



Enhancing Public Transit for Central Arkansas

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Enhancing Public Transit for Central Arkansas

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Candidates for Graduation, Fall 2014

Jason Boullie
Victoria Brown
Philip Chandler
Frazier Edwards
Chimera Hampton
Kristin Koenigsfest
Supriya Patil
Brandon Smith
Anna Beth White

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Introduction

Public transportation is vital to a nation's transportation system because it is an essential contributor to the economic and social quality of life of citizens. More and more individuals, regardless of race, age or income, have begun to realize the benefits of traveling on different modes, whether it is through rail, bus, or water transportation (American Public Transportation Association, 2007). The number of people riding some form of public transportation in the United States has gone up by nearly 40% since 1995, and there currently exist over 7,000 public transportation agencies, which include public bus transit organizations, commuter rail companies, subways, streetcars, trolleys and light rail, ferries, and streetcars (*Public Transportation Benefits*, 2014).

This rise in numbers of people utilizing public transportation is not limited to urban cities only; cities of all sizes have many citizens who are dependent on public transportation because it serves as a means of transporting them to and from work and helps support their daily needs. The use of public transportation helps to scale down fuel consumption and traffic congestion, which cuts down on gas prices, reduces carbon emissions and therefore improves air quality. It boosts mobility of citizens and connects workers to jobs in varying regions which

"Transportation spending is a win-win proposition." -Tim Bishop

can enhance businesses as well as create and sustain employment. According to the American Public Transportation Association (2014), public transportation makes a very strong case for return on investment. Statistics show that a \$1 investment in public transportation will render nearly \$4 in economic returns. For every \$10 million capital investment and \$10 million in operations, there is a more than \$60 million rise in business revenues (*Public Transportation Benefits*, 2014). The statistics demonstrate that public transit offers not only extrinsic benefits but also intrinsic rewards. Investing in public transit directly means investing in a community, the economy, and the environment.

Challenges Facing Public Transit

Despite the diversity of benefits that public transportation offers and the popularity that it has gained over the past decade, it is clear that demand far exceeds the funding available to support the development and enhancement of public transportation systems. Currently, a variety of funding sources sustain these systems. The majority of these sources are federal, local or state funds, but also include revenues from fares and advertising. The American Public Transit Association (2013) has determined that revenues created by sales tax have increased by nearly 300% in the past decade and half

"In the same way we have a long-term plan for building roads, we have to have a long term plan to build transit." -Kathleen Wynne

and that these dedicated funding streams allow transit agencies to attract additional state funds as well as federal funds and investments from the private sector. Evidence suggests that a



metropolitan area's ability to sustain growth, to meet stakeholders' transportation needs, and to provide innovation in public transit is correlated to its funding sources.

Central Arkansas Transit Authority (CATA)

The Central Arkansas Transit Authority (CATA) is one of the largest transit agencies in Arkansas and provides public transportation services seven days a week for the Central Arkansas area. The Authority includes six municipal jurisdictions: Little Rock, North Little Rock, Jacksonville, Maumelle, Sherwood, and other portions of Pulaski County. The agency is led by one executive director and governed by a 12-member board. Board members are appointed by local elected officials representing six jurisdictions within which CATA operates and support the operation of CATA through powers, policies, and procedures agreed upon in CATA's by-laws and July 1990 Inter Local Agreement (ILA). With a 2014 operating budget of \$17.3 million, of which \$2 million is dedicated to Links Paratransit and \$1.1 million for River Rail, CATA offers transportation services to 10,000 riders every weekday with their 23 fixed routes and 4 express commuter routes. The Para-transit service (LINKS) offers mobility for individuals with disabilities and operates along fixed route hours and coverage area. River Rail; a heritage street car system covers the 3.4 miles of track all throughout the Little Rock and North Little Rock downtowns.

The following study has been conducted by the University of Arkansas at Little Rock's Master of Public Administration (MPA) December 2014 graduating candidate class to examine CATA's programs, review similar communities in the US, and examine best practices in order to provide recommendations to consider as CATA embarks on its own strategic learning process in the near future.

