

# Local Poverty Reduction Fund Guidelines

Poverty Reduction Strategy Office,  
Treasury Board Secretariat

April 7, 2015

[ontario.ca/povertyreduction](http://ontario.ca/povertyreduction)

# Table of Contents

PURPOSE.....	3
ELIGIBLE APPLICANTS .....	5
PROJECT DATES AND ROLL-OUT.....	5
What is the roll-out plan for the Fund? .....	6
What is the difference between the Expression of Interest versus the Call for Proposal? .....	6
FUND CRITERIA OVERVIEW.....	6
Eligibility Criteria Summary .....	6
Partnership and Collaboration.....	7
Business Case .....	7
Third Party Evaluator and Evaluation Framework .....	8
Innovation.....	8
Organizational Capacity .....	8
Indicators.....	8
Questions and Answers.....	10
Appendix: Evaluation Methods and Examples.....	12

# PURPOSE

Thank you for your interest in the Local Poverty Reduction Fund (the Fund). We are excited to work with you to make a real and lasting impact on peoples' lives and helping them to realize their potential.

Quick facts about the Fund:

- It is a \$50 million fund rolling out over 6 years.
- The Fund will support local solutions to poverty by identifying and evaluating sustainable, community driven and innovative approaches to preventing, or lifting people out of, poverty.
- The Fund targets groups at risk of poverty, including: women, single parents, people with disabilities, youth, newcomers, visible minorities, seniors, and First Nations, Métis, Inuit and urban Aboriginal people.
- The Fund will support projects led by Aboriginal communities and organizations, both on- and off-reserve.

There are two phases to the application process for the Fund, the EOI phase and the formal Call for Proposals (CFP). The application form for the EOI phase is currently available. The Poverty Reduction Strategy Office is expecting to release a formal CFP for the Fund in May 2015 and will release the CFP application form and supporting information at that time.

The application form submitted through the EOI phase will help community partners strengthen their proposals for the CFP. While it is not a requirement to submit an EOI, it is an opportunity for you to provide initial information about your idea. We commit to providing you with feedback to help you to strengthen your proposal for the formal CFP.

We are happy to engage with you in this process not only to strengthen your proposal, but also to learn about the capacity in the sector to build partnerships and conduct evaluations. We also recognize that there are gaps in existing evidence, so if there is a question that you cannot answer, tell us. And if you have questions for us, you can contact us at [prso@ontario.ca](mailto:prso@ontario.ca).

## Benefits of Participating in the Expression of Interest

- To receive feedback on your high-level proposal and advice on how it could be strengthened prior to a formal CFP submission
- To identify opportunities to collaborate on projects and to build or strengthen relationships with partners (academia, evaluation practitioners or other community organizations)
- To identify the capacity within your organization to do evaluation and the level of interest in evaluation.

*Please note:*

Participating in the EOI phase is not a pre-condition for submitting an application during the formal CFP. It is a recommended step as the feedback provided during the EOI phase is meant to strengthen your proposal for the formal CFP.

**Completion of the EOI phase will not impact the likelihood an organization is successful at the CFP stage, and in no way guarantees a positive funding decision.**

Please submit your completed EOI application by May 5, 2015 via [prso@ontario.ca](mailto:prso@ontario.ca).

The Poverty Reduction Strategy Office will provide feedback within two weeks of receiving your application. We encourage you to submit your EOI as early as possible to provide the time required to incorporate feedback on your EOI into your application to the formal CFP.

## About the Local Poverty Reduction Fund

In 2014, the Ontario government moved forward with renewed efforts to prevent and reduce poverty with the launch of the second [Poverty Reduction Strategy, \*Realizing our Potential\*](#). In this strategy, we are focusing on four key pillars: continuing to break the cycle of poverty for children and youth, moving towards employment and income security for vulnerable groups, ending homelessness and investing in what works by using evidence to measure success.

