

**RURAL TRANSIT: OPPORTUNITIES AND
CHALLENGES FOR CONNECTING COMMUNITIES**

HEARING
BEFORE THE
SUBCOMMITTEE ON
HOUSING, TRANSPORTATION, AND COMMUNITY
DEVELOPMENT
OF THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED SEVENTEENTH CONGRESS
FIRST SESSION
ON
EXAMINING THE EFFECT OF RURAL TRANSIT AND ISSUES THAT SHAPE
THE LIVES OF PEOPLE LIVING IN RURAL AMERICA

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RURAL TRANSIT: OPPORTUNITIES AND CHALLENGES FOR CONNECTING COMMUNITIES

TUESDAY, JUNE 8, 2021

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING, TRANSPORTATION, AND
COMMUNITY DEVELOPMENT
Washington, DC.

The Subcommittee met at 2:30 p.m., remotely via Webex, Hon. Tina Smith, Chair of the Subcommittee, presiding.

OPENING STATEMENT OF CHAIR TINA SMITH

Chair SMITH. Good afternoon. I call the Subcommittee of Housing, Transportation, and Community Development to order. For the information of the Senators, there is a series of votes that starts at about 3 p.m. So I am going to plan on declaring a brief recess right at 3, which should be after the opening statements, so that we can go vote. And then we will resume, and we will aim to complete the questioning of the witnesses by around 3:45 or so, which should allow us to be finished by the end of the second vote. But I just wanted everyone to know that we will set it up that way. Thank you very much.

I want to thank Senator Rounds for working with me today on this bipartisan hearing focusing on rural transit, and for our strong relationship on issues that shape the lives of people living in rural America, transportation among them.

Two years ago, Senator Rounds and I teamed with Senator Fischer from Nebraska and Senator Baldwin from Wisconsin, to create the World Economy Working Group, and the purpose of this working group has been to highlight the great strengths in rural communities, and the lessons that we can learn from rural leaders about how the Federal Government can be a good partner and a better partner.

Small towns and rural places are creative, entrepreneurial, diverse, wonderful places to live and raise a family, and rural places produce our food and energy and are hubs of manufacturing and small business, education, health care, arts, and culture. We all need rural communities to be successful, and that means, just like in the suburbs and in cities, transportation has to work. If you live in northeast Minnesota or the Black Hills of South Dakota or any other of the vast rural places in America, you are used to traveling long distances to do what you need to do, to get to work or to the doctor, to buy groceries, or to fill prescriptions. And for transpor-

tation to work, there needs to be viable, efficient, well-functioning transit systems.

“Wait,” you say, if you live in the city, especially, “transit is for cities and it won’t work in rural places. People are too spread out. Everyone drives. There’s no need for transit when you live in the country.”

Well, today we are going to hear about how inaccurate this perception is, and how vital transit is to rural America, and how important it is that we provide transit options that work in rural communities. In fact, many people living in rural America are highly reliant on transit. Folks living in rural places are more likely to be older and maybe don’t drive anymore, but they still need to get to the doctor. Working families in rural places may struggle to afford a car and gas, but they still need to get to work and to school. Without transit, the economy, health care, education—none of it works.

Intercity bus service connects people to nearby towns and regional centers. That connects people to jobs and opportunity, and it fuels those regional economies. New investment in a transition to a clean economy and transportation, including electric vehicles and low-carbon renewables like ethanol and biodiesel, they shouldn’t be left out of rural places.

The fact is rural transit providers are full of great ideas for how to meet the needs of their communities when it comes to mobility. Rural and small transit systems are leading the way, innovating with on-demand service, specialized routes, routes that connect people to specific destinations, and today we are going to have a chance to learn about this.

As we listen to the panel of rural transit leaders today, I ask you to keep in mind the veteran who needs to get to a VA clinic, the person who is trying to get back on their feet by completing job training, or a senior who is looking for their weekly fresh produce delivery. Each of these need a reliable, affordable transit system.

So it is my hope today that your testimony and our conversation will help to inform this Committee as we work to write the transit title for the upcoming service transportation bill. The transit title has historically been a bipartisan area of agreement, and I know that Chair Brown and Ranking Member Toomey are working hard to try to reach a bipartisan agreement once again this year.

So it has been a pleasure to work with Senator Rounds in planning this hearing. I will now turn to Senator Rounds for his opening statement, and then I will turn to Senator Brown, our Chair of Banking, Housing for his remarks.

Thank you, Senator Rounds.

OPENING STATEMENT OF SENATOR MIKE ROUNDS

Senator ROUNDS. Thank you, Chair Smith. Look, let me just say I really do appreciate the bipartisan way in which we have tried to build a rural America together, and so I do thank you for putting together the hearing today and your cooperation with us in moving forward.

I would also like to thank our witnesses for taking the time to attend today’s hearing. And I would especially like to thank Ms. Barbara Cline. She is from Prairie Hills Transit in Spearfish,

South Dakota, in the beautiful Black Hills. I really do appreciate her willingness to testify, and I look forward to hearing from all of the rest of our witnesses as well.

The topic of rural transit is an important issue that has been uniquely highlighted by the COVID-19 pandemic. Over the past year, approximately 68 percent of rural transit systems were forced to cut services that were already operating on slim margins. Moving past the pandemic, it will be imperative to get these rural transit systems operating in a way that really improves upon the prepandemic norms.

As we look at how to put rural transit on a path forward, it is important we acknowledge the funding rural programs received from every one of the COVID relief packages. Just as an example, the Rural Area Formula Program, Section 5311, received approximately \$3 billion in COVID relief funding over the past year. This funding undoubtedly assisted non-urban communities to restructure transit systems that may have taken a hit during the pandemic. I look forward to seeing how communities utilized these additional funds to not only move past the pandemic but to also begin addressing the issues from before the pandemic.

The rural nature of South Dakota provides us with a unique perspective on the struggles of small communities, that they have when it comes to public transit. That is why we have introduced the Investments in Rural Transit Act, along with my colleague, Senator Smith, Chair Smith, and Senator Baldwin. This legislation includes necessary increase of the Federal share of rural transit assistance for transit projects in high-need areas. Rural communities simply cannot meet the local matching requirements to effectively invest in public transit that these communities desperately need.

I have met with several different rural transit authorities across South Dakota, and an issue they conveyed to me was the lack of consistency in Federal funding. We need to help our rural communities by providing equal opportunities to rural funding as well as encouraging more consistent funding by increasing the amount of formula funds as compared to discretionary funds.

Again, we welcome all of you here today, and I look forward to hearing from our witnesses on how this Subcommittee can be of further assistance to rural transit authorities across the country.

Madam Chair, thank you.

Chair SMITH. Thank you, Senator Rounds, and before I introduce the witnesses I am glad to welcome Chair Brown to our Subcommittee hearing, and I understand he would like to make a brief opening statement.

OPENING STATEMENT OF CHAIRMAN SHERROD BROWN

Chairman BROWN. I got the word “brief,” so thank you, Madam Chair. And I appreciate the cooperation with Chair Smith and Ranking Member Rounds. I know this is your second hearing. You did one on Indian housing. I appreciate how you are stepping up and using the Subcommittee process, which is so very important for all of us. And I would say to Mr. Nurmi and Ms. Cline, you can be proud of your home State Senators as they have come together on this kind of issue.

I remember some years ago a hearing we did in full Committee, and I remember Senator Rounds was particularly engaged and taught a lot of us about rural transit and how important it is. And as Tina Smith said, when we say “public transportation” we just do not mean Minneapolis and Cleveland. This Committee understands that public transportation plays a critical role in pretty much every community, in rural areas and small towns and midsized cities and old industrial towns, on the coasts and in the heartland, that Senator Cortez Masto and Senator Smith and Senator Rounds and I represent.

About 1 million rural households do not have a car, and the seniors, students, veterans, and Americans with disabilities that use public transit in places like Lima, Ohio, and Athens, Ohio, need reliable service. The pandemic was the great revealer. It has made rural transit ever more essential, with agencies throughout my State of Ohio and the country providing not only transportation but also meals and groceries, fresh food, as Chair Smith said, prescriptions, and access to vaccines. I am impressed especially with the safety record of rural transit services. Our transit vans and busses travel long distances on isolated roads, but they provide very safe service, as we learned in one of Senator Crapo’s hearings earlier.

I hope our witnesses will talk about what they do to keep up that safety record. I hope also witnesses will talk about coordinating Federal programs that support transportation services. When FDA funding can be coordinated with Medicaid and VA service, riders get better transportation, but that is not the case everywhere and it is up to this Subcommittee and the full Committee to help make that happen.

I will work with Ranking Member Toomey and the Members of this Committee to advance a service transportation bill with a robust transit title, as Chair Smith suggested, and we will tackle other infrastructure investment we need to create economic growth in all communities, in all of our States.

Madam Chair, thanks for giving me a couple of minutes.

Chair SMITH. Thank you so much, Chair Brown. I am now going to introduce our witnesses. I will introduce all three witnesses and then turn to each to make your opening statements.

First, Brandon Nurmi, my fellow Minnesotan, who is the Assistant Director of Arrowhead Transit, which is headquartered in Virginia, Minnesota. Arrowhead Transit serves a 10-county area in northeastern Minnesota.

