



Kansas RTAP Fact Sheet

A Service of The University of Kansas Transportation Center for Rural Transit Providers

The Economic Impact of Public Transportation in Rural Kansas

Regional Transit Service Makes Good Financial Sense

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Allocation of resources on public transportation services is an especially critical question at all levels of government in these difficult economic conditions. Are we spending our scarce resources for the most efficient and effective outcomes? Are our expenditures essential to the economic and social health of our communities? Understanding the economic impact of transit services helps answer these questions.

The needs are critical.

Workers in rural communities travel an average of 40 percent longer distances to work than their counterparts in urban areas, 12.5 miles each way compared with 8.9 miles, respectively (1). Many rural residents also have long commutes for medical care, particularly when specialized treatment is necessary. As the cost of gasoline continues to increase, rural workers bear a disproportionate burden on access to jobs; access to health care can be compromised.

A study on dialysis patients in Kansas found that patients often have to travel long distances to receive treatment. For example, in Hays, the average roundtrip to dialysis treatment is 114 miles. In Liberal, the average roundtrip is even higher at 122 miles (2). Veterans, especially those living in western Kansas, must also travel long distances to receive treatment at VA hospitals. Only three major VA facilities serve all of Kansas—located in Wichita, Topeka and Leavenworth (3).

From 2000 to 2010, transit ridership in Kansas increased from 2 million rides to 8 million rides per year (4). Providing transit services in rural Kansas helps



not only to provide its residents with access to social and medical services, but also to keep the community economically viable in the future by providing access to jobs, education and shopping.

As Kansas communities focus on strategies to create an economic environment to attract and maintain jobs, it is critical that communities work together to plan regional transit services that get individuals where they need to go. Regional transit creates opportunities for rural residents

to find work or employees in neighboring communities, obtain specialized health services when necessary and to live independently as they age.

This fact sheet explores the economic impact of regionalized, coordinated transit services.

What is transit coordination?

Coordination is about managing resources and sharing decision-making among organizations working together for a common goal. It encompasses management, resources, cost-effectiveness, broad perspectives, multiple stakeholders, cooperation and action. Coordinating transit service might take the form of developing a new agency, expanding the role of an existing agency, or reallocating responsibility among existing agencies in a service area, depending on travel markets, capacity of existing services and funding streams.

Transit coordination generates revenue when...

- The transit agency provides Medicaid or other human service trips under contract to human service agencies.



Public transportation is an economic investment. For every \$1 invested in rural public transportation, approximately \$3-\$4 in economic returns is generated.



Public transportation is key to an economically viable rural community. Good transit coverage provides more people with access to jobs, education, health services and shopping—all of which improves the local economy.



Public transit grows earnings. In a study that looked at 268 rural commuting zones that included counties with and without transit service, rural counties with transit service were found to have 11 percent greater net earnings growth over counties without transit. Net earnings reflect both changes in wages and changes in number of jobs.

Source: TCRP Report 34 (5).

- Transit systems in some states have realized cost-benefits through cooperative agreements with their school districts and on Head Start Programs.

Coordination saves costs when...

- Human service agencies (or other low-cost operators) provide ADA or other paratransit services under contract to the regional transit authority.
- Incentives or travel training programs are offered to shift demand-response riders to more efficient services such as fixed route.
- Human service agencies coordinate some or all functions of their transportation programs. (7)

How does regional coordination benefit services?

A major concern for transit providers and riders in rural Kansas is that transit providers only serve an area within their city or county. For someone who must use transit, it may become a major obstacle when medical, social and human services are not available in their home community. This is why transit coordination in rural communities only makes sense in a regional context. It allows rural residents to continue living in their home community and have access to employment, health care providers, social services

and other essential services which may not be available in their home community. It also provides economic benefits by providing businesses, health care providers and education centers with a larger service area and more customers.

Regional coordination can help share costs with other agencies for greater investment in technology. In Kansas, KDOT is providing resources to acquire technology to support centralized schedule dispatching and to improve efficiency and service through “one-call” ride scheduling and dispatching. Regional coordination also saves costs by minimizing duplication of service and costs of administrative functions (8) (9).

Economic impact of regional coordinated services

Below are a few examples from from TCRP Report 91 about how some communities are saving money through regional, coordinated transit systems (7).

Dodger Area Rapid Transit System (DART) in Fort Dodge, Iowa saves \$20,000 a year by spreading staff costs over multiple contracts. DART operates a small urban transit system in Fort Dodge (population 25,000), the regional transit service in the six counties and the school bus service.

