

The STATE of TRANSIT in NEW ORLEANS

The Need for a More Efficient,
Equitable, and Sustainable System

RIDE

WORLD CLASS TRANSIT FOR NEW ORLEANS

From the Board of Ride New Orleans

The flooding of New Orleans following Hurricanes Katrina and Rita in 2005 disrupted every aspect of life in our region, and our bus and streetcar network was no exception. While a great deal of progress has been made in restoring and reforming many of our public systems since Katrina, there has never been a comprehensive study of the impacts that Katrina and Rita caused within our public transit network – including service reductions and cost increases that continue to affect our transit system today.

In response to the need for a study that would provide a clear look at the state of our transit system, Ride New Orleans has conducted a multi-year process of gathering and analyzing data, culminating in the release of this report, *The State of Transit in New Orleans: The Need for a More Efficient, Equitable, and Sustainable System*. Our goal in releasing this report is to ensure that all parties, from the New Orleans Regional Transit Authority (RTA) and City officials to the transit-riding public, have a clear understanding about the cost of transit service today, and the type and quality of transit service that we receive in return for our public investment and passenger fare contributions. We hope that this report will:

- Catalyze a public dialogue about the type and quality of transit service New Orleanians can and should expect;
- Raise questions about operating costs that are higher than those of comparable transit agencies; and
- Set the stage for a comprehensive evaluation of options for funding the public transit network that best meets the needs of New Orleans and the greater region.

High-quality public transit is crucial to improving equity outcomes in our neighborhoods and facilitating economic development for our region. Yet, based on multiple metrics, it is clear that New Orleans is paying more than comparable cities for a transit system that has seen a precipitous decline in service since Katrina.

Ride New Orleans welcomes the RTA's June 2014 announcement that the agency will be increasing bus service in September 2014 to provide more convenient and frequent transportation options for many bus riders. However, the RTA is already spending more than it earns every year, and it is unclear how we will pay for these changes in the long term. The RTA has indicated that a fare increase is under consideration as one funding option. If the fare increase conversation moves forward, our residents, riders, and taxpayers deserve to see how their investment is part of a transit master plan for efficient, equitable service that is also financially sustainable. New Orleans is at a critical juncture: we need to examine the future of our transit system and its capacity to help drive economic growth for our region.

Ride New Orleans' Board would like to thank our Executive Director, Rachel Heiligman, for her tireless efforts in analyzing data, writing this report, and coordinating the review process. Ride New Orleans received help in this effort from the Center for Social Inclusion – in particular from Simran Noor, Coordinator of Advocacy at CSI, and Samir Gambhir, who helped us gather data and produce maps that shaped the course of our analysis. Others who provided invaluable contributions to this report include: Kyle Shepherd and Mike Leiken of the Roosevelt Institute, who performed initial analysis and mapping work that got this report off the ground; Alexandra Miller of Miller Urban Consulting, who provided research, editing, and technical writing; Vivek Shah and Peter Bennett, researchers from the Ride New Orleans Policy Committee; and our committee of outside reviewers. We thank all of those who assisted for their efforts.

Sincerely,



Trevor Kade Theunissen
President, Ride New Orleans

About Our Organization



WORLD CLASS TRANSIT FOR NEW ORLEANS

Ride New Orleans is an independent non-profit organization. Our vision is a world class, multi-modal transportation system that promotes a vibrant, healthy and sustainable New Orleans region. Our mission is to enhance the quality of life in the New Orleans region by promoting safe, convenient, and affordable transportation options.

Visit <http://rideneworleans.org> for more information.

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Report Contributors

Alexandra Miller - Interim Executive Director
Jeffrey Goodman - Graphic Designer



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Ride was assisted with data analysis and mapping for this report by the Center for Social Inclusion. The Center for Social Inclusion (CSI) is a national policy strategy organization that works to unite public policy research and grassroots advocacy to transform structural inequity and exclusion into structural fairness and inclusion. CSI works with community groups and national organizations to develop policy ideas, foster effective leadership, and develop communications tools for an opportunity-rich world in which we all will thrive.

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Executive Summary

Ride New Orleans' analysis in this report highlights several critical findings. First, our research confirms that, by the end of 2012, less than half of the pre-Katrina transit service offered by the New Orleans Regional Transit Authority (RTA) in 2005 had been restored – although 86% of New Orleans' population had returned to the city. These service reductions have been worst in areas where transit service is needed most: low-income neighborhoods, communities of color, and areas where people have less access to personal vehicles.

Second, our analysis of the RTA's finances shows that the agency is operating at a significant deficit every year. Some of the basic causes of the deficit are clear: our transit system costs more to operate than comparable systems and it charges lower fares. This high-cost, low-revenue situation is unsustainable, and will bring the RTA to the end of its operating reserve funds by 2015. Yet, to date, the conversation about correcting the deficit has centered only on a potential fare increase. The findings in this report indicate that any sustainable solution to the deficit will need to involve lowering the costs of service as well as increasing revenues of all types.

Our conclusion from these findings is that New Orleans' transit system is at a critical juncture: we will either take a reactive stance to our deficit, cut transit service, and hamper our economic growth, or we will start looking to the future with progress in mind. As talk of a fare increase intensifies, our transit riders, public officials, and taxpayers must insist on a dialogue that ensures that our city receives the level of service we deserve in return for our public investment in the transit system.

The three parts of this report break down these findings and provide numerous indicators to support these conclusions.

Part 1: An Inefficient System

Population Recovery Far Outpaces Transit Service Restoration

After Hurricanes Katrina and Rita shut down transit service entirely in 2005, the RTA has restored service and increased service availability gradually. However, by 2012, the agency had restored less than half of its pre-Katrina transit service; in terms of the total number of trips made each week, only 36% of pre-Katrina transit service had been restored by 2012. In contrast, the New Orleans neighborhood recovery rate was 86% during that same time period. The frequency of service – how often the bus comes – has also decreased since 2005. Currently, 18% of routes have gaps of over an hour between buses, making it very difficult for riders to depend on these routes to get to work or school. Pre-Katrina, no routes had gaps or “headways” of over an hour.