Kendra McGeady is the Director of Transportation for Pelivan Transit in Big Cabin, Oklahoma. She leads the Northeastern Tribal Transit Consortium of Oklahoma, and her transit system was named the Rural Transit System of the Year in 2019 by the Community Transportation Association of America.

Barbara Cline is the Executive Director of Prairie Hills Transit in Spearfish, South Dakota. She is also the chair of the board of the Community Transportation Association of America. She testified before the full Committee in 2013, and I am very glad that Senator Rounds has invited her back again today.

And thank you so much to all of our witnesses for joining us.

I want to just say briefly, as we start, before you begin your opening statements here are a few reminders. Once you start

speaking there will be a slight delay before you are displayed on the screen. To minimize background noise, we ask that you click the mute button until it is your turn to speak or ask questions.

You all should have one box on your screens labeled the Clock, which will show how much time is remaining. For witnesses, you will have 5 minutes for your opening statements, and your full written statement will be made part of the record. For all Senators, the 5-minute clock applies also to your questions, and when you have 30 seconds remaining you will hear that telltale bell ring, reminding you that your time is almost expired, and it will ring again when you are out of time.

And if there is a technology issue, I will just skip over to the next witness or Senator, and we will come back to you. And to simplify any speaking order issues, we will just go by order of seniority.

So thank you so much. I will now turn to Mr. Nurmi for your opening statement. Welcome.

STATEMENT OF BRANDON NURMI, ASSISTANT DIRECTOR, ARROWHEAD TRANSIT, ARROWHEAD ECONOMIC OPPORTUNITY AGENCY, VIRGINIA, MINNESOTA

Mr. NURMI. Thank you, Chair Smith. Thank you, Chair Brown, Ranking Member Rounds, and the distinguished Members of the Committee. My name is Brandon Nurmi. I am an Assistant Director for Arrowhead Transit.

Arrowhead Transit is the transportation department for a larger Community Action Program located in northeastern Minnesota named Arrowhead Economic Opportunity Agency or AEOA. Our transportation program began in 1974, as a program for senior and disabled transportation under an Area Agency on Aging grant, and has expanded over the last 47 years to a full rural transit, covering 24,470 square miles across 10 counties. This is about the same size as the State of West Virginia. We operate 184 routes of varying frequency, including 19 different Dial-A-Ride service areas, utilizing 127 buses and over 150 employees including dispatchers, mechanics, and administrative staff.

By providing safe, affordable, and reliable transportation to our rural communities many of our passengers have access to services that they may not have otherwise had. Our aging population, disabled community, and low-income households have additional transportation options for accessing things like medical appointments, employment, shopping, and social events where transportation is regularly cited as a major barrier.

Arrowhead Transit has been working hard with Minnesota's Office of Transit and Active Transportation, OTAT, to identify and address any transportation needs in our area, and are involved with two of our Regional Transportation Coordinating Councils to collaborate with other transportation providers and community partners to try and explore new ways to bridge the transportation gaps that still exist in the rural and deep rural areas of the State. OTAT has also been working with all the State's transportation providers to start building connections between the different systems, in hopes of eventually connecting all Minnesotans to the transportation currently available in other areas.

Arrowhead Transit was awarded a grant under the FTA's Innovative Mobility Integration program to work on developing a rural transportation program utilizing local transportation options and volunteer drivers to provide first and last mile access to existing transportation services for people outside the transit service areas, utilizing technology for trip planning and integrated payment for the whole trip. It is our hope that, if successful, we would be able to utilize this program in additional rural areas across the State.

During the COVID pandemic, Arrowhead Transit, again with the support of OTAT, was able to provide free rides to COVID testing sites, provide additional transportation to support pop-up sites, and offer free vaccine transportation inside our service areas. We also partnered with Scenic Rivers Health to offer cost free vaccine transportation options to deep rural areas around their Eveleth clinic with appointment blocks reserved just for passengers that wanted to utilize the service.

AEOA's largest community contribution during the pandemic came from food and meal delivery. AEOA received nearly weekly shipments of fresh produce, proteins, and dairy products from May of 2020 through May of 2021, through the Coronavirus Food Assistance Program, funded by the USDA. Over that time period we served over 95,000 individuals in 35,499 household, with over 2.1 million pounds of food, by collaborating with over 80 community partners across our service area. We were able to accomplish a large portion of this by utilizing the transit buses for food delivery to multiple rural distributionsites being run by other programs and agencies. To date, Arrowhead Transit buses delivered 37,805 boxes, school lunch meals, food shelf deliveries, and 1-day and 7-day shelf-stable meal kits during the Peacetime Emergency.

The overall theme in all of our efforts is working toward providing access to transportation in as many areas as we can—access to services, access to employment, access to social events, access to transportation. One of the largest barriers we face in rural transportation is the ability to provide access to rural and deep rural areas that would not meet classic passenger metrics used to evaluate the value of a route. We have tried to address this by offering routes based on a minimum passenger basis. If we have X number of passengers that request to use the route on the books, then we will send it. While this provides the basic access to the route, it requires passengers to recruit their own riders to ensure that the route meets the minimum passenger requirement and removes the "reliability" of the transportation.

If you know the route is always going, then you can schedule appointments or plan your trip based on the route's availability. Allotting greater weight to a route that provides access without having to worry as much about the classic metric of passengers per hour would be one way that rural transit providers could address these gaps. I believe that sometimes the need for a route is not necessarily that there will be a lot of people that will be riding it.

To close out, I would like to share a story about a couple in the Ely, Minnesota, that experienced their own issue with transportation gap coverage. I will skim through it because it is kind of a long story. But the basics is that her and her husband were located outside of our service area. She was in a wheelchair. They were un-

able to access any transportation, even private carriers, and we were able to help them.

Thank you very much.

Chair SMITH. Thank you so much. I will now turn to Ms. Kendra McGeady.

**STATEMENT OF KENDRA McGEADY, DIRECTOR OF TRANSIT,
PELIVAN TRANSIT, BIG CABIN, OKLAHOMA**

Ms. MCGEADY. Thank you. Subcommittee Chair Smith, Chairman Brown, Ranking Member Rounds, and Members of the Senate Banking Subcommittee on Housing, Transportation, and Community Development, I am Kendra McGeady, Director of Pelivan of Transit and the Northeast Travel Transit Consortium, located in Oklahoma. I am thankful to have the opportunity today to discuss rural and tribal transit, the challenges we face, and the potential for opportunities to assist in better meeting the needs of our riders.

Pelivan Transit is a department of Grand Gateway Economic Development Association, and has been in operation for 35 years. We offer on-demand and demand response services to a population of over 257,000, covering 7 counties and 4,466 square miles. Our 61-vehicle fleet includes minivans, commutes, and cutaways. Of those vehicles, almost half are past their useful life. Our mechanics are well trained and do an excellent job of maintaining our fleet.

Our operation includes a full-service maintenance facility and one call/one click mobility management center from which all operations are dispatched. We travel approximately 882,000 revenue miles a year, completing 149,000 trips to health care, social service, employment, education, shopping, and other life necessity appointments.

The past year of operations have been far different than anything we have seen before, with no shortage of challenges. Without the assistance of the \$2.8 million in CARES Act fund that we received, we would not have survived the pandemic and its crushing loss of ridership, contractual service, and local match.

CARES Act funds and the zero-match requirement were life-saving, allowing us to maintain effective, reliable services for those 100 percent transit-dependent individuals who continued to need transportation, as well as retain staff and continue maintenance operations. In addition, it enabled us to quickly pivot from people mover to homebound meal delivery service for senior citizens. In the past 15 months, Pelivan has delivered more than 8,000 meals to homebound seniors. The funding also allowed us to transport individuals to and from vaccine clinics, providing just over 1,800 trips for vaccine in recent months.

During the pandemic, we saw our ridership by 68 percent, and since our State's reopening we have seen a steady increase, and are currently down by 27 percent systemwide.

As a rural provider we encounter obstacles daily, due to a lack of adequate funding, diminished staff, aging fleet, failing infrastructure, insufficient broadband, and the increasingly elusive local match required of all 5311 operators. The upcoming reauthorization of the FAST Act will provide an opportunity to develop solutions to many of these challenges. Adjusting our ability to sell vehicles after their useful life would allow 5311 and 5310 recipients to

sell capital assets at market value and provide the opportunity to increase local match and reinvest in our systems.

In a postpandemic world, securing match has become a bigger challenge, and communities face revenue shortfalls as a result of economic slumps associated with COVID. I very much appreciate the leadership of Senators Smith and Rounds with their cosponsored Investments in Rural Transit Act of 2021, which seeks to increase local share flexibility for systems like Pelivan.

In an effort to manage some of these issues, Pelivan has implemented successful and innovative partnerships with our fellow transit agencies and private companies to provide more accessible and equitable transportation to the residents of Oklahoma. They include veteran-specific programs that have provided 72,000 discounted trips to veterans across a 29-county region, and a regional, on-demand, afterhours ADA service, providing flexible transit to a 22,000-square-mile area, or one-third of the State of Oklahoma. Both projects were funded through USDOT competitive grant programs.

Set-aside competitive and discretionary grant opportunities for 5311 properties would provide a much-needed avenue for small systems to fund the implementation of smart technologies and make the move toward low- and no-emission fleets.