CATA Successes

CATA is proud of their efforts to provide a safe and secure travel experience for riders. They have digital surveillance and recording technology in all of their vehicles and, in 2015, the agency will introduce a fleet of twelve (12) compressed natural gas buses, which will all be equipped with Wi-Fi technology. Additionally, CATA plans to incorporate real time scheduling via a mobile app that riders can download to their smart phones so that they have the most up-to-date information on bus times, routes and any changes that have occurred. The agency will also embark on a strategic planning process in the Spring of 2015 in order to investigate alternative funding streams that would allow CATA to expand operations, implement new technologies, increase public outreach and marketing in order to increase ridership by attracting more 'choice' riders and improve customer experiences. Choice Riders, would be riders that have chosen public transit as a transportation means, rather than having to rely on its services. CATA would also like to examine changing the fare structure and explore other types of fares

....in 2015, the agency will introduce a fleet of twelve (12) compressed natural gas buses, which will all be equipped with Wi-Fi technology.





for their riders, such as incentives for choice riders and GFI fare boxes. Throughout the strategic planning process, CATA will seek necessary feedback from a variety of stakeholders to better understand what their needs and concerns are, as well as what attracts them or would attract them to using public transit.

CATA Challenges

CATA realizes that a strategic planning process is a necessary step in understanding the needs of its public as it seeks to build and sustain a top-notch public transit system. As a part of the strategic planning process, CATA shared some of its chief concerns in an effort to develop a plan to find ways to overcome these challenges. This study serves as a means to explore some impediments to CATA's future success and to examine comparable cities of similar sizes, populations and demographics as well best practices in the field related to these challenges.

The ultimate goal is to examine these factors and offer short, medium and long term recommendations as CATA embarks on its strategic plan process. As the team met with CATA administrators, it identified four areas that CATA sees as current or future challenges. These include ridership, a public engagement strategy, financial/budgetary constraints, and a defined fare policy.

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- **Increased Ridership**, or the need to boost it in terms of the number of and diversity of the riders who choose CATA because they want to and because it is a safe and convenient way to travel. This is the agency's chief concern and is really the underlying factor in each of the other challenges that CATA needs to address. Ridership addresses the transit authority's ability to meet the demand of the public and to provide transportation to those that seek it for various reasons: economic, environmental, and convenience. A public transit system serves the public, and its ridership, critical to a healthy transit system.
- **Public Engagement** –CATA struggles with educating the broader public about the services it offers as well as the benefits of these services, it is also a challenge to better understand what the needs of the public are so that CATA can improve services. The purpose of a transit agency is to provide a riding service to all citizens of the served area; increased ridership will not be obtained without improving services that are deemed important to the prospective rider. These include service frequency, lower fare rates, service simplification, safety, and convenient and dependable service.



- **Financial/Budgetary Constraints** – CATA is constrained by the lack of a marketing and operating budget that allows for public engagement and revenues that can be used to upgrade technologies and services that make the rider experience more convenient and comfortable. Obtaining adequate financial support is absolutely necessary to make improvements to fleets, routes, and technologies that, in turn, make public transit more appealing to the public and better able to meet demands. CATA

CATA is constrained by the lack of a marketing and operating budget that allows for public engagement and revenues that can be used to upgrade technologies and services that make the rider experience more convenient and comfortable.

recognizes that it cannot simply increase fares only in order to increase its revenue. It must seek funding from a diversity of sources because it recognizes that the current funding formula from local municipalities would mean a decrease in funding for CATA if fare prices increase.

- **Fare Policy**- CATA’s administrators are concerned about the lack of a formal fare policy statement, a guiding fare policy statement that would enable the agency to set a fare structure around a set of principles and values. The purpose of the fare policy for any transit agency is to establish guidelines for setting or restructuring fares for the transit agency; in this way, a public transit agency can provide high quality public transportation services to individuals and communities they serve while improving transit operations.