Post-Katrina service cuts have been especially hard on bus riders, as the RTA has restored more transit service to its streetcar lines than its bus routes. By 2012, the agency had restored 77% of the weekly transit trips offered aboard the Riverfront, St. Charles and Canal Streetcar lines in 2005. In contrast, only 29% of the weekly bus transit trips offered in 2005 had been restored by 2012. Many bus routes were shut down entirely after Katrina and have not been restored since.

Despite the decline in service, demand for transit remains strong. Self-reported statistics from the RTA in the National Transit Database show that the RTA's vehicles are very full compared to other, similar transit agencies. Though ridership has fallen since Katrina, various measures show that the RTA is seeing an approximately 20% increase in ridership each year.

Part 2: An Inequitable System

Areas that Need Transit Most Have Seen Greater Declines in Service

Our analysis reveals that almost every neighborhood in New Orleans saw a serious decline in transit service between 2005 and 2012. However, low-income neighborhoods, communities of color, and areas where people have less access to personal vehicles have experienced greater declines compared to other areas of the city. In short, the areas that truly need public transit have seen the least service restored since Katrina.

This finding holds true even when statistically controlling for population and household recovery, meaning that these disparities in service are not justified by post-Katrina population changes alone.

Part 3: An Unsustainable System

High Costs and Low Revenues Are Jeopardizing the Viability of the RTA

In 2012, the RTA spent more than it earned, creating a deficit of \$4.3 million. In 2013, the agency's approved budget included a \$12 million deficit. Between 2014 and 2016, the projected deficit is anticipated to be between \$16 million and \$20 million every year.

Despite these increasing deficits, the RTA has been able to cover its annual expenses until now through an "unrestricted reserves" fund which held more than \$42 million in 2012. By the end of 2014, the RTA anticipates fully depleting this unrestricted reserves fund, leaving the agency unable to cover its operating expenses in 2015.

To look for the basic causes of the RTA's structural deficit, we examined both the RTA's costs of providing service and the agency's revenues in order to understand the options for addressing this deficit. Our analysis compared the RTA's costs and revenues to those of similar transit agencies in other cities and regions (for more detail on how we chose these comparison markets, see Appendix B).

- **Costs:** Currently, the RTA's operating expenses are the highest among all the comparison markets at \$168 per vehicle revenue hour or, more plainly, the RTA spends more to operate its service than any of our comparison transit agencies. In contrast, in the early 2000s, the RTA's operating expenses per vehicle revenue hour ranged from \$116-\$124 per vehicle revenue hour, putting them in line with four of the eight comparison markets we examined. Operating expenses per vehicle revenue hour is a key measure of cost-effectiveness within transit agency operations – in essence, the figure represents all the costs that go into operating one average vehicle for one hour of active service.

- **Revenues:** The largest source of RTA revenue to support operating expenses is not fares – it is a citywide 1% sales tax approved by voters in 1985. However, fares are an important component of any transit agency's revenue, so Ride New Orleans took a close look at how New Orleans' fare structure compares with that of similar cities' transit agencies. The RTA's fares are currently set at \$1.25 per trip, an amount that has not increased since 1999 – not even to adjust for inflation. The RTA's fares are the lowest of any of the comparison transit agencies that we analyzed as a part of this study; fares in these comparison markets range from \$1.35 to \$2.65.

The RTA has a “delegated management contract” with Veolia Transportation Inc. (Veolia), meaning that Veolia, a private company, manages all aspects of the RTA's public transportation services below the Board level. Upon signing this contract in 2009, Veolia's press release stated: “[Veolia] expects to be able to generate significant cost savings over the agency's current expense levels, while improving and enhancing service.” The findings in this report indicate that operating costs are still higher than those of comparable transit agencies, while service remains far below its pre-Katrina levels. Increasing the cost efficiency of the RTA's operations is thus a key concern in addressing the growing deficit, and cost efficiency should be examined in conjunction with any proposals for additional revenue generation.

Based on multiple metrics, it is clear that New Orleans is paying more than comparable cities for a transit system that has seen a precipitous decline in service since Katrina. We need many more transit vehicles on the road in order to generate a system that can fuel economic growth and attract new riders; the July 2014 service change proposals from the RTA are a step in this direction, but they do not come close to amending the 71% decrease in bus service that occurred between 2004 and 2012. We also need a long-term financial and operational plan that demonstrates improved cost efficiency measures at the RTA. This plan should be available for consideration along with any proposals from the RTA for fare increases or other new revenues, in order to ensure that New Orleanians receive good value for their investment in our transit system's future. Ride New Orleans' aim with this report is to foster a citywide dialogue about the future of our transit system and its capacity to help drive economic growth for our region.

Methodology

In this report, we rely on data self-reported by the RTA to the National Transit Database in addition to data obtained directly from the RTA on the availability of transit service. Combining data on service availability with population and demographic data from the U.S. Census allows us to analyze the amount, frequency and use of transit service from 2000 through the end of 2012 in relation to population and demographic changes during that same time period.

We also dive into the current state of financial affairs at the RTA; our financial analysis is based on annual RTA budget documentation that Ride New Orleans received through FOIA requests. We explore the amount and quality of transit service that New Orleanians are receiving for their investment in the transit system – or more simply put, what bang we're getting for our buck. In order to ensure that our analysis on this point is objective, we benchmark the financial on-the-ground realities in New Orleans with national trends experienced by transit agencies operating in comparable cities and markets across the country.

More detailed information on data, methodology, and selection of comparable transit agencies can be found in Appendix A: Data and Methodology Overview and Appendix B: Comparison Markets.

Part 1: An Inefficient System

Population Recovery Far Outpaces Transit Service Restoration

Ride New Orleans' analysis shows a precipitous decline in the amount of transit service available in New Orleans between 2005 and 2012. As our population returned after Katrina, our transit system did not keep pace. By 2012, New Orleans had less than half the amount of transit service that was available before Katrina – while our population had rebounded to 86% of its pre-Katrina size. The transit system we have now is less convenient for riders; the average frequency on our transit routes has declined meaning that waits are longer. Bus riders have been hit especially hard by lost routes, reduced frequencies, and a large reduction in the total number of buses available in the RTA fleet. Despite all of these cuts, transit demand continues to grow by approximately 20% each year, and our buses and streetcars are running full – which implies that it's time to get more service on the street for New Orleans residents.