Rural transit operations like Pelivan are not simply scaled-down versions of transit operations in major cities, and should not be viewed as such. The geography and demographics in rural America have forced many rural operations to think regionally, as employment, health care, retail, and educational opportunities take a similar approach. The result of this is increasing miles for every trip.

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

Innovative in their approach to service, the Cherokee Nation is currently expanding transit into currently unserved communities, utilizing on-demand technology, and has introduced electronic vehicles into their fleet.

It is our hope that today we can convey to you our experiences, both good and bad, and share ideas of how we might form a more efficient, equitable public transit system for individuals residing in Rural America. Thank you.

Senator SMITH. Thank you very much, Ms. McGeady. And I will turn now to Barbara Cline.

**STATEMENT OF BARBARA CLINE, EXECUTIVE DIRECTOR,
PRAIRIE HILLS TRANSIT, SPEARFISH, SOUTH DAKOTA**

Ms. CLINE. Subcommittee Chair Smith, Ranking Subcommittee Member Rounds, and Members of the Subcommittee and full Committee, thank you for inviting me today to discuss the opportunities and challenges of connecting communities in rural States like South Dakota. My name is Barb Cline, and I am here today rep-

representing both Prairie Hills Transit in Spearfish, South Dakota, as its Executive Director of 31 years, and the Community Transportation Association of America as its Board President.

Prairie Hills Transit serves a 16,500-square-mile service area bordering Nebraska, North Dakota, and Wyoming. It grew from an operation that started with a single van in 1989, to one today comprised of over 50 vehicles that are primarily cars and cutaway buses, has 65 employees operating in 9 South Dakota counties, and serving two Native American reservations. We have added 7 communities to our service through coordination and consolidation.

In Spearfish, we operate out of a full-service, intermodal transportation facility that serves as the Jefferson Lines intercity bus depot, operate a one-call center, house a full maintenance shop, have administrative offices, and offer a licensed childcare center.

We believe that mobility is a basic right for all Americans, one that requires stable, predictable Federal investments, paired with support from State, county, and local governments, as well as private sector partnerships.

Nothing is more important to the future mobility of rural and small urban America than Congress reauthorizing service transportation legislation, on time and with the resources these communities rely on.

Rural communities depend on the support of Federal programs to a greater degree than their larger urban counterparts, as State investments are often inconsistent and local resources are strained. Without dedicated and increased operating funding for Section 5311, our passengers will be the hardest hit, arriving late to work, or not at all, and missing life-sustaining medical appointments.

The basic independence of many rural residents will be threatened if increased local share flexibility for rural transportation operators is not considered. This is something I know Senators Smith and Rounds have committed to. Demand for rural and small urban transit is growing, and why funding formula programs is vital.

A prime example of the need for increased Federal investment is in the bus and bus facility capital program. By housing our vehicles in garages, we protect them from the extreme weather conditions. We have 7 garages in our 15 communities, and need more.

Prairie Hills Transit has secured funding for two large technology applications. One is a smartphone app that allows patrons to book trips, and the other will allow implementation of an AI-based, smart dispatch to provide micro transit service. Each requires a 20 percent local cash investment.

Health care trips are inundating transit operations. We partner with hospitals, veterans clinics, 24-hour care facilities, dialysis centers, and more for some of South Dakota's most vulnerable populations. A 40-mile, one-way, life-sustaining dialysis trip, or assisting local hospitals with patient discharge, sometimes to another State, is just part of what we do every day.

Medicaid NEMT is an important component in our service. Right-sizing regulations and considering both size and budget of smaller operations is essential. From a safety standpoint, let us get back to providing trips and requiring less reporting.

None of us can place a value on the trips that rural transportation performs every day, but those of us working in transit teams

just like mine know they are priceless. A resident who hasn't left their home in months gets to a scheduled medical appointment, a child with Down syndrome gives a smile that would melt your heart to their driver every day, and the driver who drops off a lanyard with a tooth in it to a child after their shift is done so the tooth fairy can come, those are what of faces of rural transportation looks like, and that is exactly when the challenges you speak of become the opportunities to provide vital connections.

In closing, it has been an honor to testify before the Senate Banking Committee today, and I am most grateful for that opportunity. I would be happy to take any questions when that time arrives. Thank you.

Senator SMITH. Thank you so much to all of our witnesses today, and I am sure that there will be many questions for you.

The 3 p.m. vote is just about to start, and so I am going to recess for 5 minutes so that the Senators can go vote, and then we will come right back with questions. So that is our plan.

The Subcommittee stands in recess.

[Recess.]

Chair SMITH. The Subcommittee will now resume and begin questions. Thank you, everyone, for bearing with us while we take care of our Senate votes here. And I am going to start with the first questions, and this is a question that I would like to ask to the whole panel.

A survey conducted by the Community Transportation Alliance of America showed that over two-thirds of rural transit systems reported cutting service in the past 10 months. We heard from all of you about some of the challenges that you have experienced due to the pandemic. At the same time, a quarter of rural transit systems that were surveyed also reported adding new services during the pandemic, to help with meal deliveries, prescription deliveries, and access to vaccine appointments.

So it strikes me that while certainly this year has been so devastating to so many Americans, at the same time we have seen really important leaps forward in innovation, and trying new things, and figuring things out in different ways. And as we all talked about going back to normal, or getting back to normal, I am quite interested in the things that we have learned that we do not want to lose as we move forward.

So let me ask the panel, each of you, tell us a little bit about what lessons you have learned from COVID, you and your system have learned from COVID, and what are the things that you started doing that worked, that we need to figure out how to support you and continuing?

Maybe I'll start with Ms. Cline.

Ms. CLINE. Thank you. I think one of the most important things that we gained from this, our system didn't ever discontinue any services. We operated so people could get where they needed to go. But it was very apparent immediately that we needed to begin a whole new stringent set of cleaning standards and training standards. And so those are some of the first things that we did, and we have learned that, boy, that was a really good idea. Maybe we should have been doing this from the beginning.

We brought in a team of health care professionals to our facility. They rode with drivers, they looked at our facility, and they gave us recommendations. And so for us that was a whole new set of how can we do things better, how can we improve it, and how can we continue to keep our drivers and our passengers safe. And I think, as we know, we may not be done with this crisis, so we want to be prepared to be ready for that.

Chair SMITH. Thank you very much. Ms. McGeady?

Ms. MCGEADY. Yes. Thank you. I think one of the main things that we learned is that we are very resilient as providers, for sure, and I have to echo what Barb said. We did not suspend services. At Pelivan Transit we are very fortunate that we did not have to do that. We were able to continue operating.

But I think that the cleanliness aspect of things has been something that we learned that we will continue to take with us, as Barb said. Our State DOT was very kind to us in allowing us to order up to \$6 million for the PPE from the State contract that ODOT funded, which was amazing for all of us. And again, I think that moving forward our disinfecting process and the cleanliness process is going to continue to maintain where it is. It is now part of maintenance. It is just a different avenue.

Another thing that we did at Pelivan Transit, this was pre-COVID, though. We had implemented an account-based payment system, and saw registered users increase by almost 4,000 throughout COVID-19. I think less cash interaction and the ability to just load your account was well received throughout COVID-19.

Chair SMITH. Thank you so much. Mr. Nurmi, thank you. I am so impressed by the work that all of you, including Arrowhead Transit, have done to adapt to this env and figure out what to do, and be resilient, as we just heard. Tell us a little bit about what you learned.

Mr. NURMI. Thank you. First, to echo what both Barb and Kendra said, the cleaning protocols that we were able to put in place and the protections that we could put in place for our passengers and for our drivers was definitely a lesson that we are going to continue carry forward into the future.

One of the really big things that we were able to learn during COVID was all the different community partners that we have in the area and all the different services that we could do with all of these different partners. I think the biggest thing we took out of there was all of these new relationships that we can continue to use and carry forward for more programs.

We did have a small time, probably 3 months, where some of our services did get discontinued, but not very many of them. For the most part we stayed fully operational through all of COVID as well.

So yeah, we are also looking much more closely at contactless payment systems. It is another one of those benefits that we got to learn about during the COVID crisis.

Chair SMITH. That is great. And while I am waiting for Senator Rounds—I don't think Senator Rounds is back yet from the floor; his camera is not on—let me just ask you, as a follow-up to all of your testimony, one of the things that we did in the CARES Act is that we provided \$25 billion in transit relief at a 100 percent

Federal share, so no local match requirement for either capital or operating expenses. Several of you mentioned this in your testimony.

Anything you want to add or anything more you want to say about the importance of that 100 percent Federal contribution and how that has allowed you to do the things that you wanted to do during this tough time?

Ms. CLINE. Well, one of the things that we did was we immediately implemented an administrative leave policy, if you will. So our biggest fear was for individuals that didn't have work, that didn't have hours to work, that they would not be able to take care of their families, you know, make house payments, those kinds of things. We wanted to make sure that they were taken care of. We also wanted to make sure that they came back to us when the time was right, when we were ready to pull the plug and say OK, everybody is back full-time hours. We wanted to make sure that they had been paid through the whole pandemic, so that they were willing and able, benefits were paid, all those kinds of things, that they were taken care of.

That was one of the biggest things. But, of course, to keep us whole so we could continue operations, even at a much-reduced level, sometimes your overhead costs—well, always your overhead costs—are there, whether you are putting service on the street 8 hours a day or 2 hours a day. So those were a couple of the primary things that were important to us.