Comparable Cities

To better understand the best practices in public transit, it is necessary to observe trends across the industry. To identify trends, the team identified several comparative cities and their respective transit agencies. Comparable cities were chosen from CATA’s working list of similar systems in size, population and elements of the transit system as well as other cities research found as comparable. Once identified, the team asked these transit systems to provide information designed to highlight key trends and elements of a healthy public transit system. The cities selected include Montgomery, AL; Shreveport, LA; Akron, OH; Tallahassee, FL; Omaha, NE; Grand Rapids, MI; Amarillo, TX; and Knoxville, TN. These cities were included because they were comprised of similar populations compared to Little Rock’s overall population (more than one-hundred ninety-seven thousand (197,000) people). Knoxville, TN is the smallest city surveyed with one-hundred eighty-three thousand (183,000) people and the largest is Omaha, NE with four-hundred thirty-nine thousand (439,000).



A simple 15 question, information-only, survey was distributed to the comparable cities in order to gather useful information and learn more about what these cities are doing to promote and advance public transportation. The questions ranged from characteristics of the transit systems and organizations as well as population demographics, funding methods, technological innovations, policy initiatives, leadership styles, and potential challenges faced by these transit organizations. Questionnaires were completed by telephone where possible with a representative from the city's transit agency although several of the participating cities preferred to respond via email. Results from the surveys can be viewed below in Figure 1.

Questions were framed to address the four core issues that are important to CATA's mission and operations. They focused on **ridership** demographics and statistics, i.e. *who* is riding the bus, *how* is it being tracked, and *what* their ridership trends are. In terms of **public engagement**, the team examined how comparable cities reach out to the public and to customers and how they maintain and improve operations to satisfy customers' needs. Due to the operational importance of **financial constraints**, the team included questions regarding the funding structures of each agency and the origin of operational funding for their budgets, and two questions were included about the agencies' **fare policies**, i.e. if they had one, and whether or not it is available to the public.

The team also asked about transit agencies' formal governing structures and their use of technology to enhance customers' experience and the convenience of services. Although the use of technology was not considered a core challenge to CATA, it is clear that public transit organizations must understand the needs of their constituents/clients to improve services, to create services that are needed, or to better understand what techniques and strategies are being performed well. Customer input through satisfaction surveys, which measure particular services or facets of services and the public's perception of them, should not be overlooked when public support for operations is required. Since we live within an advancing, changing society where technology is more important for work and leisure, technological innovation is tied directly to how the public utilizes and perceives services.



Figure 1. Comparative Cities on Ridership, Funding, Technology, and Leadership/Governance

	Amarillo, TX	Knoxville, TN	Akron, OH	Omaha, NE	Grand Rapids, MI	Montgomery, AL	Tallahassee, FL	Shreveport, LA	Little Rock, AR
Ridership									
Boarding per stop	✓	✓	✓	✓	✓		✓	✓	✓
Increasing	✓	✓		✓	✓			✓	✓
More than One City			*	✓	✓			✓	✓
Customer Service Analysis			✓	✓			✓	✓	
Customer Service Strategy/Implementation			✓	✓			✓		
Funding									
Dedicated Funding			✓	✓	✓				
Local Budget	✓				✓	✓	✓	✓	✓
Technology									
GFI		✓	✓	✓		✓	✓	✓	
AVL/GPS	✓	✓	✓	✓		✓		✓	
Social Media/Apps		✓	✓	✓	✓		✓	✓	✓
Wi-fi		✓*	✓	✓*	✓				
Security Cameras	✓	✓*		✓			✓		✓
Leadership/Governance									
Formal Board	✓	✓	✓	✓	✓				✓
Public	✓	✓	✓	✓	✓				✓
Strategic Implementation		✓	✓	✓	✓		✓		
Adopted Fare Policy	✓								

* Knoxville- Wi-fi and Security Cameras are located at the transit center

* Akron- Transit system is county-wide and considered one entity

* Omaha- Wi-fi located at transit centers

Highlight of Responses

Ridership

- 7 of the 8 comparable cities determine ridership by some form of passenger boarding per stop.
- 5 out of 8 cities identified their ridership as increasing. Respondents communicated that increased ridership can be attributed to community partnerships (universities, social agencies) and through ridership training. Fifty percent (50%) of cities did it through the use of Bus Rapid Transit System, Mobile App and AVL.