*“By 2012, New Orleans had **less than half** the amount of transit service that was available pre-Katrina – while our population had rebounded to 86% of its pre-Katrina size.”*

A. Since 2005, A Precipitous Decline in Total Amount of Transit Service Available

Ride New Orleans measured the amount of transit service available before and after Katrina in several different ways, including the number of weekly trips, the number of “vehicle revenue miles,” and the number of “vehicle revenue hours.” Each of these different measurement methods indicates a major reduction in the amount of transit service available to New Orleans residents between 2005 and 2012.

Trips: A “trip” is a single round trip made by a single vehicle, like a bus or streetcar, from the time it leaves its first station until it returns to that station at the end of its route.

Weekly Trip Volume

One method of measuring the total amount of transit service available to New Orleans residents is the weekly trip volume, or the number of trips made on all transit routes in a typical week. As of 2012, the RTA had restored only 36% of the weekly transit trips offered in 2005 – meaning the weekly trip volume declined by 64% between 2005 and 2012.

Table 1: Total Weekly Transit Trips in New Orleans, 2005 and 2012

	Total Weekly Transit Trips		2005 – 2012 Change	
	2005	2012	Number	Percentage
Bus	15,055	4,436	(10,619.00)	-71%
Streetcar	2,418	1,872	(546.00)	-23%
TOTAL	17,473	6,308	(11,165.00)	-64%

Ride New Orleans’ analysts relied on the RTA’s maps and schedules from 2005 and 2012 to count total weekly trips on each route. We added all the routes together to get the “weekly trip volume” or total number of weekly trips available in a normal week during 2005 and 2012. Our trip volume analysis does not include paratransit trips; it focuses on the scheduled service available to the majority of transit riders.

Vehicle Revenue Miles and Hours

Another method of measuring the total amount of transit service available is to examine the number of vehicle revenue miles and vehicle revenue hours offered on an annual basis. The number of vehicle revenue miles traveled by RTA vehicles declined by 57% between 2000 and 2012, while the number of vehicle revenue hours declined by 49% during the same period. While the RTA has been restoring vehicle revenue miles and vehicle revenue hours at average annual rates of increase of 9% and 11% respectively since 2006, the amount of service available today remains just a fraction of the service available pre-Katrina.

Vehicle Revenue Miles: The miles that transit vehicles travel while they are accepting passengers on their scheduled routes. This statistic does not count any miles traveled while vehicles are out of service.

Vehicle Revenue Hours: The hours that transit vehicles travel while they are accepting passengers on their scheduled routes. This statistic does not count any travel time that occurs when vehicles are out of service.

Chart 1: Vehicle Revenue Miles 2000 - 2012

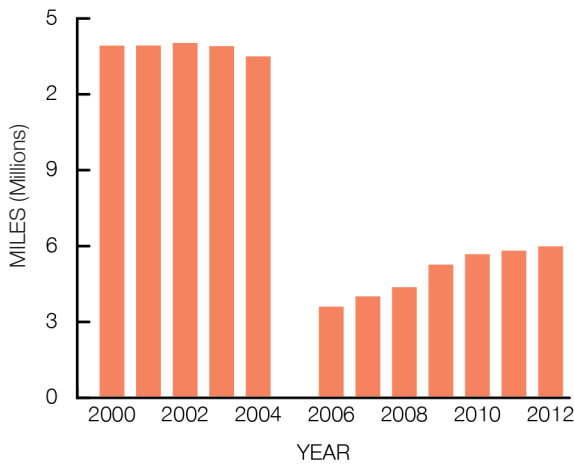
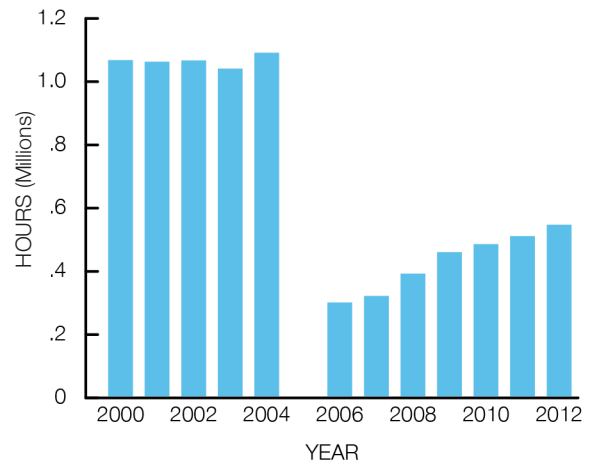


Chart 2: Vehicle Revenue Hours 2000 - 2012



The RTA reports its vehicle revenue miles and hours to the National Transit Database on an annual basis – with the exception of 2005, when the RTA did not report to the NTD. We therefore analyzed data on vehicle revenue miles and hours from 2000-2004 and 2006-2012 to examine service trends.

B. Large Reductions in Frequency Mean Less Convenient Service for Riders

Frequency – how often the bus or streetcar comes – is an important indicator of how convenient service is for passengers. Riders who depend on a once-per-hour bus must leave their homes up to two hours ahead of time or risk missing work or school, and people who are deciding whether to ride transit to work will not ride if they might have to wait 45 minutes for the next bus. Ride New Orleans examined 2005 and 2012 “peak hour” or rush hour waits when most commuters are on the road in order to see whether there were clear changes in the frequency of transit routes after Katrina.

In 2005, the RTA was operating many high frequency bus and streetcar routes. Twenty-eight percent (28%) of their transit routes provided peak hour waits of less than 15 minutes, and no bus or streetcar routes had peak hour waits of longer than 60 minutes. In contrast, in 2012, only 9% of RTA transit routes had peak hour waits under 15 minutes, and 18% had peak hour waits greater than 60 minutes.

These observed changes reveal that over all, the RTA is currently running far less frequent service across the board during peak commuting hours. While we did not focus on off-peak times, frequency during off-peak hours has also declined since 2005.