Chair SMITH. Thank you. Thank you so much.

If Senator Rounds is ready I will turn it over to him.

Senator ROUNDS. Thank you, Madam Chair. I appreciate it, and I think this is going to work just fine the way that we are doing it. We got in early. I think you were the first vote on the Democrat side, and I was the first vote on the Republican side, so at least we are setting a good example in here.

Ms. Cline, I would like to just thank you for taking the time out of your day to join us all the way from Spearfish. I want to begin by referencing the investments in the Rural Transit Act that we have introduced, along with my colleagues, Senator Smith and Senator Baldwin. Our bill will increase Federal share for operating assistance in areas with high transit dependency if it is an area of persistent poverty, has a population where at least 25 percent of the residents are retirement age, has health care shortages, or has low population density.

My question, I guess, is in your experience, could you explain why it would be necessary for extremely rural communities, like those that I just referenced, to receive additional Federal funding for their transit systems?

Ms. CLINE. Absolutely. As you know, many of the 15 communities that I provide service to and through are very low density. They are very small communities. They are very high senior populations. Most of them are not affluent retirees. Medical needs are extremely high for them, and they do not have clinics or hospitals in a close proximity.

So what we are seeing is that they want to remain aging in place. They want to have the dignity of living in their own homes for as long as they can, which, of course, drives up the number of

trips that we make, the expenses for the vehicles, all of those kinds of things.

So for rural—and I am even going to call it frontier, because a lot of these frontier—if they do not have public transportation, people would be forced to move to other communities, which will result in even more small South Dakota communities becoming ghost towns. So we feel very strong that it is important to get those people to dialysis, to radiation, to all those medical trips, in particular, sometimes even grocery stores or shopping needs. They just do not have them in the communities that they live in.

Senator ROUNDS. I appreciate that, but I also want to talk about another segment of our population that sometimes, I guess, I consider to be underserved as well. That is individuals that are living with a disability. And they would love to be able to get to a place where they can be a part of a working community. They want to be actively involved. They want to be part of an economy. And they are not necessarily able to drive. Can you talk a little bit about that segment of the population that you serve as well?

Ms. CLINE. I can, and we are seeing more and more individuals just like you are speaking about. Some of them are even starting with the high school-aged students who live in small communities, Mom and Dad do not have the ability to get them into a larger school system, but, you know these are the individuals of our future. And if we can get them using public transportation at that age, we can keep those people as riders on our bus, and we can continue to build on that ridership to help them feel and be part of the economy. They can help drive the economy.

As you probably know, most of our vehicles are either lift or ramped equipped, so we are able to get those individuals to where they need. A large percentage of our riders are through adjustment training centers, sheltered workshops, and so those individuals are using our vehicles as well. Part of the driving force is we would really like to be able to get them into more individual employment settings where jobs are offered. They are not always offered in the community that they live in.

Senator ROUNDS. Thank you. Madam Chair, thank you very much. I appreciate that. And once again, Mrs. Cline, thank you for taking the time to participate with us today.

Chair SMITH. Thank you, Senator Rounds. I will turn next to Senator Cortez Masto.

Senator CORTEZ MASTO. Thank you, Madam Chair and Ranking Member, and to all of the panelists. I so appreciate the conversation today.

I am from Nevada, and in Nevada there is a need for investments that balance our rapid population growth and our important tourism industry. But we also have very unique nature of larger, vast differences, very sparse populations and communities that have local financial limitations, given the level of public lands that surround them.

Mr. Nurmi, like you I have mining communities who need transit support in rural parts of my State. I have—let me just give you an example. There is a rural transportation director in Elko County who is over 200 miles from large cities, so their operation is having to serve as the focal provider for a large county and region, which

includes mining operations. They also serve as the coordinator or facilitator for the whole region, I think, Ms. Cline, like you talked about in your experiences.

One additional specific challenge that I see in our rural communities, and I hear it all the time, is in inner-city transportation opportunities. How do we get folks not only around town but from town to town, or to essential services like the VA? These rural communities I am talking about are along our Interstate 80 corridor. The AMTRAK service is too infrequent for our needs, and bus operators have pulled out of this stretch of the I-80 corridor.

Elko is one of the places that I am thinking about with my bipartisan More DOT Grants Act, and that is to level the playing field for Federal grant funding to help counties and communities like those in Nevada who have more than 50 percent of their land managed by the Federal Government, and less than 100,000 population. Every community deserves quality transit and transportation services that build connections to their opportunities and provides essential mobility.

My question for the panelists, and this is what I hear in my communities as well, I'm curious how you address this, or if you would, please, for me. Would you agree that fundamentally we need flexibility in how local communities can use Federal transit dollars to allow for their individual States' unique rural needs, which may be different than rural communities in other parts of the country? And maybe, Mr. Nurmi, let me start with you.

Mr. NURMI. Thank you. Yeah, actually I would agree with the need for flexibility for funding. So the way that we structure our transit system is we have 10 separate counties, but each county is operated as its own individual entity, and then we work on connecting those counties together. So each county has its own transit advisory committee, and then we address the needs of each one of those individual counties through the management and the administrative staff in those areas.

One county, while we do have an overall service design in which the way that we deliver services for the most part, we always try and make sure that the needs of the individual communities are the needs that we are addressing. So I would definitely agree that flexibility for exactly what is needed for those particular areas is a vital part of what we can do to most help the community members that we serve.

Senator CORTEZ MASTO. Thank you. And Ms. Cline, flexibility. How has that, or would that help you as well, in unique needs that you see?

Ms. CLINE. For many of our communities we have very lengthy trips, regional trips if you will, between medical locations for folks. Our major specialty corridor for doctors is in Rapid City, which is 50 miles just from Spearfish. From all the other communities it can be 100 to 150 miles. So some of the flexibility that we have there would be very helpful in how those trips are determined.

We do some vanpools, for instance, with our National Guard. They have vehicles located at different garages and use those to get to a single location. So they are utilizing resources that we have, we are training their drivers, those kinds of things.

So I think it is creativity, how we can work making other partners aware of what we are able to do, and being willing to be part of that opportunity to make change.

Senator CORTEZ MASTO. Thank you. I know my time is running out. Madam Chair, I do not want to leave Ms. McGeady out if she has any comments to this as well that she would like to share.

Ms. MCGEADY. Thank you. I think that this is a good point to make about regional coordination. One of the things that we do here at Pelivan Transit is we have created a regional on-demand transportation system that includes providers from four different agencies crossing county lines, and this enables us to—a few years ago we saw several of our local community hospitals close in Oklahoma, and that really prompted a need for regional coordination as medical facilities moved out of our small communities and into the metro area.

So I think that this is a good spot for regional coordination amongst different transit providers and social services agencies, hospitals, and things like that, to help meet the needs of these long-distance trips.

Senator CORTEZ MASTO. Thank you so much. Thank you to all the panelists.

Chair SMITH. Thank you so much, Senator Cortez Masto. And I am very glad—let me just double check. We alternated between Democrats and Republicans. I am not sure if we have any—if Senator Scott is on. If not, I will go to Senator Warnock, who has joined us. Greetings, Senator Warnock.

Senator WARNOCK. Thank you so much, Chair Smith. Public transportation, whether in Taylor County, Georgia, or New York City, connects people to their jobs, their schools, families, grocery stores, health care, and so much more. Georgia's 80 rural transit systems serve 95 counties out of our 159 counties, and are a lifeline for many low-income and elderly residents, as well as veterans who live in rural areas. These transit operators, like the three of you testifying today, do their best to serve their communities and get people where they need to do. But limited service, 5 days a week, is not enough for many families in rural areas without a car or transportation options.

This question is for all of you or any of you. Is the Federal Government providing enough funding for rural transit?

Ms. CLINE. Well, I don't mean to keep going first but I know the timeclock is clicking. I don't believe there is enough Federal investment if transit systems are willing and able to expand into those additional days of service. Most of us operate within the budgets that we have. We do just as much as we can with what we have. But usually it is drawn short with expanding in the smaller communities, in particular, for those additional days of service.

Veterans, what I would like to say is we have a highly rural transportation grant geared specifically to counties in South Dakota that are highly rural, and we are able to provide transportation for those veterans without a cost to them. We are very happy with that, very proud of what we do. But we have been able to expand that into Memorandums of Agreement with six different agencies in Wyoming, so they are also able to help our veterans.

But your original question, I think, was more the expansion to the Saturday-Sunday service. Bigger communities can probably do that in rural communities. Smaller communities are challenged just to find enough staff to operate Monday through Friday, and sometimes it is only 3 days a week or 2 days a week.

Senator WARNOCK. Let me shift, unless someone else wants to address that question. Let me shift to another topic. I know that there is not just one type of cost when it comes to running a transit agency. There are capital costs like buses, operating costs like salaries, fuel, planning costs. Are we providing right now the right mix of funding and making that funding accessible, and what would it mean for you to have more access to more operating funds, if that is what you think we need, especially if we lowered the non-Federal match?