Public Engagement

- Knoxville, Akron, and Omaha are identified as having a high use of technology; Amarillo, Grand Rapids, and Montgomery have a low use of technology; Tallahassee and Shreveport have a medium use of technology.



Knoxville and Omaha utilize all major forms of identified technology. 6 out of 8 cities use GFI fareboxes.

- Only 3 cities provided transit services to more than one city; however, Akron's transit service is determined as a county-wide service.
- Only 3 of 8 cities engaged in a customer service analysis and implementation strategy.
- Electronic fare boxes and AVL have been most useful technologies in improving customer service for the comparative agencies. More than sixty percent (60%) of Cities surveyed used the Electronic fare boxes and AVL to improve the customer service. Fifty percent (50%) used Google transit and Security Cam. Thirty-eight percent (38 %) of cities used Wi-Fi, Real-time displays and Phone Apps

Financial Constraints

- While Knoxville obtained neither dedicated nor local funds for their operating budget, 3 cities had dedicated funds and 4 cities utilized local funds. Only Grand Rapids obtained both dedicated and local funds; however, Shreveport obtains sixty-five percent (65%) of funding from the FTA.

Fare Policies

- 5 out of 8 cities have formal boards that are also public appointments.
- 5 out of 8 cities developed a strategic implementation strategy.
- Only one city, Amarillo, had a formalized fare policy. It was observed that the general reference to fare policy, was translated, for the most part into the city's fare structure, Amarillo excluded.

Best Practices

As highlighted by the challenges CATA currently faces and the information uncovered by the comparative cities, public transit agencies must take several key elements into consideration to address its four areas of concern: Ridership, Public Engagement, Budget Constraints, and Fare Policy. Research beyond the comparative cities found a variety of best practices related to the main challenges that CATA currently faces, as well as trends in technologies and transit authority leadership practices.

- ***Ridership*** The first element is the ability to understand the public in terms of demographics, needs, expectations, and reasons for riding public transit. Additionally, agencies must use this information to improve service frequency, quality, reliability, and security, as well as to restructure routes when necessary. They must be able to form partnerships with businesses, universities, schools, and social service agencies whose public relies on its services and have the ability to successfully promote these services through marketing. They should improve or add technologies that will enhance riders' experiences or make riding more efficient and more convenient. Finally, public transit



should develop a fare structure that is transparent and easily understood by all riders (Federal Transit Administration, 2014).

- **Public Engagement** It is necessary for public transit organizations to heavily engage their most critical stakeholders --the public. Best practices in this area include marketing and outreach strategies, traditionally in the form of public and town hall meetings with church groups, health care workers, students, and businesses throughout a city. In this way, transit staff can talk about the public transit system as well as better understand what their needs/desires are in regards to public transit. They can also use this as an opportunity to generally increase awareness among them about benefits of public transportation and how particular funding would be used to improve operations and services (Herron, 2012).
- **Funding Streams** Public transit systems across the nation have had to seek out a variety of alternative funding streams in order to adequately fund operations and improvements to services. There is truly no one best practice in this area as this depends on a variety of factors that may be unique to each individual city or system. Cities or transit organizations that pursue any one type of funding must take into account the best structure for their area and the public that it serves and the public that will likely have to agree to a particular funding stream. Considerations of this sort take into account several factors, including the adequacy of the funding stream and its ability to raise sufficient and sustainable income, how equitable each stream is in terms of the benefits provided and the burden it places on the public who pays it, how willingly the public would be in agreeing to that particular funding stream or to fund public transit at all, the efficiency of each stream or to what extent certain funding measures might affect public behavior or ridership, and how manageable (administratively) it is to collect the revenue (Litman, 2014). It is clear in the literature that raising fare prices alone seldom has the desired effect of more revenue for the system.
- **Fare Policy** Just as transit organizations should engage stakeholders in deciding what technologies would be most useful or determining which funding structures would be most acceptable and the least burdensome, a general best practice is to include stakeholders in the fare decision making process (Sainte-Marie, 2014). A fare review process for policy implementation should be held regularly or ideally, annually, to ensure transparency and dependability. A fare policy should encapsulate the organization's mission and vision. It should include information on the fare structure and what it is based on (i.e. age, income, and other demographics) and the criteria and formula(s) used to calculate this, as well as information on how fares could be adjusted (i.e. through what formal, public process). Other information included in fare policies are different payment options, definitions of key and possibly confusing terms within the policy, and a description of the technologies associated with paying fares. It is important to have the fare policy available and easily accessible on the organization's website (Edmondson, 2013).