The fourth pillar is about evidence and identifies that reducing poverty means investing in the right supports. It recognizes that poverty is a complex issue and resources are limited. The government has committed to measuring our success, through 11 indicators, so that we will know how our investments are making a difference (further information about the indicators can be found on page 8). The government is committed to funding programs based on evidence and the Fund has been designed to support that direction.

During engagement to develop the Poverty Reduction Strategy, the government heard from municipal and community partners about the value of tapping into local, community-driven solutions - like the ones that will be identified through this EOI - and fostering collaborative partnerships across Ontario. One of the responses to this feedback is the Fund.

The Fund will help grantees to strengthen their efforts in poverty reduction by providing funding for applicants to showcase and evaluate their innovative programs that prevent and/or reduce poverty and demonstrate positive outcomes for at-risk groups, such as women, single parents, people with disabilities, youth, newcomers, visible minorities, seniors and First Nations, Métis, Inuit and urban Aboriginal people.

We want to get the best possible results for the people working hard to leave poverty, and so we must work together to do that. Through this Fund we will leverage partnerships and collaborations to support your programs/interventions, whether through in-kind contributions or other innovative partnership arrangements.

We expect that the projects supported through the Fund will result in a range of programs that can identify a variety of outcomes for people in poverty, depending on the program scope. The range could be from improved access to services, to skills development, and improved social and economic inclusion and well-being. We will also engage with Aboriginal Peoples to support the cultural relevance of the Fund. We also realize that some evaluation results may show limited impact on client outcomes and this will be an opportunity to strengthen program interventions to make the programs work for clients.

## ELIGIBLE APPLICANTS

Eligible applicants include not-for-profit corporations, registered charities, municipal governments, District Social Services Administration Boards (DSSABs) and other public bodies, and First Nations. The government especially welcomes applications from First Nations, Métis, Inuit and organizations serving urban Aboriginal people.

## PROJECT DATES AND ROLL-OUT

### **Expression of Interest Process: April 2015**

- Local agencies submit high-level concept proposal for pre-screening and feedback

### **Formal Application – Call for Proposals: May/June 2015**

- Proposal submission begins in May
- Inter-ministry committee to review and evaluated proposals against Fund criteria

### **Projects Start: Fall 2015**

## What is the roll-out plan for the Fund?

2015/16 will be a learning year for both the Ontario government and the sector. We recognize that a government fund focused on demonstrating and evaluating innovative ideas is new and we want to work with a wide range of partners to make the Fund a success.

The Fund will have three rounds when new applications can be made and projects funded in 2015, 2016 and 2017. Projects could be funded for a possible duration of up to three years to provide enough time for interventions to demonstrate results.

The roll-out of the Fund will begin with an EOI process starting in April 2015, followed by a formal CFP. We expect projects to begin by September 2015.

## What is the difference between the Expression of Interest versus the Call for Proposal?

The EOI is about providing high-level concept ideas about what a formal submission would entail. In-depth responses to the Fund's criteria will be requested in the formal CFP (overview of criteria listed below). The CFP application form, including additional clarification/guidance will be made available closer to the date of the formal CFP.

Applicants are able to submit an application through the CFP even if they have not submitted a proposal in the EOI phase. Participation in the EOI is beneficial because the feedback provided during the EOI phase is meant to help strengthen your proposal for the CFP process.

## FUND CRITERIA OVERVIEW

In the next round of the application process for the Fund, the formal CFP, applicants will be asked to specify how their project meets the criteria outlined below. The overview of criteria provides a preview of what information we will be asking applicants to provide during the formal CFP. This information is listed to help applicants describe the proposals in the EOI and will lay the foundation for the additional detail required for your formal application.