Ms. MCGEADY. Senator, I will take that, if that is all right. I think that flexibility in operating would be a game-changer for rural transit systems. Moving to an 80–20 match would be incredibly helpful, and I think that some of the things that we have done with our PICK Transportation project here is utilizing funds to increase hours of service, back to your former question, and we have seen great adoption with that. But I think that flexibility in funding is incredibly important. I know that it used to be even an 85–15 match, and if we could see that I think the ability to expand and invest and reinvigorate our systems and keep up with changing times and technologies and move forward into the green age, flexibility is going to be key to that.

Senator WARNOCK. Thank you so much. I thank you for your response. Rural areas deserve public transit as well, and while there are fewer people there is often more ground to cover, and we have got to make sure that people are connected. And I often say physical mobility is connected to social mobility, economic mobility, and so we have got to provide more funding and we have got to lower the barrier, which is why I support Chair Smith's and Ranking Member Rounds' Investment in Rural Transit Act, and I hope we can borrow a page from that as we reauthorize service transportation programs. Thank you so much.

Chair SMITH. Thank you, Senator Warnock. Let me just—I think that Senator Ossoff is joining us. Fantastic. Senator Ossoff, your timing is impeccable, and I will turn to you next, unless we have—I want to double check we don't have a Republican who is waiting to ask. Very good. I think not. Go ahead, Senator Ossoff. Thank you.

Senator OSSOFF. Thank you so much, Madam Chair, and thank you to our panelists for joining us today to discuss this important issue and opportunities to invest in rural transit. I would like to direct my first question please to Ms. McGeady. Ms. McGeady, as you know, today 100 transit agencies and municipal governments are using on-demand public transit in at least 35 States, and increasingly these agencies are turning to microtransit services to improve the customer experience, eliminating the multiday, reserve-in-advance requirements, reducing wait times, and improving service with app-driven customer feedback.

In Georgia, for example, the cities of Gainesville and Valdosta have leveraged microtransit technologies, often through public-pri-

vate partnerships, to improve service to their communities. In Gainesville, they are expanding their service now, and the Director of Transit in Gainesville has described microtransit as a game-changer. In Valdosta, Georgia, since the launch of their Valdosta On Demand service in April, they are already seeing daily ridership numbers as high as 300 per day. And I understand that you have worked, in your official capacity, Ms. McGeady, with a Georgia-based company, Routematch, in Oklahoma.

So my question for you, please, is, in what ways have microtransit partnerships improved rural transit in your State and across the country, and what lessons do you think we can apply in Georgia and elsewhere as we build this infrastructure legislation in the Senate?

Ms. MCGEADY. Well, thank you, Senator. I think that microtransit can meet the needs of systems of all sizes and States. For example, rural and Tribal facilities, we do an advanced booking environment, as you know, and this provides a more spontaneous travel option for individuals and meets the immediate needs of ridership.

Oftentimes I like to liken it to a mother who is transit dependent who has a child with a fever or is injured, and they have an immediate need that needs to be met. They do not have time to book a trip 3 days in advance to get to urgent care, or even to get a carton of milk, if they are trying to make dinner and they need that. So I think that it provides a much-needed, immediate response to ridership needs.

Advanced booking environments do not do that. With a 3-day limitation and limited resources, and particularly after COVID-19 we have seen these things fall short in many areas. Our system, PICK Transportation, which is what we formed with our partner, Uber, already we have created a regional, on-demand transportation system with this on-demand technology, and I have seen systems—we are rural and Tribal providers, and one of the things that I think happens is that directors get oftentimes afraid of moving forward in technology due to rider adoption and driver adoption. You have to be considerate of the fact that so many of these people are pen and paper. But I have watched these transit systems jump from pen and paper to on-demand during COVID-19, and it has been amazing.

The immediate need, though, I think, is what microtransit really serves, and not only in rural systems but in urban systems as well. It can meet the first and last mile challenge on a statewide level.

So all of these things, I believe, can be duplicated in other areas, creating regional partnerships, finding partners with technology providers, and again, I just think that it provides a more flexible, spontaneous system for individuals who do not have time to take off work. It costs money to take off work to get to where you need to go, and that is why I also believe in afterhours flexible service. But I think that microtransit, the most important thing that they do is provide spontaneity and immediate need for ridership.

Senator OSSOFF. Thank you. Thank you so much, Ms. McGeady.

Mr. Nurmi, it is, of course, well understood that in order to reduce air pollution and carbon emissions we need to transition rapidly to lower-emission and no-emission vehicles. Urban transit sys-

tems in Macon, Georgia and Chatham County, Georgia, are already making strides toward electrification. The University of Georgia, in fact, also boasts the largest electric fleet of vehicles of any public university in the country. And we want to achieve the same results and opportunities for rural transit and microtransit.

Can you please reflect on your experience electrifying the Dial-A-Ride service in you Minnesota, and how we might benefit from your experience and apply those lessons in Georgia?

Mr. NURMI. Yeah, absolutely. Thank you. So we have recently gotten a grant through the Minnesota Department of Transportation for clean energy. What that is going to do is it is allowing us to purchase two Class 400 electric buses so that we can test them in the extreme north climate area and get a good feel for exactly how we can apply those inside a controlled Dial-A-Ride service area.

It is our hope that if it is successful and we are able to tackle those challenges that we will be moving our entire Dial-A-Ride fleet over to electric buses by 2040.

Senator OSSOFF. Thank you, Mr. Nurmi. Thank you, Madam Chair.

Chair SMITH. Thank you so much, and we will turn now to Senator Lummis.

Senator LUMMIS. I don't think so. OK, am I on?

Chair SMITH. You are on. You are good.

Senator LUMMIS. Thanks so much, Chairman Smith and Ranking Member Rounds. I really appreciate you doing this hearing. It is an important subject, so we can highlight the transit needs for rural America in addition to urban America.

You know, transit is almost always thought of as an urban issue, but small bus operations and on-demand transit operations play key roles in connecting low-income citizens in rural communities too. And so I want to focus my questions today on making sure Congress does not lose sight of how transit can work in rural areas as we work on an infrastructure bill.

So I would like to ask any of the witnesses, I have heard that Bus Formula program may not be providing the type of support that rural areas need. Not only has this program been deprioritized by Congress, compared to other FTA programs, but I have heard that the level of support being provided to rural areas is insufficient to meet the needs of the transit agencies that operate in rural areas.

So what have your experiences been with the Bus Formula program?

Mr. NURMI. Hi. This is Brandon. I will take that one. So our experiences with the Bus Formula program have actually been that most of our rural transit agencies have an aging fleet, so the amount of buses that are available statewide, under the current funding, are not meeting the needs of even the existing fleets that we have, let alone any expansions into further routes for any of our rural transit systems here.

We have that recent Federal grant, which Minnesota was a beneficiary of, which has definitely helped to get us caught back up, but that is just one-time burst funding and is not sustainable over the long term.

So, in short, I would say that Bus Formula grant has to be rethought or reinvested in so that our transit systems do not become aging rattletraps, so to speak, of unsafe transportation.

Senator LUMMIS. So is the rural set-aside for the competitive bus grants adequate, and how impactful would it be if Congress required a higher percentage of competitive grants being set aside for rural areas in this program?

Mr. NURMI. I want to be careful what I say here. It would be outstanding if we were able to set aside more money for buses. That said, it would be not beneficial if it was at the expense of other programs. So it is just as important that we invest in technology and operations in the other parts of rural transportation. So I would definitely say more investment in vans and in buses and in the opportunities for those would be beneficial, but not at the cost of other portions of the transit needs.

Senator LUMMIS. So similar to the Bus Formula program, Congress has also deprioritized the Rural Area Formula program. Can any of you talk about why this program is important in your daily operations?

Ms. CLINE. Senator Lummis, I am Barb Cline from your neighboring South Dakota. For us, absolutely. Additional funding, even a lower match so people could update fleets and so forth, would be very beneficial. For the six agencies that we are working with in Wyoming, I know that they are dealing with fleet sizes that need to be updated, and, in fact, we have a Memorandum of Agreement with them where they are providing veteran transportation free of charge through a Federal grant that are a sub-recipient of.

So more is better. Less match would be great.

Senator LUMMIS. Thank you, Ms. Cline. Would you support Congress prioritizing the Rural Area Formula program in this reauthorization, giving you the resources your organizations need? I know you got resources during the COVID pandemic, but after COVID resources are gone, the challenges that you all face running a transit agency in a rural area will still remain. So how do you respond to that?

Ms. CLINE. Higher is better. You know the more funding that we can get, we can do some of the things that Senator Warnock was talking about—expanding yours, expanding days of service. You know, people cannot do everything they need to do Monday through Friday, so I believe that you would have full support in rural transportation, and increasing that would be very appreciated.

Senator LUMMIS. Thank you so much. I want to thank the witnesses and the leadership of the Committee, and I yield back.

Chair SMITH. Thank you so much, Senator Lummis.

Senator Rounds, I want to just turn to you. We have, I think—oh, I see Senator Tester. I am not sure if Senator Tester has a question?

[No response.]

Chair SMITH. Not sure. Well, Senator Rounds, let me turn to you. Do you have any additional questions for our witnesses today?

Senator ROUNDS. Madam Chair, thank you. I really appreciated the participation of all of our Members, and I know that we are in the middle of five more votes yet. And so at this point I just thank everyone there for my closing comments, and I will leave it up to

you as to how much further you want to go with this. But I just appreciate everybody's participation this afternoon.

Chair SMITH. Thank you. Thank you so much, Senator Rounds. I will wrap up in just a minute.