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- **Technology** Service improvements, such as innovative technologies can have a positive impact on public transit ridership. Wi-Fi (on buses and in transit centers), Smart Cards, security cameras, real-time bus displays to assist operations with on-time performance and passengers in locating their buses, use of social media (Facebook, Twitter, Blogs/ Comments), phone apps that allow for route scheduling and bus tracking,



- for example, have increased the overall service and appeal of public transit (Ferris, Watkins, & Borning, 2010). Some international transit companies are also utilizing 'near field communication' (NFC) technologies that allow riders to use their mobile devices to pay for fares. These types of technologies are considered an important means of increasing ridership because they increase the convenience of passengers and give them greater choice in payment options. They can also be used to collect data on ridership, which routes are the most heavily used, as well as the peak hours of transit ridership which can be of vital importance when doing strategic planning and thinking of ways to improve services and accessibility (Perrotta, 2013).
- **Leadership** Along with gaining public support, the leadership of public transit systems plays a particularly important role in ensuring funding and other resources are readily secured and allocated within the transit system. Their expertise and resources ultimately lend improvements to operations, technologies and services offered in general (Obeng, 2005). Within the literature of best practices strong correlations are statistically identified between the effectiveness of a board and its diversity of membership, its ability to work closely in supporting administrators, and how often or thoroughly it evaluates itself (Simon & Simon Research and Associates, 2002). These best practices also highlight the need of a transit board to focus on its ability to understand its role in policy making and engaging the public. Board members must be aware of the needs of the greater public and be able to effectively prioritize short and long-term goals that will lead to the understanding of what the public's needs are and to the betterment of public transit services (Public Transit Board Governance Guidebook, 2002).

Recommendations

CATA is eager to discover, develop, and institute fundamental changes that will improve the way CATA serves its customers, builds relationships within the community, and increases its role as the premier mode of transportation within Central Arkansas. The research provides examples from other transit systems that can be utilized to determine how CATA compares to other transit systems; these comparisons are important to highlight organizational



characteristics that work for the future of transit systems. In addition, the research stems from various expert resources that indicate what conditions are necessary for transit systems to thrive within the community. Based upon these vital points for research, the MPA research team offers the following recommendations to CATA.

Focus on Public Engagement

To address ridership concerns, CATA should focus on Public Engagement. Public engagement is a vital component toward advancing the core value of CATA, which is to serve the riding public with an efficient and effective means of public transportation. To engage the public and advertise CATA or CATA services is an important factor in keeping current riders satisfied and gaining future riders for years to come.

Marketing, however, should have a defined budget that the board should approve.

- **Short/Intermediate Term- Implement specific activity that engages the public.**

One of the most important factors in developing a thriving transit system is to know the local constituency base, stakeholders, and environment. The transit authority must effectively engage the public by enlisting their support through employing customer surveys before and after any major changes. In addition, CATA could employ a variety of engagement strategies, such as public meetings, open houses, and focus groups.

- **Long Term- Implement specific marketing strategies, including social media.**

CATA should use marketing to promote fare incentives, provide education, update image of agency, and to advertise promotions to customers. Marketing, however, should have a defined budget that the board should approve. There are free forms of marketing, like social media, which are useful avenues for passenger satisfaction and ridership increases. However, CATA must also realize the limitations of ridership increases from technology alone.