### Eligibility Criteria Summary

The Fund will focus on project proposals that demonstrate the following criteria:

- Emphasize a local, innovative intervention that focuses on preventing and/or transitioning people out of poverty

- Target groups disproportionately affected by poverty including women, single parents, people with disabilities, youth, newcomers, visible minorities, seniors, and First Nations, Metis, Inuit and urban Aboriginal people
- Leverage a broad range of community partnerships and collaborative efforts to improve services and delivery
- Provide a demonstrated business case for the project (e.g. including environmental scans, current research, interjurisdictional examples)
- Formalize a partnership with a third-party evaluator to establish and implement an evaluation framework (e.g. academics or practitioners)
- Provide a clear project phase-out or sustainability plan
- Share evaluation results and data and make them publicly available

## Partnership and Collaboration

Evidence suggests that single service arrangements using a siloed approach may not best support client outcomes. Instead, robust partnerships, service integration and wrap-around services are showing an impact, especially for clients with complex needs. It is expected that all applicants will work to form new partnerships and strengthen existing partnerships across the sector to develop their application for the formal CFP. Applicants will be asked to highlight the key partnerships they are leveraging to help maximize the benefits of their program or service. This could include partnerships with community partners, academics, municipalities, other service providers, etc. Partnerships could be described by including the demonstrated partnership delivery approach and the specific benefits of the partners involved.

## Business Case

Governments recognize that poverty plays out in different ways depending on the community context. The applicant's business case will help provide valuable insight into the research that support different programs, interventions and services, and its unique application within communities.

This section will be about the applicant's rationale for why the intervention has an impact on persons living in poverty. We are seeking applications that have a variety of research sources that speak to the different theories on effective solutions to preventing, or lifting people out of poverty. A variety of research studies and other sources of evidence, such as experience from other jurisdictions, can help to identify the intervention's potential causal linkages and how they relate to the program's goals and

objectives. The business case is to highlight a variety of resources that substantiate the program theory for a particular intervention.

## Third Party Evaluator and Evaluation Framework

All applicants will work with a third party evaluator to develop and implement an evaluation framework for their project. This must be clearly outlined in the formal application through the CFP. For the purpose of the EOI, applicants should outline how the evaluation approach would support the work, the evidence you already have and the questions you want to answer through the evaluation. For your reference, we have included some examples of evaluation methods and case studies in an appendix starting on page 12.

## Innovation

Innovation is a concept that could mean many things to different people and the goal is not to be prescriptive on the precise way projects are innovative. Innovation is about doing things differently and adapting approaches to positively impact client outcomes. Applicants will be asked to define innovation and describe how their project is innovative. We want to hear about ideas that are challenging the status quo and are pushing the boundaries of how collective efforts can be mobilized to impact change at the community level.

## Organizational Capacity

One way proposals will be evaluated during the formal CFP is the extent to which the applicant has the capacity to work with partners to perform an evaluation, and their history in the provision of services to clients in the target populations of the Fund. For the purpose of the EOI, reaching out to others in your networks/partnership may help you identify what an evaluation of your program/service would entail, as well as strengthen the overall service delivery profile of your project.

## Indicators

As indicated in the Poverty Reduction Strategy, the government will collect evidence to understand what has worked and what has not been successful. By assessing where gains have been made, we will uncover lessons that can be applied and identify solutions that can be replicated elsewhere.

The government has identified 11 indicators to help to track how we are doing in our efforts to reduce poverty:

1. Birth Weights
2. School Readiness (Early Development Instrument)

3. Educational Progress (combined Grade 3 and Grade 6)
4. High School Graduation Rates
5. Low Income Measure (LIM50)
6. Depth of Poverty (LIM40)
7. Ontario Housing Measure
8. Not in Education, Employment or Training
9. Long-Term Unemployment
10. Poverty Rates of Vulnerable Populations
11. New Homelessness Indicator (in development)

Through the EOI and the CFP, applicants will be expected to identify the PRS indicator(s) that the program/intervention could impact in terms of the clients served through their project. Together, through our combined efforts, and using the lessons learned from funded projects, we can make measurable progress on helping anyone realize their potential.