I just want to follow up with one additional question, which I am going to direct to Ms. McGeady, because I want to just ask you about the Tribal Transit Program before we wrap up. I know that Tribes in Minnesota have valued this program. They have used this to purchase buses and renovate maintenance facilities and provide medical transportation and so forth. Of course, this benefits not only Tribes but also communities surrounding Tribes. Could you just talk briefly about your experience with this and how tribally operated transit supports Tribal members and the community around Tribal nations?

Ms. MCGEADY. Absolutely. Thank you, Senator. Tribal operations are very unique, as you know. One of the reasons that I think that we provide them their direct funding is that we respect and recognize their sovereignty. But again, very unique, oftentimes compared to small systems because they are small, nimble fleets, much like ours. But the services that they provide are different than what we do as a public transit provider. Their ridership fees are different. They go to different medical facilities. They often work in tribally owned and operated places of business. Again, they go to medical facilities which are owned and operated by the Tribe.

So I think that they meet a need within their nation in a way that only they can. However, they also provide an enhanced system to the public transit system, as all of their operations are open to the public. Therefore, they meet the needs of general public riders who reside within the nations that they serve. So I think that they are vital to public transit in our great nation here.

Chair SMITH. Thank you. Thank you so much.

Well, I want to close now by just thanking all of our panelists for your excellent testimony. I think that you have collectively made a strong case for the value of rural transit. You have helped to shift that perception that transit only works and is only relevant in the cities, when, of course, that is so clearly not the case.

I think you have also shown the innovation and creativity that you have deployed, not just during the COVID pandemic but throughout all of your experience running small, regional transit systems and rural transit systems. Though I have to say, some of you are running transit systems in areas that are as big as, or bigger than some States, so it seems like a misnomer to call them small.

I also heard, loud and clear, as I suspect Senator Rounds did, the importance of investment in this area, and not taking investment from one area to fund another, but to have a balanced investment portfolio. And I am grateful also for the support I think we have heard, Senator Rounds, for our bill, the Investments in Rural Transit Act, and how important that 100 percent Federal contribution is to really allow rural transit systems to operate and do the work that they need to do.

So I am very grateful for all of you. Thank you so much to all of the Senators who participated today, most especially my Ranking Member, Senator Rounds. For Senators who wish to submit

questions for the record, those questions are due 1 week from today, which will be Tuesday, June 15th. For our witnesses, you will have 45 days to respond to any questions for the record. And thank you again.

With that this hearing is adjourned.

[Whereupon, at 3:51 p.m., the hearing was adjourned.]

[Prepared statements and responses to written questions supplied for the record follow:]

PREPARED STATEMENT OF BRANDON NURMIASSISTANT DIRECTOR, ARROWHEAD TRANSIT, ARROWHEAD ECONOMIC OPPORTUNITY
AGENCY, VIRGINIA, MINNESOTA

JUNE 8, 2021

Thank you, Chairwoman Smith, Ranking Member staff, and distinguished Members of the Committee.

My name is Brandon Nurmi, I am an Assistant Director for Arrowhead Transit. Arrowhead Transit is the transportation department for a larger Community Action Program located in northeastern Minnesota named Arrowhead Economic Opportunity Agency or AEOA. Our transportation program began in 1974 as a program for senior and disabled transportation under an Area Agency on Aging grant and has expanded over the last 47 years to a full rural public transit agency covering 24,470 square miles across 10 counties. This is about the same size as the State of West Virginia. We operate 184 routes of varying frequency including 19 different Dial-A-Ride service areas utilizing 127 buses and over 150 employees including dispatchers, mechanics, and administrative staff.

By providing safe, affordable, and reliable transportation to our rural communities many of our passengers have access to services that they may not have otherwise had. Our aging population, disabled community, and low-income households have additional transportation options for accessing things like, medical appointments, employment, shopping, and social events where transportation is regularly cited as a major barrier.

Arrowhead Transit has been working hard with Minnesota's Office of Transit and Active Transportation (OTAT) to identify and address any transportation needs in our area and are involved with two of our Regional Transportation Coordinating Councils (RTCCs) to collaborate with other transportation providers and community partners to explore new ways to bridge the transportation gaps that still exist in the rural and deep rural areas of the State. OTAT has also been working with all the State's transportation providers to start building connections between the different systems, in hope of eventually connecting all Minnesotans to the transportation currently available in other areas.

Arrowhead Transit was also awarded a grant under the FTA's Innovative Mobility Integration program (IMI) to work on developing a rural transportation program utilizing local transportation options and volunteer drivers to provide first and last mile access to existing transportation services for people outside the transit service areas utilizing technology for trip planning and integrated payment for the whole trip. It is our hope that, if successful, we would be able to utilize this program in additional rural areas across the State.

During the COVID pandemic, Arrowhead Transit, with the support of OTAT, was able to provide free rides to COVID testing sites, provide additional transportation to support pop up sites, and offer free vaccine transportation inside our service areas. We also partnered with Scenic Rivers Health to offer cost free vaccine transportation options to deep rural areas around their Eveleth clinic with appointment blocks reserved just for passengers that wanted to utilize the service.

AEOA's largest community contribution during the pandemic came from food and meal delivery. AEOA received nearly weekly shipments of fresh produce, proteins, and dairy products from May of 2020 through May of 2021 through the Coronavirus Food Assistance Program. Over that time period we served 95,165 individuals in 35,499 household with over 2.1 million pounds of food by collaborating with over 80 community partners across our service area. We were able to accomplish a large portion of this by utilizing the transit buses for food delivery to multiple rural distribution sites being run by other programs and agencies. To date, Arrowhead Transit buses delivered 37,805 boxes, school lunch meals, food shelf deliveries, and 1-day and 7-day shelf stable meal kits during the Peacetime Emergency.

The overall theme in all of our efforts is working towards providing access to transportation in as many areas as we can. Access to services, access to employment, access to social events, access to transportation. One of the largest barriers we face in rural transportation is the ability to provide access to rural and deep rural areas that would not meet classic passenger metrics used to evaluate the value of a route. We have tried to address this by offering routes based on a minimum passenger basis. If we have x number of passengers that request to use the route on the books, then we will send it. While this provides the basic access to the route, it requires passengers to recruit their own riders to ensure that the route meets the minimum passenger requirement and removes the "reliability" of the transportation. If you know the route is always going, then you can schedule appointments or plan your trip based on the route's availability. Allotting greater

weight to a route that provides access without having to worry as much about the classic metric of passengers per hour would be one way that rural transit providers could address these gaps. I believe that sometimes the need for a route is not necessarily that there will be a lot of people that will be riding it.

To close out, I would like to share a story about a couple in the Ely, Minnesota, that experienced their own issue with transportation gap coverage. We operate a Dial-A-Ride in Ely Monday through Friday with specific boundaries. I had multiple phone conversations with the wife that was trying to arrange transportation for her disabled husband to attend his annual medical appointments. Their home was outside our service area so we normally would not be able to provide transportation for them, but the issue she was facing was that the private carriers also could not provide the transportation they needed due to the trip to the clinic not being cost effective for the private carriers due to the distance they would have to travel to pick them up and the relative shortness of the trip. Identifying transportation options for her husband was more complicated for her because he required the use of a wheelchair for his mobility. This meant that there were only a few services that had the ability to accommodate their transportation needs. After several conversations with her, she was able to arrange for his doctor's appointments to be scheduled on one day, and we diverted our bus to pick them up and bring them home after his appointments, which is a service we now provide to them annually. Unfortunately, most of these types of requests cannot be resolved in this way. In many situations people are forced to move from their homes to allow access transit services or pay much higher rates for specialized transportation from private companies.

This is just one example where improved access could help those in rural and deep rural areas, especially those with special transportation needs, and a greater emphasis on access to transportation or specialized routes designed just to improve access to transportation would be immensely helpful for filling some of the gaps in rural transportation.

PREPARED STATEMENT OF KENDRA MCGEADY

DIRECTOR OF TRANSIT, PELIVAN TRANSIT, BIG CABIN, OKLAHOMA

JUNE 8, 2021

Subcommittee Chair Smith, Ranking Member Rounds, and Members of the Senate Banking Subcommittee on Housing, Transportation, and Community Development, good afternoon. My name is Kendra McGeady and I am the Director of Transit for Pelivan Transit and the Northeastern Tribal Transit Consortium located in northeast Oklahoma. I am thankful to have the opportunity to discuss rural and tribal transit, the challenges we face and our opportunities to assist in better meeting the needs of our riders.

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

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

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

In an effort to manage some of the above issues, we implemented successful and innovative partnerships with our fellow transit agencies to provide more accessible and equitable transportation to the residents of Oklahoma including veteran-specific programs and a regional on-demand afterhours ADA service funded through USDOT competitive grant programs.

The competitive grants offered by the DOT are vital to rural and small city operators who wish to offer mobility options to the communities they serve but are often out of reach due to larger, better financed operations being included in the same applicant pool.

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

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

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

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

Rural Transit and the COVID-19 Pandemic

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

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

Of the \$2.8 million in CARES Act funds received by Pelivan, we have utilized just under half maintaining operations and salaries over the past year. Rural transit operators have had to be thoughtful in their evaluation of how to best stretch the dollars to reduce the local match requirement. As the COVID pandemic has put unforeseen fiscal stress on the communities we serve, rural providers understand that an increase in contractual funding with our communities is unlikely in the next 3 years. Thus we have to very carefully decide the best use of our multiple funding streams as move toward a still uncertain future.