Focus on Diversified Funding Streams

Without the financial means to support the demands and needs of riders, public engagement would be seriously hampered and the means to operate would remain stagnant. The proper funding streams are critical to how CATA operates within the Central Arkansas area. Before any decision can be made to promote or pursue long term funding methods, CATA must first pursue the short-term goal of deciding which funding method is best for CATA's unique circumstances. Revenue Sources- CATA



....these funding sources must also be a relatively stable and politically viable source of revenue.

already utilizes revenue sources, such as funding from city general fund revenues and advertising revenues from ads placed on CATA buses. Like our observed cities CATA could also pursue funding sources through various rental/lease revenues and contract or purchase of service revenues, which could include leases and services

to various businesses, universities, municipalities, and/or schools. In addition, public-private partnerships could also increase revenue sources for funding. For example, the Tallahassee transit agency maintains a \$15 million operating budget and receives 59% of funding from the local funds, about 28% from fare revenue (cash and service agreements with universities), about 7% from state funds, 5% federal assistance, and about 1% is other funds.

- **Short/Intermediate Term—Decide new funding stream strategy**

Funding depends on a variety of factors that are unique to each system. However, the study demonstrates that some generalities exist for a viable funding source. In general, a healthy public transit system must be supported by both the local government and the state to ensure sustainability; yet, these funding sources must also be a relatively stable and politically viable source of revenue. Several factors must be taken into account when deciding on which source of revenue to pursue. This includes a thorough examination of the adequacy of the funding stream, how equitable each stream is in terms of benefit and burden for the public, the willingness of the public to provide additional funding, and the efficiency of each funding source. Evidence does indicate that CATA should not pursue an increase in fares alone in order to generate more funding.

- **Long Term- Dedicated funding stream**

CATA would benefit greatly from pursuing a dedicated source of funding. The evidence provides multiple examples of how CATA could procure additional, stable funding sources. These include, but are certainly not limited to, local property taxes, alcohol taxes, payroll taxes, gasoline taxes, lottery funding vehicle miles traveled (VMT) tax, sales tax, energy tax, parking fees that help to provide financing for transportation tax, tolls, and others (recognizing that some of these are not available in Arkansas for transit systems, e.g. alcohol and lottery revenue). There is discussion currently to go to the public for a dedicated sales tax which would aid CATA immensely if it would pass. However, CATA should explore sources beyond sales taxes to ensure a more secure funding stream and a source that is less regressive on lower income riders.

Operating/Governance Structure

CATA has the opportunity to make considerable, positive alterations to their operations and governance structure to increase ridership and better serve the public. The three main areas CATA can change involve the development of a fare policy, improving service delivery strategies, integrating technology into service delivery, and changes involving how the board



operates within the organization and the community. In reference to the diversity of board membership, of our surveyed cities, 5 of 7 had public appointments to the board.

- **Short Term- Limited need for a formal fare policy**

For payment methods, GFI fare boxes offer not only convenience to customers but also improve efficiency and provide a method to calculate ridership per route.

In terms of a fare policy, the research indicates that many local areas that are similar to Central Arkansas do not have a formal fare policy. Instead, these systems rely on existing federal laws, such as Title VI, that are designed to protect underrepresented groups. Despite the overall lack of a formal

policy, CATA could form a set of fare policies that encompass several public addressed areas. For example, all transit systems offer reduced rates for seniors by law. In addition, offering employee-rider tax benefits should be considered advantageous when forming a fare policy because this consideration could potentially increase ridership. In general terms, a fare policy should encompass fare pricing that is structured to maximize ridership and a payment system that matches fare policy and structure. Finally, adopting fare policies should include as many stakeholders as possible, which will also affect public engagement and marketing.

- **Intermediate Term- Improve service delivery in routes and technology**

CATA should also explore different ways to improve service delivery, both in terms of logistics and technology. Logistically, CATA should explore increases to the route structure and increases in route frequency. In addition, CATA should target rider improvements, such as improving or advancing security measures, increasing speed per route, improving passenger comfort, improving vehicle reliability, and fare payment methods. Many of these ridership improvements include providing better methods of relaying information to customers, such as utilizing technology to provide tailored schedules, bus stop information, computerized information systems, and technologically advanced kiosks. For payment methods, GFI fare boxes offer not only convenience to customers but also improve efficiency and provide a method to calculate ridership per route. Overall, the research suggests that CATA should explore all transit technology avenues,

"A system of bus rapid transit is not only dedicated lanes. You have to have really good boarding conditions - that means paying before entering the bus and boarding at the same level. And at the same time having a good schedule and frequency." -Jaime Lerner

including Wi-Fi (on buses and in transit centers), Smart Cards, security cameras, real-time bus displays to assistance operations with on-time performance and passengers in locating their buses, use of social media (Facebook, Twitter, Blogs/ Comments), and phone apps that allow for route scheduling and bus tracking.