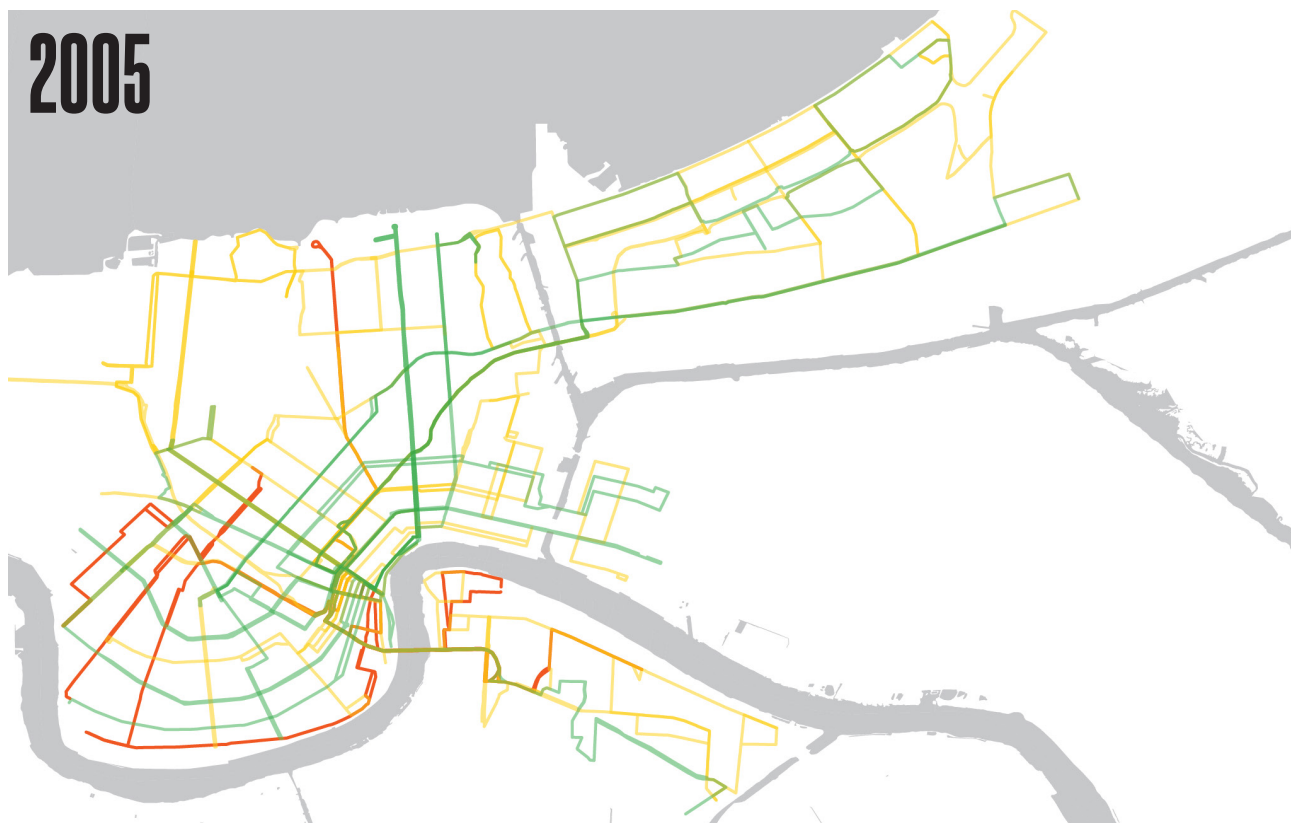
Table 2: Peak Hour Frequency in 2005 and 2012

	Bus & Streetcar Routes			
	2005		2012	
	Count	Percentage	Count	Percentage
Less than 15 minutes	17	28%	3	9%
15 to 30 minutes	31	52%	5	15%
30 to 60 minutes	12	20%	20	59%
Greater than 60 minutes	0	0%	6	18%

PEAK HOUR WAIT TIMES



2005



2012



Map 1: 2005 Peak Hour Frequency (scheduled)

Map 2: 2012 Peak Hour Frequency (scheduled)

For our frequency analysis of the RTA's 2005 and 2012 transit service, we looked at the headway – or number of minutes wait between transit trips – offered on each bus and streetcar route during morning peak hours between 6:30AM and 10:00AM and evening peak hours between 3:30PM and 7:00PM. These figures are based on official RTA schedules. We divided routes into these categories: less than 15 minutes' headway at peak hours; 15 to 30 minutes; 30 to 60 minutes; and greater than 60 minutes (see Table 1.B) in both 2005 and 2012.

C. Bus Riders Have Been Hit Especially Hard by Reductions in Trips, Routes, and Vehicles

Ride New Orleans’ analysis shows that service changes between 2005 and 2012 have been especially hard on bus riders. Many bus routes were cancelled entirely after Katrina and have not returned; the bus routes that still exist offer fewer trips, longer waits, and a reduction in available vehicles compared to 2005. In total, bus riders had to cope with a 71% decrease in total bus trips between 2005 and 2012.

While streetcars are an iconic and valued part of New Orleans’ transit system, buses are a much more cost-effective and efficient way to serve large geographic areas. They can travel long distances without the expense of installing costly rail systems, and their routes can be modified as population and neighborhood needs change. The loss of bus routes and overall decrease in bus service since Katrina has adversely affected many New Orleans neighborhoods that lie outside the areas served by our streetcars.

Lower Weekly Trip Volume

The RTA has restored more transit service to its streetcar lines than its bus routes. By 2012, the agency had restored 77% of the weekly transit trips offered aboard the Riverfront, St. Charles and Canal Streetcar lines in 2005. In contrast, only 29% of the weekly bus transit trips offered in 2005 had been restored by 2012.

Fewer Buses in Fleet

In 2004, the RTA had 367 buses available in its fleet, and operated 301 of those buses in maximum service. The agency lost much of its fleet in the 2005 flooding following the levee failure. In 2012, the RTA had 86 buses available and operated only 79 of them in maximum service, for an overall decrease of 77% in its available bus fleet and a decrease of 74% in maximum bus service.

