPC	\$364,139	\$409,339	-11.04%	(\$45,200)
SITS	\$186,190	\$201,638	-7.53%	(\$15,166)
Steuben County	\$21,442	\$0	n/a	\$21,442
Union County	\$87,049	\$93,743	-7.14%	(\$6,696)
Vigo County	\$34,451	\$18,022	91.16%	\$16,429
Wabash County	\$76,742	\$79,431	-3.39%	(\$2,689)
Washington	\$26,276	\$25,966	-2.66%	(\$690)
Waveland	\$6,575	\$9,479	-30.64%	(\$2,904)
Wells County	\$96,493	\$97,845	-1.38%	(\$1,352)
White Co.	\$36,582	\$30,705	19.14%	\$5,877
Whitley Co.	\$79,578	\$34,799	128.68%	\$44,779
Subtotal	\$4,804,148	\$4,642,851	3.47%	\$161,297
Total Groups 1 - 4	\$36,291,240	\$37,255,500	-2.59%	(\$964,260)
NICTD	\$5,108,760	\$5,244,500	-2.59%	(\$135,740)
Total:	\$41,400,000	\$42,500,000	-2.59%	(\$1,100,000)

APPENDIX F:
External Funding Article, *Indiana Daily Student*, Published: 11-11-09

Student Interest in External Funding
Ray Vanlanot, Student Transportation Board Chairman

I have chaired the IU Student Transportation Board for the past three academic years. The STB includes representatives from major student organizations: IU Student Association, Graduate and Professional Student Organization, Residence Halls Association, Interfraternity Council, Panhellenic Association, as well as a faculty and staff representative.

The STB has met regularly for three years to review public transportation services provided through the mandatory student transportation fee (\$113.12 per student, yearly).

Mind you, IU Students represent 88 percent of the total public transportation passengers in Bloomington, and they pay more than \$4 million in student transportation fees each year. These dollars are the single largest source of funding for public transportation in the Bloomington community.

In 2007, then-Dean of Students Dick McKaig asked the STB to perform a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of public transportation services funded by the student transportation fee.

We found that the most serious weakness was the lack of a diversified funding base for the IU Campus Bus Service. Further, we found that the entire Bloomington community was not receiving much of the federal and state funding for which it was eligible; the result is a lesser Bloomington bus service availability than that of other Big Ten schools, including Purdue, Illinois, Iowa and Michigan.

By combining the ridership statistics of IU Campus Bus Service with Bloomington Transit, we could acquire millions of dollars in additional funding for public transportation in this community.

Currently, Bloomington does not count IU Campus Bus Service's more than 3 million passenger trips in state and federal government funding formulas; thus state and federal public transit grants to Bloomington are solely based on BT ridership and operating results. Additional state and federal funding for public transit in Bloomington would have several benefits for both IU students and the entire Bloomington community:

- The mandatory student transportation fee would be frozen at its current level for many years to come. State and federal regulations do not allow grant recipients to reduce their financial commitments to public transit when using such grants.
- More buses would be operated by both BT and IU Campus Bus Service, providing more frequent buses for both Bloomington residents and IU students.
- Both BT and IU Campus Bus Service would have funds to upgrade their GPS so that real-time bus information could be available over the internet, on smart phones and at major bus stops.
- Additional jobs for IU students would be made available to operate the increased level of service that could be provided with money from state and federal grants.
- When older buses are (inevitably) replaced, IU Campus Bus Service would have the option of purchasing "greener" vehicles, such as hybrid-electric and electric buses, improving both the environment and sustainability of IU.

After almost three years of urging from IU students and faculty, IU administrators and BT have finally begun talks on what steps need to be taken to secure additional state and federal funding for both BT and IU Campus Bus Service.

To date, however, the Student Transportation Board has not been involved in these negotiations. The STB has not even been briefed on the progress of the talks. I urge IU administrators to include students in the negotiation, since we pay the transportation fee and represent the vast majority of public transportation ridership for both bus services.

If students, faculty and administrators work together, we can obtain all of the federal and state public transportation funding for which we are and have been eligible.

In doing so, we will ease the financial burden on students and their parents, we will promote IU Campus Bus Service sustainability and we will ensure the future of public transportation for both the IU campus and the entire Bloomington community.

JORDAN RIVER FORUM 5

Submit letters to letters@idsnews.com.

