



SIOUX FALLS AREA
CHAMBER OF COMMERCE
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ISSUE BRIEF:

Sioux Falls Transit & Paratransit

September 2014

Background

In the fall 2013, the City Council convened an ad hoc Transit Task Force to study and make recommendations regarding the operation and financing of the Sioux Area Metro (SAM) fixed-route and paratransit bus systems in Sioux Falls. The impetus for convening the group was based on two beliefs. First, the transit and paratransit services in our community are vitally important. Second, the system is on an unsustainable financial course.

The Task Force includes representatives of many interested constituencies including social service agencies, the School District, health care, business, the Chamber of Commerce and Councilors Jamison, Roling and Anderson. The Chamber volunteered to participate since anything that affects workforce affects our members and SAM is an important workforce mobility asset for our community. Meetings were scheduled for the first Wednesday of each month beginning Nov. 6, 2013 and planned through June 2014 as needed.

During the first meeting, City staff provided updates on some of the facts and finances regarding SAM's operations including the following:

- Fixed route services are those where buses travel regularly scheduled routes at regularly scheduled times
- Paratransit is a curb-to-curb system designed for those who are unable to use the fixed route service due to physical or mental limitations
 - Paratransit must operate within $\frac{3}{4}$ of a mile of the established fixed route
 - Paratransit fares are set at a maximum of twice the fixed rate fare
- Since 1996, ridership has increased with fixed route leading the way
 - Fixed route passengers per year increased from 500,000 to 1 million
 - Paratransit passengers per year increased from 110,000 to 150,000
- Since 1996 expenses have increased
 - Fixed route from about \$1.4 million to about \$4 million per year
 - Paratransit from about \$1.3 million to about \$3.7 million per year
- Since 1996 revenues from fares have increased
 - Fixed route from about \$290,000 to about \$580,000 per year
 - Paratransit from about \$270,000 to about \$310,000 per year
- Fare rates have been the same since 1996 at \$1 for a single ride and \$25 for a monthly pass (as examples)
 - The vast majority (maybe approaching 90 percent) of fare revenue comes from multi-day or monthly passes.
- Federal funds to support SAM are decreasing
- Demand for transit is increasing
- The financial path is not sustainable

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As a way to approach its work, the Task Force created a number of “Work Action Groups” that met independently to consider things like better non-profit coordination of transportation efforts; reducing the reliance on Paratransit; using fixed-route to replace some paratransit; increasing fixed-routes; fares; partnering with the School District; and more.

By the April 2014 meeting, ideas began to emerge from the Work Action Groups intended to improve the future prospects for SAM by addressing service, cost and revenue issues. This allowed City staff to create a number of new financial scenarios based on the projected impact of the various ideas (Attachment 1). Much of the discussion focused on new approaches to delivering service and some consideration of rate increases.

In July, the final report was presented to the City Council during the Informational Meeting. On Tuesday, Aug. 12, 2014, a Task Force resolution will be presented to the City Council for consideration which would be used as a guideline by the administration for future changes.

Though the Task Force had suggested raising fares as a way to provide for a more reasonable revenue source for SAM, at the Tuesday, Sept. 16, 2014 City Council Meeting, the council added \$110,000 to the budget to offset possible fare increases for 2015.

Suggested steps to implement a more sustainable transit system

- Reduce the cost of paratransit over the next five years to 25 percent of the total budget (\$1.8 million reduction in today’s dollars).
 - Allow paratransit service only to those within a ¾ mile area of a fixed route, the minimum requirement by law (estimated annual savings: \$240,000)
- Reduce agency work trips (\$1.6 million impact)
- Add \$750,000 per year in capital appropriation beginning with the 2015 budget.
- Increase the operating budget 4 percent per year beginning with the 2015 budget.
- Reduce nursing home medical trips.
- End school tripper services.
- Increase fixed-route services by \$1.6 million in today’s dollars over the next 10 years.
 - This includes the communication and enticement for able-body people to strongly consider taking public transit as well as encouraging those with disabilities to use fixed route services if they are able to do so for a more independent lifestyle.
- Expand and update the travel training program (reaching 1,000 annually).
- Provide a long-term financial status report to the Public Transit Advisory Board and to the City Council each year as part of the budget process.
- Empower non-profit and community agencies to be instrumental in helping to successfully implement the Transit Task Force Plan which may include utilizing grant programs, augmenting community volunteer driver and buddy system programs,

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expanding Project CAR and Workers on Wheels programs and providing corporate funded event transportation for people with disabilities.

- New signage has been installed to better identify bus stop locations and a real-time fixed-route application has been proposed to better identify and promote the transit system.

Sources

Transit Task Force Committee Meetings, October 2013-June 2014

Transit Task Force Final Report, June 2014