In contrast, the number of streetcars available between 2005 and 2012 did not change; the RTA continues to have 66 streetcars available in its fleet. The RTA operated 24 streetcars in maximum service in 2004 and 21 in 2012 – or only a 9% decrease (compared to the 74% decrease in maximum bus service).

Maximum Service: This is the maximum number of vehicles that is out on the road providing service to riders on one particular day, during the course of a single reporting year. The RTA does not operate all of its available fleet on a regular basis. Instead, they operate only those vehicles needed to meet their busiest service time of year and maintain the rest of the fleet as spares, out of service vehicles or vehicles awaiting maintenance.

Table 3: Vehicles Available and Operated in Max Service 2004 – 2012

	BUS		STREETCAR	
	Available	Operated	Available	Operated
2004	367	301	66	23
2012	86	79	66	21
Percent change 2005 - 2012	-77%	-74%	0%	-9%

The RTA reports on its fleet annually to the National Transit Database, specifically reporting on the vehicles available and operated in maximum service. Ride New Orleans reviewed these NTD data from 2004 and 2012.

Lower Frequency

As of 2012, all routes with peak hour waits of under 15 minutes were streetcar routes – no bus routes provided service with under 15-minute waits during rush hour. In contrast, in 2005, 12 different bus routes offered waits of under 15 minutes during peak hours: Magazine, S. Claiborne, Tulane, Louisiana, Martin Luther King, Elysian Fields Local, Franklin Local, Lake Forest Express, Paris Road Express, Galvez, St. Claude, and General DeGaulle.

Retired Routes

Many of the bus routes operated by the RTA before Katrina were not restored after Katrina. In total, 33 routes were retired, including:

- Regional service to Kenner on Route 202 – Kenner Park and Ride. In 2005, this route provided access between New Orleans and the City of Kenner. Today, the RTA does not run a route connecting their service in these cities.
- All of the “school tripper” routes, or buses that ran only short distances to and from public schools scheduled around school hours. Today, the RTA does not run “school tripper” routes but does run enhanced bus service to the Landry-Walker School in Algiers.
- Several bus lines that provided neighborhood connections in 2005 were not restored. These include: Route 54 – Mirabeau; Route 81 – Almonaster; Route 82 – Desire; Route 90 – Carrollton.
- Express buses that provided rapid connections and did not make frequent stops.

The retired express buses include: Route 19 – Nashville Express; Route 34 – Carrollton Express; Route 40 – West End Express; Route 44 – Canal Boulevard Express; Route 56 – Elysian Fields Express; Route 58 – Franklin Express; Route 65 – Six Flags Express; Route 66 – Chef Menteur Express; Route 72 – Paris Road Express; Route 96 – Broad Rapid.

*“...in 2012, only 9% of RTA transit routes had peak hour waits under 15 minutes, and 18% had peak hour waits **greater than 60 minutes.**”*

D. Demand for Transit Service Remains High, Despite Challenges

Demand for transit service can be difficult to measure, because often, the quality of transit service offered determines how many people want to ride transit. More people will take transit to get to work or school if it is high-quality, frequent, and reliable. However, despite the challenges in the current RTA transit system, several measures show that the RTA's transit vehicles are full and that demand is increasing every year, which suggests that increased service frequency and more trips would benefit riders and could fuel even greater ridership.

While Ridership Has Fallen Since 2000, It Is Now Increasing Every Year

Between 2000 and 2012, the RTA reported to the NTD that the number of passenger miles traveled aboard the RTA's bus and streetcar system decreased by 55%, and the number of unlinked passenger trips decreased by 58%. While much of this decline can be attributed to the impacts of the 2005 flooding of the city, some of the decline happened prior to Hurricane Katrina. Between 2000 and 2004, the RTA observed a 30% decline in passenger miles travelled, and a 16% decrease in unlinked passenger trips.

In the years since Hurricane Katrina, the RTA has observed an average annual increase of 20% in the amount of passenger miles travelled by their riders, and an average annual increase of 23% in unlinked passenger trips – showing that as service returns, riders are returning to the transit system in large numbers.

New Orleans' increasing ridership is consistent with a national turn toward higher levels of public transit ridership. According to the American Public Transportation Association, national public transit ridership in 2013 was at its highest levels since the interstate highway system began growing in 1956, and was continuing to grow significantly faster than population growth.^a Young professionals are especially attracted to cities with strong public transit systems; in a 2014 study, four of five young professionals stated a preference for living in an area where they would not need to own a car. Even tourism can be affected: 68% of young people stated that visiting an area that has poor transit connections is a "major inconvenience."^b This attitude among young people shows that demand for efficient, convenient transit service is only likely to grow in the future.

Passenger Miles: The total number of miles traveled by riders of the transit system.

Chart 3: Passenger Miles 2000 - 2012

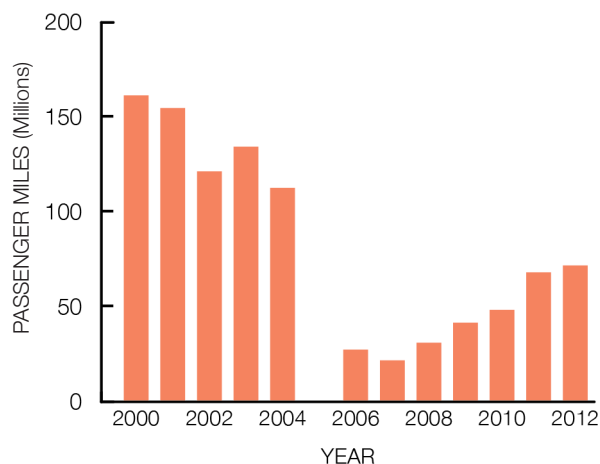
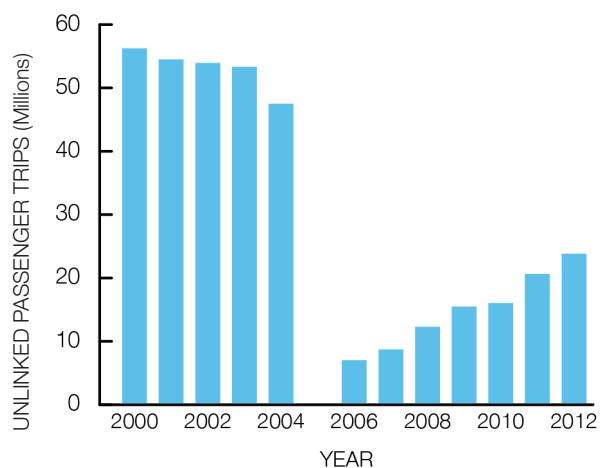


Chart 4: Unlinked Passenger Trips 2000 - 2012



Unlinked Passenger Trip: An "unlinked" passenger trip is a single leg of a transit rider's trip that does not account for any transfers the rider may make.