GUEST COLUMNIST

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APPENDIX G:
External Funding Article, *Herald Times*, Published: 3-22-10

IU, Bloomington Should Work Together on Transportation Funding
Ray Vanlanot, Chairman, IU Student Transportation Board

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HeraldTimesOnline.com

GUEST COLUMN

IU, Bloomington should work together on transportation funding

By Ray Vanlanot

March 22, 2010

This guest column is by Ray Vanlanot, chairman, IU Student Transportation Board.

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The Herald-Times



Kitten saved
State trooper
rescues feline
on highway
PAGE
B4



MARILYN ALLEN

80 is PAGE
B1
about par



**Firehouse
Follies** PAGE
D1

Bloomington, Ind., 5 sections, 75 cents

THURSDAY, JULY 15, 2010

HTO HeraldTimesOnline.com

3.5 million rides: IU bus service sets record



JOSHUA Boucher | HERALD-TIMES

Indiana University students board the a campus bus bound for College Mall Wednesday. The IU Campus Bus Service set a new ridership record in the 2009-10 school year.

Passenger trips in 2009-10 up 10.9% over previous year

By Mike Leonard
331-4368 | mleonard@heraldt.com

The Indiana University Campus Bus Service set another record for ridership during the fiscal year that ended June 30 with almost 3.5 million passenger trips over the course of the 2009-10.

The new record of 3,496,047 represents a 10.9 percent increase over the previous year and makes the IU Campus Bus Service the third most heavily used bus service in Indiana, behind Indianapolis and Lafayette. Bloomington Transit records its

More inside

LOCAL
Merger of IU, Bloomington bus services unlikely for now | PAGE A6

What do you think?

HTO Speak your mind on this or any other story in the comments section on HeraldTimesOnline.com and on the go at HTONL.mobi.

figures by calendar year and reported 3.02 million passenger trips in 2009. If the city and campus systems were merged, the systems easily would become the state's second largest mass transportation system, with

about 6.5 million trips a year, behind only the roughly 9 million trips annually logged by the Indianapolis system, IndyGo.

Perry Maull, operations manager for the IU Campus Bus Service, said several factors account for the record-setting numbers on campus, but the most important one, he said, is "increased enrollment."

"As the campus has gone from roughly 38,000 to about 42,000 over the past few years, our numbers have increased somewhat proportionally," Maull said.

Kent McDaniel, executive director of transportation services for IU, said he believes that various mecha-

SEE IU BUS | BACK PAGE

IU BUS

CONTINUED FROM PAGE A1

nisms and systems are in place to further increase ridership in the future. "We're working at orientation right now to convince students and their parents that when you come here, you really don't need a car," he said. "You can ride the campus bus service, you can ride Bloomington Transit for no additional fee, and when you park and ride, you really can be pretty comfortable about exactly when you will arrive at your destination.

"And for those times when you do need a car, we now have the Zipcar program, in

which you can rent a car for a day or a partial day or you can use the Zimride program to share rides with other students if you're looking to go home on the weekend."

McDaniel said incoming students also learn from upperclassmen who have tried driving into campus and figured out that parking in the Memorial Stadium lot is the best way to go. Students riders can take a route that essentially circles the perimeter of the campus or an express route that dives straight down from the football stadium into the heart of campus.

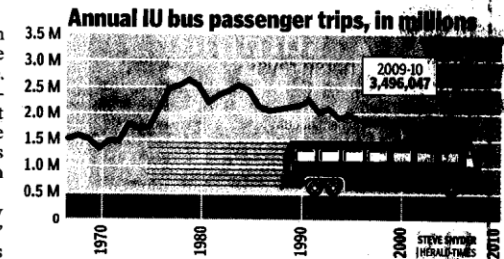
"I think the park and ride concept is becoming ingrained in the campus culture, I really

do," McDaniel said.

The most-used application on IU's mobile phone service to students is the bus schedule. A project headed by the IU Student Association, and almost ready to launch, is a mobile application allowing students to see in real time the location of each bus that's in service.

"Right now that's only available on their computers," said Maull. "When that gets launched for smart phones we expect still more students to ride the bus. Say you're on campus, and you see it's about to rain, you can check in an instant where the closest bus is going to be and when."

IU students pay a transportation fee each semester that



allows them to ride campus and city buses for no additional cost. The fee for the past two years has been \$56.56 for students taking more than six hours of class credit. It will rise by 2.8 percent this fall to \$58.16.