Further information on the indicators can be found on pages 44-47 of the [Poverty Reduction Strategy: Realizing Our Potential.](#)

# Questions and Answers

## How do I apply for the Fund?

A unique feature of the Fund is its focus on rigorous evaluation. To support community organizations in developing successful proposals, the application process is divided into two stages:

### **Stage One: Expression of Interest – April to May 2015**

- Community organizations are invited to submit an Expression of Interest (EOI) that provides information about a sustainable program, initiative or intervention that they are interested in evaluating. The Poverty Reduction Strategy Office (PRSO) is available to provide feedback on proposed projects to help strengthen applications for the Call for Proposals.
- EOIs can be submitted until May 5, 2015.
- Organizations do not need to participate in the EOIs in order to be able to submit a proposal in stage two.
- Application Form and Guidelines available at: [Ontario.ca/povertyreduction](http://Ontario.ca/povertyreduction).

### **Stage Two: Formal Call for Proposals – May to June 2015**

- Community organizations will be invited to respond to a formal Call for Proposals by providing in-depth responses to the Fund's criteria. Where an organization has prepared an EOI submission, it will lay the foundation for the additional detail required for the formal application to the Call for Proposals.

## Who Can Apply?

The Local Poverty Reduction Fund is available to a wide range of groups: not-for-profit corporations, registered charities, broader public sector organizations such as municipal governments, district social service administration boards, Aboriginal communities and organizations.

## What are the Fund's Criteria?

- Emphasize a local, innovative intervention that focus on preventing and/or transitioning people out of poverty
  - Target groups disproportionately affected by poverty include women, single parents, people with disabilities, youth, newcomers, visible minorities, seniors, and First Nations, Métis, Inuit and urban Aboriginal people

- Leverage a broad range of community partnerships and collaborative efforts to improve services and delivery
- Provide a demonstrated business case for the project
- Formalize a partnership with a third-party evaluator to establish and implement an evaluation framework (e.g. academics or practitioners)
- Provide a clear project phase-out or sustainability plan and
- Share evaluation results and data.

## How do I learn more about the focus on evaluation?

The EOI guidelines contain an overview of some evaluation frameworks. The Poverty Reduction Strategy Office is exploring ways to increase access to networks of academic and other evaluation experts to support smaller agencies in their evaluation.

## How will knowledge generated by the Fund be used?

One goal of this Fund is to work collaboratively with agencies and find out what programs work or don't work. Fund recipients will be expected to share key findings, detailed evaluation results and lessons learned to see if the outcomes are positive or weaker than anticipated. This information will be made available to community organizations, municipal partners and across government to inform how we tackle poverty moving forward.

## What is the expected size of the grants?

Grant sizes will depend on the type of project and evaluation methods proposed. Applicants will be required to present a business case that estimates necessary funding based on the type of research and evaluation they are proposing.

We would consider grant proposals lasting up to three years to provide enough time for program leaders to demonstrate results.

# Appendix: Evaluation Methods and Examples

## Implementation/Process Evaluation

Implementation/process evaluation involves a systematic approach to collecting information on how a program is implemented and identifying barriers to optimal service use. It describes the operational processes through which desired outcomes are to be achieved, how well the program is functioning and how congruous services are with the goals of the program. This detailed and accurate knowledge of the program is needed if program components are to be linked with achievement of outcomes or if programs are to be replicated.

An Implementation/Process evaluation may be conducted at any time, not necessarily only in the early stages of a program's development. There is no guarantee that a longstanding program is operating as intended or achieving the desired outcomes. Ideally, this type of evaluation includes a description of quantitative and qualitative information/performance measures for assessing the extent to which the program is achieving its objectives, as well as an ongoing data collection system that provides this information.