^a Daniel C. Vock. "Public Transit Ridership Reaches Highest Level Since 1956." *Governing*. March 10, 2014.

^b Angie Schmitt. "Survey: Millennials Willing to Relocate for Better Transportation Options." *Streetsblog USA*. April 23, 2014

Our Buses and Streetcars are Full

Using data from the National Transit Database, Ride New Orleans compared the RTA to eight comparison transit agencies – these transit agencies are similar to the RTA in population income profiles, transit service area density, transit service expenditure per capita, and transit service expenditure per service area to the RTA.* As of 2012, the RTA has a high level of “service effectiveness” and a high “load factor” compared to these other transit agencies – both of which mean that the RTA’s vehicles contain more passengers than vehicles of similar transit agencies in other cities. In fact, a 2012 independent analysis from Nelson/Nygaard Consulting Associates confirms that demand has increased to the point that many of RTA’s transit lines cannot keep up and have too many passengers who are forced to stand; the consultants found that “transit use has been increasing to the point that existing service levels in the existing route network are insufficient to handle the passenger demand in many corridors.” Charts 5 and 6 in this section show how the RTA compares to other transit agencies based on the “service effectiveness” and “load factor” metrics.

The RTA’s operating costs per unlinked passenger trip are also on the low end compared to other transit agencies, despite the fact that RTA operating costs on a per-mile and per-hour basis are generally higher than the other comparable transit agencies Ride examined through our study. This means that, even if it costs the RTA more to run one bus for a mile than similar transit agencies, that cost is divided among a larger number of passengers taking trips on the RTA’s buses – and so we see a lower cost to the RTA per unlinked passenger trip. Chart 7 demonstrates how the RTA’s cost per unlinked trip compares to other, similar agencies.

All of these data points combine to show that riders are using the transit service that exists very intensively – our buses and streetcars are running full.

Service Effectiveness: Ride New Orleans measured service effectiveness based on unlinked passenger trips per vehicle revenue hour – in short, how many riders there are per hour of transit service that the RTA offers.

Load Factor: The “load factor” of a transit system compares passenger miles to vehicle revenue hours – in short, how many miles riders travel per hour of transit service that the RTA offers.

Unlinked Passenger Trip: An “unlinked” passenger trip is a single leg of a transit rider’s trip that does not account for any transfers the rider may make – so a rider who needs to transfer once in order to get to their destination would make two unlinked passenger trips as part of their overall transit ride. This is a standard national metric reported within the National Transit Database.

*For more information, see Appendix B: Comparison Markets.