R.Y.D.E. (Reach Your Destination Easily) in Buffalo County, Nebraska operates the first brokered transit system in Nebraska. A brokered transit system is when a single organization handles the passenger reservations and schedules daily vehicle runs. It then assigns the schedule to the service operators under contract with the broker. R.Y.D.E. Transit’s current coordinated operations have reduced the cost of providing public transportation with computerized dispatch, reduced the amount of trip overlap, improved coordination between rides, and lowered the amount of time passengers spend on the transit bus. R.Y.D.E Transit has also expanded operating hours and expanded transportation access in rural Buffalo County. R.Y.D.E Transit contracts with the local taxicab company in Kearney with a cab ticket program to provide after-hours transportation. Annual rides increased from 11,000 in 2002 to an estimated 80,000 in 2010.

Lane Transit District (LTD) in Eugene, Oregon. While Eugene, a city of approximately 150,000 people, has a larger service area population than most rural transit agencies, it provides some good examples of coordinating human services. In 2008, LTD created the RideSource Call Center to improve coordination and simplify access for those who need transportation that requires unique features or fulfills an agency standard. This “one-stop” center uses an array of public, non-profit, and private transportation providers, such as non-emergency medical transportation provided through the Department of Human Services Medicaid program, RideSource complementary paratransit for those who are unable to use regular fixed-route service due to a disability as required under the Americans

with Disabilities Act (ADA), and senior and disabled services community transportation for eligible individuals who live in community residential rather than more formal institutional settings. Everyone receiving transportation through the RideSource Call Center is evaluated to determine the most appropriate and least cost transportation choices based on their needs and circumstances. Through the RideSource Call Center, as of June 2011, LTD serves 2,800 customers, taking approximately 18,000 phone calls and arranging nearly 27,000 one-way trips each month (10).

Regional transit coordination can create operating efficiencies and save tax dollars while improving the reach of service and increasing the number of riders.

Mountain Empire Transit in Southwestern Virginia.

Mountain Empire Older Citizens, Inc. (MEOC), based in Big Stone Gap, Virginia, has spent 30 years building a coordinated transportation program in a 3-county area serving a population of approximately 91,000 people. Through coordination, they are able to provide service to more people without duplication of resources. Rather than five or more agencies using separate vehicles and drivers to traverse the same area, a single agency is able to serve all these clients with far fewer total resources. This provides a savings to the participating agencies as well as a savings to the taxpayers who are not paying five or more times for transportation in the same geographic area into separate funding streams. This economic efficiency does not reduce the attention to individual client needs. Extensive interagency training and cooperation and innovation in problem solving keeps client needs uppermost in everyone's mind. Partnerships are vital for sustainability. Although all partners are valuable, financial burdens and unforeseen circumstances could eliminate partners without warning. It is critical for an agency to aggressively pursue new partners and maintain existing partners.

In sum

It is critical that Kansas communities work together to plan regional transit services, not only because it helps individuals get where they need to go, but also because it builds an economic environment that attracts and maintains jobs. It is time to think about how coordination, especially at a regional level, could improve your local economy, cut transit costs, and provide the necessary transportation services that will allow more people to continue living in their home town. Talk to your neighboring communities, human services coordinator, or transit agency to discuss the benefits of coordination. ●



Economic Benefits of Coordination

- Coordinated services have access to more funds and more sources of funds because they are not dependent on only one funding source.
- Centralized control and management of resources may lead to higher quality and more cost-effective services.
- Coordination helps to fill in service gaps within existing budgets.
- Provides trips to customers at lower costs.
- More trips are provided in the community, enhancing livability and providing economic benefits to their communities.
- Trip cost is reduced by providing more trips per vehicle mile or hour.
- Increased levels of economic development in the community or employment benefits for those persons associated with the transportation service.

Costs of Coordination

- Time spent to ensure that the services provided in a regional system meet the needs of the participating communities.
- Time to develop an agreed-upon cost allocation plan that distributes costs across a regional area fairly.
- Effort to identify and secure sources of local match which serve the needs of a regional system.
- Developing a process to centralize knowledge of the requirements of multiple, more diverse funding sources that become part of the regional system: funding cycles, continuity of funding, reporting requirements, etc.
- Time to monitor and conform with regulatory requirements associated with crossing county and/or state boundaries.

Source: TCRP Report 101 (6).

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Rural Transit Trips with the Largest Economic Benefit

- **Trips that provide access to employment.** When someone who does not own a car or who is disabled has been given access to employment through public transportation, it allows the person to support herself—increasing personal income, paying taxes and reducing dependency on welfare—as well as providing many personal benefits.
- **Trips for education and training.** Providing access to education, training and counseling services increases the chances of finding long-term employment at decent wages. A well trained and educated workforce is attractive to existing and potential new business. Well-paid jobs mean higher income and increased economic benefits to the community.
- **Trips that enhance opportunities for independent living.** Transit trips from seniors who are able to remain living at home instead of moving to a nursing home provide economic benefits to the community. A case study in Sweetwater, Wyoming found that independent living enabled by the transit system provided a benefit of \$24 per trip devoted to independent living activities, such as nutrition and shopping trips. These trips represented 40% of all the system's trips.

Source: TCRP Report 34 (5).

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