### Case Example: Implementation/Process Evaluation of a Youth Justice Program

After three years of operating an intensive, 10 week, support and rehabilitation program for young offenders (known as FREE), the Australian Department of Youth Justice and Senior Management at the sponsoring juvenile detention centre, decided to evaluate it. Since no evaluation had been conducted previously, it was decided to undertake a comprehensive program evaluation that would start with an implementation/process evaluation, followed by an impact/outcome evaluation.

The purpose of the implementation/process evaluation was to:

- determine the extent to which FREE had been designed and implemented as planned
- describe what activities took place, whether they were planned or unplanned, what obstacles were encountered in the development and implementation of the program and if/how they were overcome
- provide information on “best practices” and on limits of what can be expected in terms of development and implementation of a program of this nature within this setting
- identify significant components of the FREE program from the perspective of both the providers and participants

- identify areas for modification in order to better meet program goals and improve the program.

The initial phase of this implementation/process evaluation was scheduled to take six months and, once the new data collection systems were established, would be ongoing. When the initial outcome data became available at the six month point, the impact/outcome evaluation would start and continue for approximately one year.

The process/implementation evaluation began with a detailed program profile that included the overall goal of the program, program objectives, and a detailed description of program activities, components and anticipated outcomes. Four key program components were identified: Educational support; Health, Fitness and Recreation; Psychosocial support; Community Restitution and Reintegration.

Multi-methods were designed and used to gather information systematically from a variety of sources (e.g., interviews with staff and young offenders, staff and youth completed forms, document review and observation). Each program activity was considered separately to determine what would be measured and how it would be measured. For example, development of strong community partnerships was one activity of Community Restitution and Reintegration and the measures included number of community contacts, number of partnerships developed and number of restitution agreements signed. The methods for collecting this data included document reviews and interviews with staff and community members.

Another aspect of this evaluation was the identification of specific issues for each program component to compare the planned implementation with the current reality. For the Education Program, for example, several issues were examined, including the extent to which specific topics (managing personal finances, career development, social skills, etc.) were covered, what was considered most relevant and useful by participants, and level of participation. The methods used to collect the data included review of all educational materials, interviews with staff and youth participants and classroom observation.

As the data was collected and analyzed, staff began to identify the key indicators of program performance, the information that would be part of an ongoing data collection system in future.

The results of the process/implementation evaluation indicated that while most program components were implemented as planned, some changes had been made, particularly in the community partnership area. A major obstacle, identified early on, was the lack of local employers willing to hire young offenders. The planned employment registry had not been developed and more efforts were being made to reach out to the community generally to build public awareness and acceptance of the program and its participants. Through the interview process, many suggestions were made about ways to improve employment opportunities for young offenders and these became part of the final recommendations in the evaluation report.

The Implementation/Process Evaluation successfully laid the foundation for the next phase, the Impact/Outcome Evaluation which is described in the next section.

## Impact/Outcome Evaluation

An Impact/Outcome evaluation seeks to determine the actual effect of a program, its benefits, positive and negative changes and intended and unintended consequences. Central to this assessment is whether perceived outcomes are caused by the program itself or by other factors external to the program. Ideally this is determined by the use of an experimental design where test subjects are randomly divided into a test or experimental group and a control group.

An impact/outcome evaluation generally includes the following components:

- description of program outcomes (e.g., change in condition, status, behaviour, functioning, attitude, feeling, perception), including unexpected or unwanted program outcomes
- identification of unexpected or unwanted program outcomes, for example:
  - a program has the opposite effect than was intended
  - a program has positive side effects that were not anticipated or planned
  - a program has negative side effects that may or may not have been anticipated
- attributions linking outcomes to specific:
  - factors, e.g., demographics, economic conditions, organizational context, resources
  - interventions, e.g., comparisons over time or with other groups, identification of confounding factors that might obscure or enhance apparent effects
  - identification of effective practices/activities
  - identification of ineffective practices/activities
- identification of factors that affect the effectiveness of an intervention, such as:
  - population demographics
  - general economic conditions
  - organizational context
  - available resources
- determination of merit or worth, for example:
  - comparison of actual outcomes with intended outcomes, performance standards or criteria for success
  - comparison with other programs that have similar goals

- review and analysis of performance information in relation to program outcomes.