Chart 5: Service Effectiveness 2000 - 2012

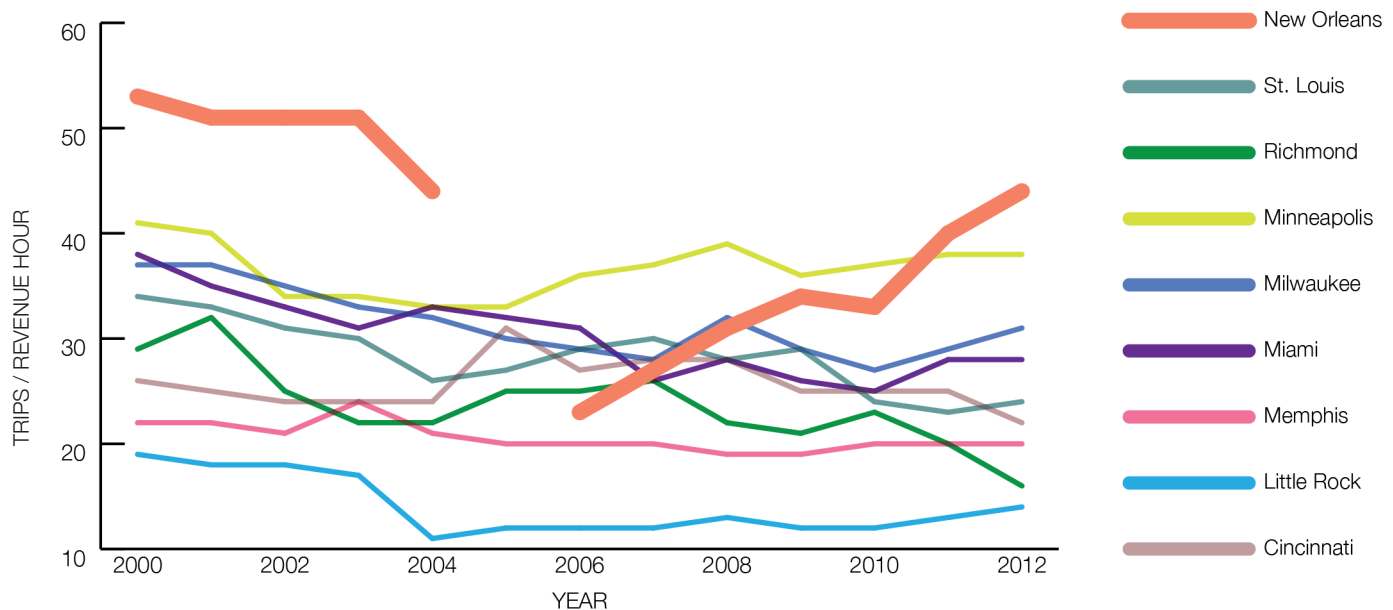


Chart 6: Load Factor 2000 - 2012

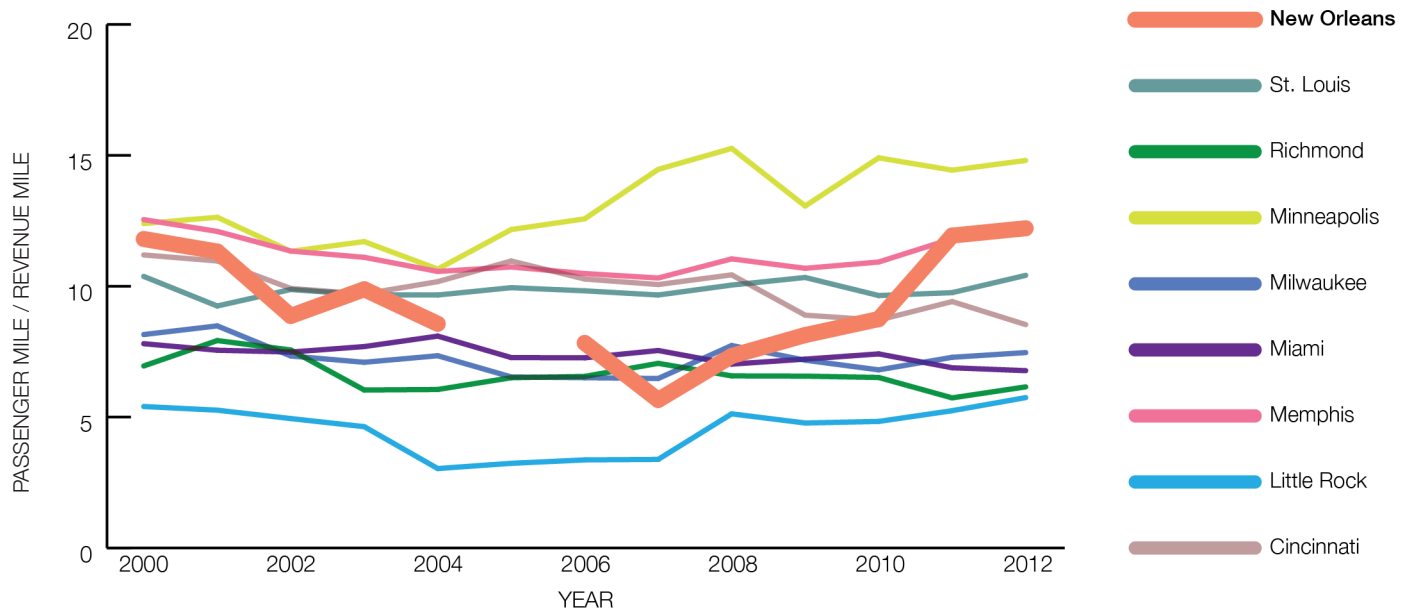
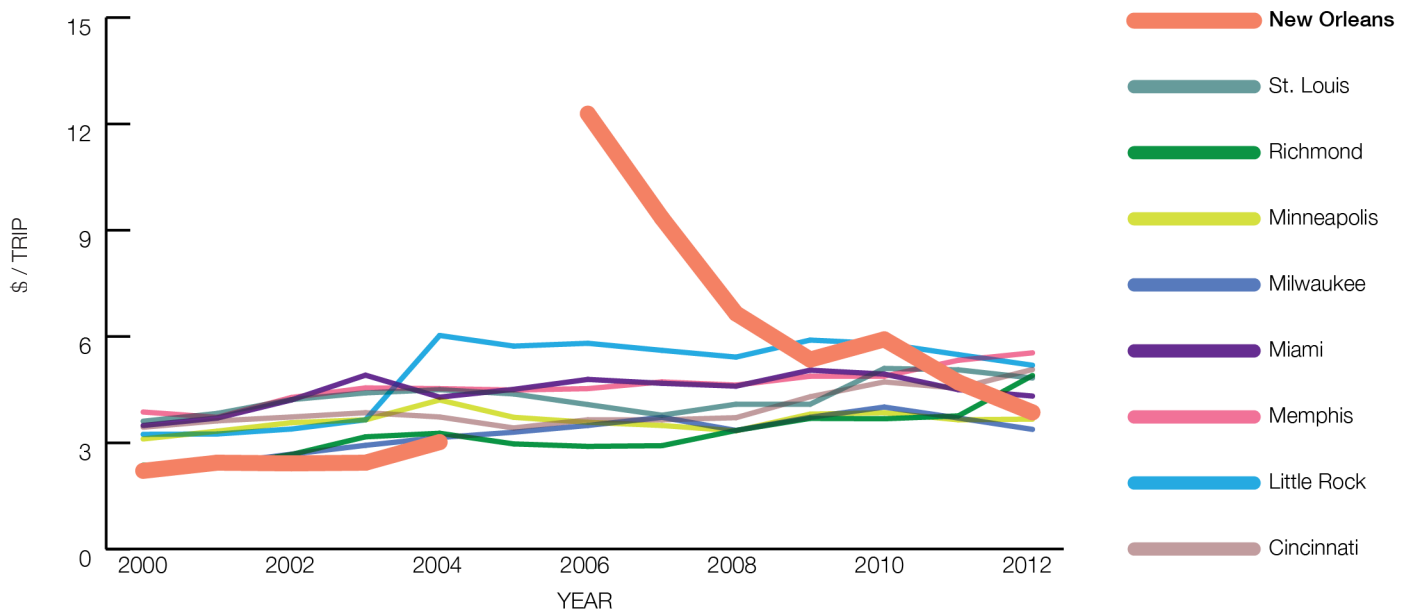


Chart 7: Operating Expenses per Unlinked Passenger Trip 2000 - 2012



*“In 2012, the RTA had 86 buses available and operated only 79 of them in maximum service, for an overall **decrease of 77%** in their available bus fleet and a **decrease of 74%** in maximum bus service.”*

Part 2: An Inequitable System

Areas that Need Transit Most Have Seen Greater Declines in Service

This section documents the impacts of the service losses reported in Part 1 on specific neighborhoods and populations. Our analysis reveals that almost every neighborhood in New Orleans saw a serious decline in transit service between 2005 and 2012. However, low-income neighborhoods, communities of color, and areas where people have less access to personal vehicles have seen more severe declines compared to other areas of the city. In short, the areas that truly need high-quality public transit have seen the least service restored since Katrina. This finding holds true even when statistically controlling for population and household recovery, meaning that these disparities in service are not justified by post-Katrina population changes alone.