The total amount of money raised by the student trans-

portation fee was \$4,284,341 in the last fiscal year. IU pays Bloomington Transit about \$1.1 million a year to subsidize student ridership and provide other services including the operation of a centralized service and parking hub on Grimes Lane.

APPENDIX I:

IU & Bloomington Merger Article, *Herald Times*, Published: 7-15-10

IU, Bloomington bus systems not likely to merge any time soon

By Mike Leonard

331-4368 | mleonard@heraldt.com

Two years ago, the prospect of merging the Indiana University Campus Bus Service with Bloomington Transit seemed to be a real possibility, as both entities looked at state and federal subsidy figures that would increase under a single and larger mass transportation system.

Today, a unified bus system in the near future appears less likely rather than more.

"The merger concept has

been kicked around for years and years but as far as I know, it's not going anywhere right now," said Kent McDaniel, executive director of transportation services at IU. "It's always been a real political hot potato, but it's only gotten more complicated. It doesn't just affect Bloomington or Indiana University. It affects about 65 systems in the state competing for a fixed pot of money."

"We remain very interested in discussing that possibility with them," said Lew May, general manager of Bloomington

Transit. "The challenge has always been to reach some agreement on what form and structure a unified structure might take."

May agreed external forces currently present as big a challenge — if not bigger — than the logistics within Bloomington and concerns IU has voiced about control over the routes that almost exclusively affect students, faculty and staff.

"Under the current formula for the Public Mass Transportation Fund, unifying could result in as much as a five per-

cent increase in available state funding. But the challenge then would be that if a unified system were improved by INDOT (the Indiana Department of Transportation), and INDOT would have to approve it, we'd be looking at an increase out of a fixed pot of money that's somewhere upwards of \$40 million, and it's funded by sales tax revenues.

"We all know that sales tax revenues have been down because of the economy," May said. "In addition, some (transportation) systems in the state

have taken a pretty good hit because of the changes to the property tax system as well. And then you still have the prospect of revenue to the state going down again."

"Frankly," May said, "the prospect of Bloomington taking a larger percentage out of that fund at this point in time would not be taken lightly by any urban or rural transportation system in the state. It raises the possibility of a legislative intervention to change the formula if that were to happen."

APPENDIX J:
Bus Replacement, IU Campus Bus 7-24-2009

1. Current fleet consists of 27 low floor diesel buses, 18 are 1999 models which will be eligible for replacement after 12 years of service of starting in 2011. All of the current buses are 40 feet in length and 102 inches wide.
2. Estimated replacement cost for a low floor 40 feet long diesel bus is about \$400,000 each.
3. If current buses are upgraded to a diesel hybrid the cost will be about \$550,000 each. Diesel hybrid buses are not true hybrid buses, the electric drive is only engaged to take the bus from 0 mph to 10 mph, after that the diesel engine takes over as prime motive power. Current hybrid buses save about 15% to 20% in fuel consumption.
4. Current buses are very large compared to the streets on campus. Buses are hard to maneuver on the streets around campus, especially at intersections such as Woodlawn onto Tenth Street.
5. Diesel engines are loud.
6. Diesel engines use a petroleum fuel. The 2010 EPA diesel engine standards are much tougher, especially for particulates.
7. There are many weeks of the year, summer sessions, breaks, weekends, when forty feet long buses provide more capacity than is demanded. Heaviest use of the buses is Monday through Friday for the 32 weeks of the fall and spring semesters.
8. Smaller buses could provide same capacity, but would require more buses.
9. Smaller buses could be powered by alternative fuels: battery powered buses are an alternative since our bus routes are relatively short and half of our buses originate at the Stadium which could be equipped with a quick recharging station.
10. Electric buses are considered “light duty” and not subject to the 12 year minimum life cycle for heavy duty buses. Lifecycle for an electric bus is no more than 8 years, currently.
11. Smaller buses would require more maintenance effort than the current large bus fleet.
12. Smaller buses might be more attractive to both passengers and potential student bus drivers. We would need additional smaller buses than the current fleet to provide enough capacity to meet the demand. More frequent service is more attractive to potential passengers: five minute frequency is more attractive than ten minute frequency.
13. Will need a thorough evaluation of options and costs over the next year or so to come up with a replacement plan. Federal public transit grants are available. Alternative fuel buses can be purchased with higher federal share.
14. Student involvement will be key to any change in fleet makeup.