## Case Example: Impact/Outcome Evaluation of a Youth Justice Program

Once the implementation/process evaluation of FREE<sup>1</sup> was developed, the analysis of the impact of program participation began. The purpose of this impact/outcome evaluation was to determine the extent to which:

- key life and social skills knowledge was obtained by participants
- the planned outcomes were achieved, through provider and participant perspectives as well as objective methods
- reduced recidivism was achieved and can be attributed to participation in the program.

A quasi-experimental design using both qualitative and quantitative data was employed. Data was obtained from a variety of sources, including staff and offender feedback, completion of pre- and post- program standardized psychometric measures, observation, and document review. In addition, post-release recidivism data was obtained from the Offender Release Information System.

In all, 12 planned outcomes were identified, ranging from improved physical health and fitness levels to reduced recidivism rates for participants in the program. Multiple methods and measures were designed to assess the extent to which each outcome had been achieved.

For example, health and fitness measures included body fat test results, number of laps youth able to run and staff rating of fitness level. The methods of assessing this outcome included assessment of change on body fat tests, comparison for first two weeks average run with last two weeks, and comparison of staff rating at beginning of program with completion rating.

In order to do a comparative analysis of the program's impact on participants, a comparison group was used from another juvenile detention centre that had no program similar to FREE. The comparison group was similar to the FREE participants in terms of their assessed risk level, criminal history, nature and length of current sentence and custodial environment.

Each group had 50 youth. In addition to the measures described above, a total of eight psychometric tools were used to measure and compare both groups on several attributes related to the various outcomes.

---

<sup>1</sup> See previous example for background information on this program.

The testing was administered at the beginning of the 10 week program and immediately after the program ended. Recidivism rates were compared one year later. The final evaluation results showed significant differences (.01 confidence level) between the groups, with the FREE participants scoring higher in every outcome area.

While the evaluation concluded that FREE had a significant and positive impact on participants, several areas for improvement were also identified. The Department used the evaluation findings to launch planning discussions for similar programs at five other detention centres.

Consideration is also being given to adapting and expanding the program to adult facilities as well.

## Program Review

A Program Review is a systematic overall assessment of a program's operations, processes and systems for the purpose of finding efficiencies, cost savings, opportunities for possible realignment with another level of government and/ or other delivery options. It is needed when there is an overriding concern with the program's relevance, operations and/or a need to find savings.

### Case Example: Review of Student Tutoring Programs

A southern US state Department of Education had operated student tutoring programs in 20 low performing high schools for 10 years. When the federal government announced 40 per cent cuts to the grants funding these programs, the Department of Education decided to conduct a program review to determine where costs might be reduced, consider replacing the current programs with services from other agencies and/or eliminate tutoring programs altogether.

An outside evaluator was hired to conduct the review. He soon found that only five of the 20 schools had adequate performance measurement systems and maintained consistent records for their tutoring programs. The other 15 schools had very little or no data available, four of which could not even provide student registration lists. Indeed, the evaluator questioned the extent to which the tutoring program had been implemented in these four schools.

In consultation with the state department Program Review Committee, the evaluator decided to review the schools in three groups. For those with sufficient ongoing data, he conducted a survey of teachers and students to determine their perceptions of the program, particularly with respect to key student outcomes such as graduation and qualifying for post-secondary education. He used their records to determine utilization rates, level of improvement in student grades, and cost of services per student. The review concluded that the tutoring program

was very efficient and cost-effective and recommended that the state grants continue at the current level. A few recommendations were made to contain costs, e.g., the use of student teacher volunteers from nearby colleges to assist with the program.