At Pelivan, we have chosen to alternate between CARES Act and our normal Section 5311 reimbursements on a quarterly basis. This will allow us to reduce our yearly local match obligation by 50 percent while we allow our communities enough time to recover, thus enabling us to survive on the local match we collect at the prepandemic level. This process will allow us the time to plan and invest in our sustainable futures and find ways in which to efficiently meet the urgent needs of our riders. The implementation of innovative services and technologies during the next 3 years will assist our community's commitment to providing the local match we rely on and boost the transit services we provide making them more flexible and attractive to communities.

Partnerships Are Vital

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

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

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

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

For example, the Veterans Ride Connect project is a consortium of six rural and tribal providers who partnered to 10 years ago to secure funding to establish a one call/one click mobility center to book trips through a central location to provide veteran trips across 29 counties covering 23,000 square miles. Veterans, together with senior citizens, developmentally disabled and those living below the poverty line, are considered our most vulnerable demographics. We determined that working regionally was the solution to this problem. With pooled resources, the providers successfully applied for over one million dollars in grants to secure the scheduling software needed to establish the call center. Since 2016, the VRC has successfully completed 72,000 discounted trips to veterans in need of nonemergency, critical care and nutritional needs. The next step for the VRC is incorporate mental health services into the allowable trips.

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

In an effort to offer more accessible, inclusive and spontaneous service, we created the PICK Transportation project which launched last week. Four providers focused on a collective need—in this case more flexibility in scheduling and additional service hours—and pooled our resources and applied for a Federal Transit Administration (FTA) grant through the USDOT. Amongst competition from larger systems, we were delighted to hear that we had been fully funded receiving \$1.5 million in Federal investment to implement the Nation's first regional on-demand rural on-demand transportation system.

While innovative and forward thinking, this project was a necessity as securing the local match from rural systems on a project this size is far more challenging than that for major city systems, our competition for many of the Federal grant opportunities.

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

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

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

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

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

The Day-to-Day Rural Transit Reality

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

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

Rural providers are often part of the corrections reintegration process, as well. Pelivan partners with the Oklahoma Department of Corrections transporting medium security inmates who have achieved trustee status to and from their places of employment prior to their release. Currently we transport nearly 200 inmates to and from employment 5 days a week.

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

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

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

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

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

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

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

PREPARED STATEMENT OF BARBARA CLINE

EXECUTIVE DIRECTOR, PRAIRIE HILLS TRANSIT, PRAIRIE HILLS TRANSIT, SPEARFISH,
SOUTH DAKOTA

JUNE 8, 2021

Subcommittee Chair Smith, Ranking Subcommittee Member Rounds, and Members of the Subcommittee and full Committee, My name is Barb Cline and I have been the Executive Director of Prairie Hills Transit for all of its 31 years. Prairie Hills Transit began service using the old green van in the back parking lot as a half-day transportation service for older adults in the Spearfish community.

I would like to sincerely thank you for supporting community and public transit in rural America, and for holding this important hearing. The challenges of providing transportation in rural and small-urban communities are unique and we rely on the support of this Subcommittee to assist us in this important mission.

Today, Prairie Hills Transit operates in a 16,500 square-mile area of western South Dakota bordering the States of Nebraska, North Dakota, and Wyoming. Using 50 vehicles, our staff of 65 provide public transportation that includes non-emergency medical transportation in nine counties and 15 small communities that vary in size from rural to frontier. Comparatively our ridership fell from 125,294 in 2019 to 67,333 in 2020. Our operation is funded through Section 5311 and relies heavily on city, county, and the State for local share. I would urge you to look closely at local share flexibility for rural transit systems—something I know Senators Smith and Rounds have committed to with their cosponsored Investments in Rural Transit Act of 2021.

An important factor for any rural transit system is adequate capital investment. When the useful life and age of our vehicles require replacement we are consistently looking at our inventory to make certain that our data is ready to apply for Capital and Discretionary awards. Approximately 72 percent of revenue vehicles are in a State of Good Repair.

In addition to vehicles, rural transit systems like mine need to house their vehicles in garages that help protect them from the extreme weather conditions we are subjected to in South Dakota. With our expansive service area, we need six buildings that allow us a place to clean and store our fleet, with most having a small office area and restroom for our drivers. Our main multimodal facility in Spearfish serves as a Jefferson Lines intercity bus depot, serves as our primary one-call center, houses a full maintenance shop, administration offices and offers a licensed childcare center for 41 children.

More than anything else, systems like Prairie Hills Transit need predictable, sustainable, and increased growth in the FTA Section 5311 funding in the reauthorization of the FAST Act. The ability and flexibility to continue using these Section 5339 funds for capital assistance is also imperative. For Prairie Hills Transit our ability to use Section 5310 dollars for maintenance and repairs has been of significant value and cost savings. Because we have our own mechanic and shop we have been able to stretch the dollars we receive even further.

Rural transit systems are all unique, and operate quite differently from the traditional public transit operations in our Nation's biggest cities. Collectively, we make sure people get to work, to the doctor, to childcare, school, dialysis, or even home after being discharged from the hospital. This morning I met with the largest regional hospital in Western South Dakota to discuss Prairie Hills Transit's role in creating successful health care outcomes. At noon, my team met to discuss the vital role our drivers and vehicles play in making sure veterans living in highly rural counties have access to their health care appointments that are sometimes several hundred miles away. This afternoon I'll drive 200 miles to meet with an advisory committee who wants to begin new service in their community.

My testimony draws on the significant experience I have in leading Prairie Hills Transit, and as the President of the Community Transportation Association of America's (CTAA) Board of Directors, which provides training, certification, resources and advocates on behalf of rural and tribal transit agencies across the Nation. I speak today not only for myself and other transit professionals, but most importantly for our communities and the residents who rely on our services who without us would have no voice. I speak for the dialysis patients who remain independent and in their homes because of our services. I speak for the mom who was able to get a higher paying job to support her family but had no way to get her children from daycare to school in the morning or from school to daycare in the afternoon without public transportation. I speak for the woman who travels over 50 miles one way to see her husband of 65 years in a nursing home because she can no longer care for him in their home and transportation makes that possible.

I provide my testimony today on the unique challenges of rural transit with regard to access to capital, system development in very small rural communities, vast distances traveled, and the difficulties of leveraging consistent financial support to develop and maintain vital transportation services. For many people, rural transit is not a choice but rather an inevitable decision made because they have no other means to get where they need to go. I'm here because without passionate advocacy built on years of experience, public transit in our rural areas could easily become lost or pushed aside because it just wasn't big enough to worry about.

This is the third time I have had the privilege of testifying before this Committee and I hope each time I've left a footprint of who and what public transit means to our rural communities. To help rural transit providers continue to innovate and provide services that meet the needs of our communities, I'd like to offer five top policy priorities for your consideration.

- Increased Section 5339 bus and bus facility investment, with specific set-asides for rural public transit operations, to allow these agencies to replace aging vehicle fleets, tap new zero-emission vehicle technology and build needed transit facilities.
- Increased local share flexibility for rural transit operators
- Right-sized regulations that take into account the size and budgets of smaller operators.
- Consistent growth in Section 5311 funding throughout the life of the FAST Act's successor.
- Consideration for rural transit systems in all of the new programs under review to improve transit efficiency, target services for areas of persistent poverty, provide technical assistance and coordinate public transit with health care.

From my system's beginning—operating a van 4 hours per day—we have become one of the foremost rural systems in the Nation. We realized early that transportation most certainly was going to continue to grow and that we always wanted to stay a project ahead of doing the same thing we'd always done. Our initial funding was for senior transportation but it quickly grew to serve the general public because of the need and demand. Other communities, local elected officials and economic development groups in our expansive service area realized that we provide safe, efficient service and wanted to use it. That's the basis of the coordinated model that has served so many rural public transit systems well.

To continue to grow and adapt our service at Prairie Hills Transit, we have applied for and won many grants to improve our technology, equipment safety, and improve local partnerships. For smaller rural systems this is often very challenging because of time required to develop it, the significant technical knowledge required to complete and apply for it and the small staff putting it together between their other duties.

Prairie hills Transit has been a subrecipient of a HRTG (Highly Rural Transportation Grant) for several years operating in highly rural counties of South Dakota together with our partners at River Cities Transit in our State capital of Pierre. Our service provides cost-free transportation for Veterans to medical appointments from their homes to the appointment location. We have also pursued Memorandum of Agreements with six Wyoming agencies to offer their veterans the same opportunity. For transit agencies in both States, as well as our veterans, this is an amazing service and also allows additional funding from other resources to help support public transportation systems providing the service.

Ten years ago, we were approached by Regional Health (now Monument Health) with a request to contract with them to provide discharge transportation for them from Rapid City to the patient's destination. This agreement expanded upon already existing contracts with the majority of their other hospitals, nursing homes, assisted livings, and medical clinics. This operation has really served to expand health care connectivity in much of western South Dakota. Additionally, it has served as a way to provide additional services for the many other independent hospital and varied health care entities needing transportation for residents/patients.