**APPENDIX K:
National University Transit Fee and Budget Comparison**

School	Total		Per Credit Hour	Per Semester	Per Quarter	Annual Total	Trans. Budget		Contract Public Service?	Notes	Contact	E-mail
	Student Enrollment	Per Semester					Annual Total	Trans. Budget				
Illinois State University	21,000					\$ 240,000.00	\$ 450,000.00		<Needs clarification>		Julie E. North, Director	jenorth@ilstu.edu
Indiana University - Bloomington	40,000	\$ 56.56				\$ 2,300,000.00			Yes; \$1,000,000.00 to Bloomington Transit, annually for unlimited student/staff/faculty access w/ valid university ID		Perry Maull, Operations Manager	pmaull@indiana.edu
Ohio State University	63,217			\$ 9.00			\$ 4,200,000.00		No; but \$9/quarter/student goes to city's public transit	Budget funded by parking	Sarah Blouch, Director	blouch.2@osu.edu
Oklahoma State University	22,000	\$ 2.30					\$ 2,200,000.00		No		Steve Spradling, Director	steven.spradling@okstate.edu
Texas A & M University	49,000		\$ 70.00				\$ 7,400,000.00		No		Peter W. Lange, II, Associate Director	plange@tamu.edu
University of Arkansas	19,500	\$ 2.41				\$ 1,100,000.00			No; Primary public transit service for the city.		Gary K. Smith, Director, Transit & Parking	garys@uark.edu
University of Kansas	25,258		\$ 65.90				\$ 5,000,000.00		KU is funded by student fees and parking. Lawrence, KS is funded by federal dollars and sales tax. Faculty, staff and students with KU cards can ride public transit buses for free. KU doesn't pay the city for this. KU does operate the call center and lost and found for both. KU pledges any facebook money from our routes to the city transit system.	\$32.95 per summer session	n/a	kuonsheds@ku.edu
University of Kentucky	28,317						\$ 1,700,000.00		Yes; \$420,000.00 annually		Don Thornton, Director	dthor1@email.uky.edu
University of Wisconsin - Madison	42,000		\$ 53.00				\$ 5,500,000.00		Yes; portion of campus bus not funded by students, \$1,500,000.00		Patrick Kass, Director	pkass@pm.wisc.edu
Utah State University	15,000		\$ 16.99				\$ 650,000.00		No; public transit in Logan, UT is fare free		Lisa Leishman, Director	lisa.leishman@usu.edu
West Virginia University	29,500		\$ 70.00				\$ 10,301,564.00		Yes; \$885,120.00 in subsidy to regional transit covers free access for students, faculty, staff	Operating expense: \$5,294,514.00; capital expense: \$4,552,050.00; ADA service: \$455,000.00	Hugh E. Kierig, Director	Hugh.Kierig@mail.wvu.edu

**APPENDIX L:
STB Resolution 2009-1: External Funding**

**Indiana University
Student Transportation Board
RESOLUTION No. 2009-1**

A resolution in support of IU student participation to secure external revenues for IU Campus Bus from state and federal public transit grants in cooperation with the Bloomington Public Transportation Corporation (BT).

Whereas:

IU students comprise about 99% of the 3.3 million annual passengers carried by IU Campus Bus Service;

IU students comprise about 70% of the 2.8 million annual passengers carried by Bloomington Transit;

IU student collectively pay over \$4 million per year in a mandatory student transportation fees which represent the single biggest source of public transit funding in the Bloomington community providing \$3 million to fund almost all of IU Campus Bus Service's budget, and providing Bloomington Transit with \$1 million per year from the to provide unlimited, prepaid access to all bus services;

There are federal and state public transit grants whose funding allocation formulas use operating results, such as passengers carried, miles operated, and local revenues generated;

These funding allocation formulas do not currently reflect any of the passengers carried, miles operated, and local revenues by IU Campus Bus Service;

Because Bloomington does not use all IU Campus Bus Service operating results in state and federal funding allocation formulas the entire Bloomington community receives less state and federal public transit grant funding than would be the case if IU Campus Bus Service operating results were counted in such funding allocation formulas;

To date student organizations, including the IU Student Transportation Board, have not been involved in the process of determining how to get IU Campus Bus Service operating results used in state and federal public transit grant formulas;

Now therefore be it resolved by the IU Student Transportation Board to formally request that the IU Administration include IU students and specifically the Chair of the IU Student Transportation Board in any and all negotiations with Bloomington Transit and the City of Bloomington to obtain external revenues for both IU Campus Bus Service and the Bloomington community. This resolution was passed November 16, 2009 by the IU Student Transportation Board.