The second group of 11 schools, with insufficient data, was encouraged to develop performance measurement systems similar to those in the first group. The evaluator conducted a more detailed survey of teachers, students, administrators and parents to determine their perception of the relevance, efficiency, effectiveness and overall satisfaction with the program. In two schools, it was determined that very few students used the program and the recommendation was to discontinue the program there. In the other 9 schools, findings were similar to those in the first group and the same recommendations were made.

The third group of four schools had no records for the program and, after careful investigation, the evaluator determined that the program had never been implemented. Two schools provided strong evidence that there was a definite need for the tutoring program and both were given a six month grant to set up the program under the guidance of the State Education Department. They were also required to develop performance measurement systems similar to the other schools. The last two schools would not commit to developing the program and the Review recommended that these grants be discontinued. Following the Program Review, a forensic audit was conducted at both schools to determine the extent of their financial/administrative problems and recommend further action.

## Efficiency Assessment (Cost Benefit/Cost Effectiveness) Analysis

Efficiency assessment is used to determine the value or benefit of a program in relation to its cost. The scope of the evaluation will determine whether cost benefit, cost effectiveness or both types of analysis are used.

Cost-benefit analysis seeks to compare the total costs of implementing a program to the total net benefits, while cost-effectiveness analysis pertains to the value-for-money assessment of a program based on the financial costs required to produce each outcome level or instance.

This type of evaluation is usually undertaken after the program has operated for some time so that actual outcome data can be used.

Frequently, evaluators are challenged to find the right information for determining the real cost of a program and its benefits. They must decide which factors to include and exclude in cost accounting and whether key social costs and benefits can be monetized. Various approaches to the analysis may be used, including time-series analysis, stochastic and deterministic simulations, micro-economic analysis and micro-economic models.

## Case Example: Efficiency Assessment of a Subsidized Rail Service

For 35 years, a large southwestern state had subsidized 80 per cent of the operating costs of a rail service that linked several remote communities with the capital city. When a recent census report indicated that the population of the smaller towns had declined by 40 per cent since the rail service started, the state Department of Transportation questioned whether it made economic sense to continue such a large subsidy. They hired a consultant to conduct a cost benefit and cost effectiveness analysis of the rail service, including the effectiveness and efficiency of overall management processes, internal financial controls and the Rail Services Agency Board of Directors' oversight process.

The first phase of the assessment studied ridership in relation to service frequency. The consultant found that little detailed data was available — just the total revenue for each day of service. There was no profile of service users, frequency of use by individual riders and no customer surveys had been done. There was no breakdown available of individual routes to compare their cost and utilization rates. After discussing the need for this data with the Board and Transportation Department, the consultant conducted a two month survey of staff and customers. Staff were instructed to record the number of passengers using each section of each route over this period.

Statistical trend analysis was used to measure demographic changes and identify emerging transit needs, both at the local community level and state level. After meeting with each local Chamber of Commerce, the consultant did an economic analysis of each small town to assess the impact of reduced or withdrawn rail service in these communities.

The consultant developed three business models to assess the impact each would have on the rail service itself, the state Department of Transportation and on each local community. The result of this analysis was a solid understanding of state transportation policy objectives, the extent to which they were being achieved by current rail services and the changes needed to optimize this service but also contain costs.

The assessment identified three towns with significantly higher, more cost-effective ridership rates than the other six. It was agreed to reduce the total subsidy and discontinue the 12 routes with the lowest ridership. One route was expanded as it was very popular with tourists and cost effective; more frequent service would be provided during the tourist season, including a sunset dinner train. Another recommendation was approved when the state agreed to support a six month pilot project to identify other potential tourist attractions in the area and consider new marketing strategies to create new revenue streams for both the rail service and local municipalities.

The efficiency assessment also led to much improved business practices by the Rail Services Agency. Their quarterly reports became much more detailed, customer centered and provided useful information on emerging needs, feedback from riders and key indicators of the results achieved.