- **Long Term- Improve the public nature of the CATA Board**

CATA's board should be trained with available tools from professional organizations such as national and state transit associations in efforts to understand its roles representing the community, as well as its legal responsibilities.

Finally, the study demonstrates that CATA should develop assessment tools and strategies that regularly identify the CATA board's strengths and weaknesses. CATA's strategic plan should aim to build on strengths as well as encourage more interpersonal networking and inter-transit system communication in order to build

stronger and wider relationships and increase board cohesion. CATA's board should be trained with available tools from professional organizations such as national and state transit associations in efforts to understand its roles representing the community, as well as its legal responsibilities. Overall, CATA's board must regularly assess whether CATA is addressing the needs of the larger Central Arkansas community and providing the means to increase the role of bus transit.

CATA is in a very good position to examine the challenges it faces and find solutions to overcome them so that it can grow its ridership and implement changes that will increase its efficiency as an agency. In the identified areas, our study highlighted the most impactful areas as public engagement and diversified funding streams. Potentially, CATA could exercise more autonomy; however, due to the current board structure and how funds are defined, CATA has limited flexibility to grow. CATA must seek out best practices in the field and learn from the innovations of comparable transit agencies to help shed light on strategies with the structure in which it operates now and would align with its goals and objectives as it begins its strategic learning process.



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Appendix I: Glossary

AVL: The automated vehicle location systems (AVL) used by the transit agencies that helps in tracking the locations of transit vehicle in real time.

Dedicated Funds: Reserves set aside for a limited purpose or object in the state treasury or in separate account allocated for specific purpose.

Energy tax: Energy taxes are additional charges on fossil fuels like natural gas, oil or coal. This tax helps in raising revenue.

Fare Structure: The system set by transit agencies that decide how much money is to be paid by various passengers using the transit vehicle at any given time.

GFI: Widely used fare collection equipment by the transit agencies. It offers riders the benefit of making end-to end credit card transaction by swiping their cards.

Non-Dedicated funds: Non-dedicated funds are the projected reserves those remain undesignated for the current or future appropriation and cannot be used without the specific authorization by the city council.

Operating Revenue: Income that is generated from the day-to day operations of a business.

Property Tax: Tax that is levied on the property by the governing authority of the jurisdiction that owner of the property is required to pay, also called as Millage tax.

Payroll tax: Payroll taxes are the taxes that employers are required to withhold and/or pay on behalf of their employees, and those are withholdings from employees' wages.

Ridership: Number of riders using the public transit services.

Sales Tax: Tax on sales or on the receipt from the sales.

Transportation Tax: Tax levied on the vehicles, aircraft or ships using public highways, airports and river.

Appendix II: Comparable Cities Overview

Montgomery

The Montgomery Area Transit System, MATS, provides fixed routes and para transit services within the city limits of Montgomery, Alabama. MATS is owned by the City of Montgomery, administratively led by a General Manager, and operated via contract by the First Transit Group Incorporated. MATS has an operating budget of \$6.2 million. MATS ridership is tracked through electronic fareboxes that counts fares, tickets, and passes. As reported by its General Manager in FY 2014, MATS had a ridership of 950,000.

Omaha

The Metro serves the city of Omaha and maintains turn-key contracts with five surrounding communities, including Council Bluffs, Iowa. Metro's leadership is comprised of a five member board from the general public, appointed by the Mayor and approved by city council and county board. The transit agency maintains a \$28 million operating budget and receives 52% of the funding from local property tax in the City of Omaha, about 22% from federal, 17% from fares, about 7% from State/local grants, and 1% from other revenue. Metro's ridership is tracked through GFI farebox software, which was calculated as 4,178,316 riders in 2013, and represented the following demographics:

3% K-12 students, 9% college students, 8% Elderly / Reduced Fare, and 80% Adult / Full Fare. About 58% has an annual household income below \$29,999, 26% indicated a household size of one, 47% African American, 39% White/Non-Hispanic, 6% Hispanic/Latino.