The past 15 months with the COVID-19 pandemic has challenged rural transit operators. Prairie Hills Transit was grateful to receive \$2.2 million from the CARES Act, which we've used to keep our operations running and employees paid. We did not let go of a single employee during the pandemic, which is really helping us as demand for transit ramps back up (we're up to more than 80 percent of pre-COVID levels).

Prairie Hills Transit, under the guidance of our partners as the South Dakota Department of Transportation, has consistently consolidated existing transportation systems from communities needing additional support. We continue to network with smaller communities as service needs are defined and we are able to financially support the service. For example, most recently we assumed existing transportation in Lemmon, have contracted with the Bennett County Hospital and Nursing Home in Martin, and are working toward revitalized service in Edgemont. For both Martin and Edgemont, we have applied for grants to help through both RTAP and AARP. While we know how to stretch a shoestring transit budget, we also know that increased Section 5311 investment will be the best way we can truly guarantee continue support to these communities who have significant elderly and minority populations. Again, it's important to note that even if Section 5311 funds are available the local share needed in these smaller communities can be very difficult to raise.

In closing I'd like to take the dollars and cents out of this testimony and bring it back to the people—your constituents. Transit systems in rural America take challenges and turn them into opportunities because we see the value of mobility

every single day. It might be a medical appointment for a resident who hasn't left her home in weeks, it might be the dazzling smile a youngster with Down syndrome gives the driver that picks them up for school each day, or it could be a driver dropping a lanyard for the tooth fairy off to the child's home after his shift is over because he knows how important it is to that child (and the tooth fairy). None of us can place a value on these trips that public transportation performs every day, but those of us who sit in my seat know they are priceless each and every day.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO
FROM BRANDON NURMI**

Q.1. Do you agree that support for transit in rural States and areas is an essential part of the transit portion of surface transportation reauthorization, and that we need more investment in our rural transit systems?

A.1. I would absolutely agree with that assessment. Public transit is a staple for low income, senior, and disabled communities to allow access to employment, medical appointments, and community inclusion as well as providing the bridge between rural communities and the essential services that may only be available in urbanized areas.

Arrowhead Transit currently has a service area that covers 24,470 sq. miles or 28.1 percent of Minnesota. Of this area we are only able to provide consistent service (which I would define as service that is reliably available between 1 and 7 days a week) to approximately 10 percent of that area. Further expansion of transportation services will require a greater investment in all areas of public transit including infrastructure (facilities, maintenance, and rolling stock/vehicles) technology (dispatching software, communications that work in deep rural areas, electronic payment options, etc.) and additional service options (new routes). Current services provided are already stretched as far out as they can be while also maintaining a reasonable level of availability to as many passengers as can be accommodated.

Rural Transit is the backbone for most sustainable transportation solutions in any rural area, just as urban transit is the backbone for transportation solutions in urbanized areas and will need increased investment to support new innovative transportation solutions and services, and to provide transportation options to the millions of unserved and underserved rural community members across the country.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM BRANDON NURMI**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it's not just subways like people see in big cities. Busses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors' appointments or to pharmacies to get lifesaving medications.

Do you agree that an efficient and effective but fiscally responsible Federal transit program is critical for rural States and communities?

A.1. I would absolutely agree that efficient and effective transportation programs are crucial at both the Federal and State levels to provide transportation access for as many people as possible to the services that so many need, and to support community inclusion for those without reliable means of transportation. While I believe that all public programs should have a high level of fiscal responsibility, I also believe that the process should not become more important than the product.

Q.2. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In some cases, this has resulted in additional staff being needed just to deal with meeting these requirements. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.2. To touch for a second on the initial question in combination with this one, we absolutely need a process to ensure that public funds are properly allocated and that all contracts involve a fair and equitable process for selection, but the application of these processes to every tiny aspect of transit operation has massively prioritized the process of spending public dollars over the delivery of the public services these dollars were meant to provide. The onerous practice of procurement and contract development are working counter to the intended desire to ensure fiscally responsible decision making by requiring a significant increase of fixed costs that are associated with the need for specialized personnel to navigate the multiple steps required just to order (as an example) a tire balancing machine for our maintenance department. These requirements increase the overall cost of that machine to the Federal Government by a significant margin and can be exponentially applied to all purchases, services, assets, and overhead cost that will spend >\$10,000 over the course of an entire contract period. Just this year, Arrowhead Transit made the decision to hire a Procurement Specialist because the amount of employee hours allocated to the procurement process had begun impacting the other duties of our AP/AR staff. More hours were spent on procurement than was spent on payroll, even with procurement duties split between three different employee positions.

These requirements are especially onerous for smaller rural transit systems that do not have the funding, staff, or time to perform these endless tasks for so many of their essential operational needs. It can put these systems in a position of delaying needed expenditures that may even directly impact their delivery of services or run the risk of being sanctioned for not following procurement procedures and possibly put their funding at risk.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO
FROM KENDRA MCGEADY**

Q.1. Do you agree that support for transit in rural States and areas is an essential part of the transit portion of surface transportation reauthorization, and that we need more investment in our rural transit systems?

A.1. Yes. Additional support to rural transit systems will enable us to provide the quality of life service that we currently do, while also allowing us to expand our systems and meet the constantly growing need for longer distance trips. As our population ages and more senior citizens migrate to rural areas, the additional funding is vital in providing access to health care facilities and other essential services often located hundreds of miles away.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM KENDRA MCGEADY**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it's not just subways like people see in big cities. Busses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors' appointments or to pharmacies to get lifesaving medications.

Do you agree that an efficient and effective but fiscally responsible Federal transit program is critical for rural States and communities?

A.1. Yes. Rural transit systems are a lifeline to many in the communities we serve. We are typically the sole provider of transportation. Set aside grant programs specific for capital needs for rural providers would allow rural systems to compete on a level playing field for replacement of vehicles and expansion of service opportunities that would allow us to continue to provide these quality of life trips. With health care taking a more regional approach in many States, trips to and from facilities can be great distances. Health care trips often account for up to 50 percent of all trips provided in rural systems. Efficient Federal programs that provide the necessary funding to ensure that we can offer these trips and other services are now more vital than ever. Additional funding will allow for investment in capital to provide safe, reliable trips and technology to create more efficient systems for providers.

Q.2. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In some cases, this has resulted in additional staff being needed just to deal with meeting these requirement. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.2. Yes. The regulatory burden for the relative risk requires disproportionate oversight for the amount of funding systems receive. With limited staff, the added requirements pull resources from already underfunded operations. Programs should be administered in the least burdensome and most flexible way.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO
FROM BARBARA CLINE**

Q.1. Do you agree that support for transit in rural States and areas is an essential part of the transit portion of surface transportation reauthorization, and that we need more investment in our rural transit systems?

A.1. I wholeheartedly agree that transit support in rural States and areas is essential to the transit portion of reauthorization because of the vital role available and accessible transportation plays in retention of the vulnerable population in these States. Additional investment in these rural transit systems, and the commitment to support transportation at the financial level needed, would show quantification of services as they increase and equality of

wage and benefit packages that would better balance our ability to attract and retain a trained workforce.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES
FROM BARBARA CLINE**

Q.1. Efficient and effective transit programs are critical in rural States like Montana—and it's not just subways like people see in big cities. Busses and vans are a lifeline for folks without cars to get to and from work or for seniors and the disabled to get to doctors' appointments or to pharmacies to get lifesaving medications.

A.1. I couldn't agree with you more. Having been the founding director of Prairie Hills Transit 31 years ago, I see and understand the challenges you have mentioned. Additionally we recognize the problem a working parent may have in getting their children to and from school, the veteran who lives in a highly rural county and needs medical transportation. We find the health care community has significant challenges with dialysis trips for patients, discharges from hospitals for individuals without vehicles, or even follow up appointments from hospital stays. Access to care is vital, arguably more so in small rural areas.

Q.2. Do you agree that an efficient and effective but fiscally responsible Federal transit program is critical for rural States and communities?

A.2. I do agree that a fiscally responsible Federal transit program is a number one priority. In rural States and small communities, we know that employees often serve in multiposition jobs. In fact in South Dakota, many of the transit systems like Prairie Hills Transit have coordinated and consolidated in order to maintain a higher level of administration and oversight of Local, State and Federal compliance. Often times the shoestring approach of stretching our dollars too far can be problematic and challenging.

Q.3. One thing I hear constantly when talking with various groups is the onerous regulatory and reporting requirements from FTA. In some cases, this has resulted in additional staff being needed just to deal with meeting these requirement. This is obviously burdensome for a rural community that may not have the resources needed to bring on additional staff.

A.3. The regulatory and reporting requirements have continued to increase for both transportation systems and for the Department of Transportation. Many times the one size fits all approach is used and one size never fits all. There is a difference between regulation and oversight. Too often in rural States, systems find themselves overwhelmed and overregulated, to the level of frustration that too much time and information doesn't always produce a result that seems prudent.

Q.4. Do you agree that surface transportation reauthorization should reduce complexities and onerous requirements so that communities are better able to put these dollars to work?

A.4. I definitely think that transportation systems would totally agree that putting our dollars back into providing service is why we're all here. Sitting behind a desk and pushing paper isn't giving

our riders additional services they could all use. It doesn't add hours of service, days of service or even an extra day of trips to the specialty doctors 50 miles away.