Tallahassee

The StarMetro serves the city of Tallahassee, which operates 12 cross-town routes and University shuttles. StarMetro is a transit agency that is part of the city government. The transit agency maintains a \$15 million operating budget and receives 59% of funding from the local funds, about 28% from fare revenue (cash and service agreements with universities), about 7% from state funds, 5% federal assistance, and about 1% is other funds. StarMetro tracks its ridership through farebox system by stop, fare type, and route and was calculated at 4,462,011 riders in 2013.

Amarillo

Amarillo City Transit (ACT) provides service within the city limits of Amarillo, TX, approximately 100 square miles. ACT is part of the City of Amarillo which is governed by the Amarillo City Council. Council members are elected at large, by the public. The agency's annual operating budget is \$3.88 million of which 52% comes from the FTA, 9% from state funds (Department of Transportation) and 34% from the city general fund. Ridership is tracked by ACT staff members who complete ridership surveys by watching video taken from the bus and count passengers

entering and exiting the bus at each bus stop. FY13/14 ridership was calculated at 372,533 fixed route one way passenger trips. Demographics for this ridership are unavailable.

Knoxville

The KAT serves the city of Knoxville, Tennessee. KAT's leadership is comprised of a 9 member board chosen by Knoxville's mayor and 1 member elected from within the city's capital. The transit agency maintains a \$20 million operating budget and receives a major percentage of its funding from federal grants, university subsidies, fares, returns on investments, and state transportation grants. KATS ridership is gauged through tracking sales purchases per stop, which was calculated at approximately 3 million riders in 2013, and represented the following demographics:

70% of passengers -low income (below 100% of the Poverty Guidelines). 55% were white, 37% African-American, 3% Asian, 1.7% Hispanic. 2.5% are multiple races and .8% are Native Americans. 52.5% are male, 47.5% female.

Grand Rapids

The Rapid serves the city of Grand Rapids, Michigan as well as five surrounding communities, including Kentwood, Wyoming, Walker, East Grand Rapids, and Grandville. The Rapid's leadership is comprised of a 15 member board with five members from Grand Rapids and 2 members each from the remaining municipalities chosen through mayoral delegation or city council electorate. The transit agency maintains a \$ 40.1 million operating budget and receives 12% from operating revenues, 16% state operating assistance, 25% federal transit grant revenues, and 47% city general fund revenues. The Rapid's ridership is gauged through tracking sales purchases per stop, which was calculated as approximately 12.5 million riders in 2013, and represented the following demographics:

Male, White, Ages 25 to 34, and Income under \$11,490.

Akron

METRO RTA is the public transportation provider for Summit County, Ohio. The METRO is governed by a twelve-member board of trustees: six are appointed by the City of Akron, three by Summit County, and one each from the cities of Barberton, Cuyahoga Falls and Stow. METRO's 2013 operating expenses were \$38.97 million and operating revenues were \$51.25 million. METRO's total 2013 income included 9.2 percent from federal revenue; state revenue was .4 percent, and fare box and ticket sales amounted to 9.8 percent. Sales tax generated \$39.9 million, or 77.8 percent of total revenue. METRO reports passenger activity monthly in two main categories, regular route "line" service (34 fixed routes with published schedules, plus 5 different weekday Grocery Buses) and door-to-door demand responsive SCAT/ADA (paratransit) service. SCAT/ADA service is provided for people who are over 62 years of age, or disabled. The line service carries 95% of the average weekday ridership. Total ridership was calculated to be 5.1 million riders and represented the following demographics:

The riders of METRO are racially and economically diverse, but the majority comes from low-income households, communities of color, and English speakers. Despite the fact that 48 percent are employed at least part-time, more than half of respondents live on less than \$10,000 per year. 59 percent of respondents do not have access to a private vehicle and most respondents are frequent users of METRO, which includes riding five or more days per week. Moreover, more than 50 percent of respondents report riding METRO for more than four years. Ridership rates are particularly high among younger adults, with more than half of respondents under the age of 45.