*“Service has declined more in **areas that need transit most**, including low-income neighborhoods, areas where people have less access to personal vehicles, and communities of color.”*

Neighborhood Methodology

In this section, Ride New Orleans used the 72 neighborhood statistical area boundaries and names as defined by the New Orleans City Planning Commission to examine which bus and streetcar routes provided service to each neighborhood. Routes were deemed to serve a neighborhood if they: 1) ran through the neighborhood; 2) ran along a boundary street for the neighborhood; or 3) dead-ended or turned around at a boundary street for the neighborhood. In the following instances, we made exceptions to this policy:

- According to the way that the New Orleans City Planning Commission assigned neighborhood statistical area boundaries, the French Quarter and Iberville Development neighborhoods are bounded to the southwest by Iberville Street. We opted to use Canal Street as the southwestern boundary instead, based on the many transit lines serving the French Quarter and Iberville that turn around at or run along Canal Street that would not have been counted under our regular methodology.
- Where transit routes run on interstates and offer no local stops within a neighborhood, we did not count those routes as “serving” that neighborhood.

Once we understood the transit routes that served each neighborhood, we then added together the total number of weekly bus and streetcar trips for the routes serving each neighborhood.

A. Service Losses and Their Impacts Across the City

Between 2005 and 2012, all of the neighborhoods in New Orleans, except one, experienced a decrease in the volume of transit service – ranging anywhere from a 14% to 100% decline. New Orleans' West Bank neighborhoods experienced a 61% decrease in the amount of weekly transit trips offered and New Orleans East neighborhoods experienced a 45% decrease in weekly transit volume.

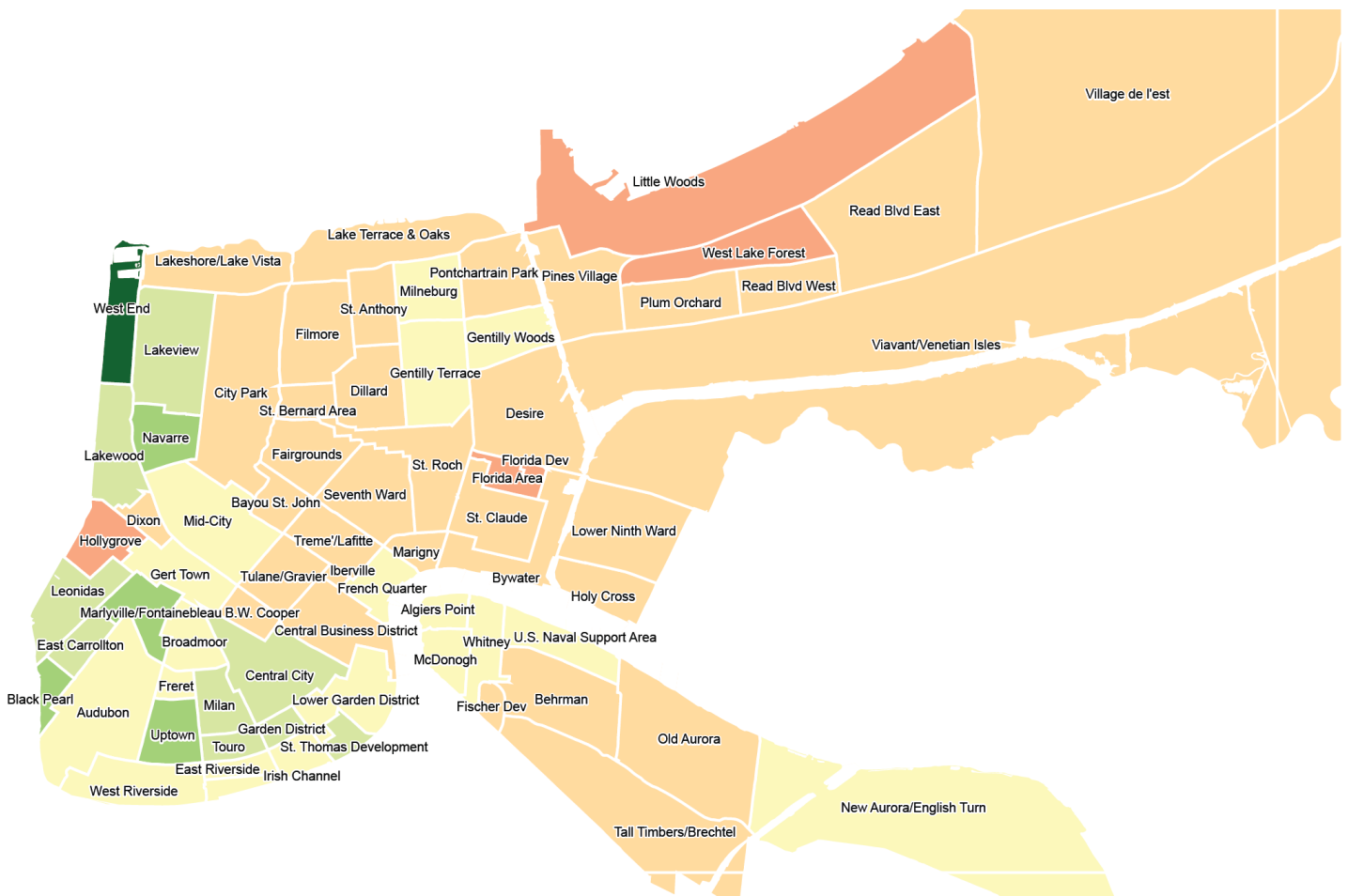
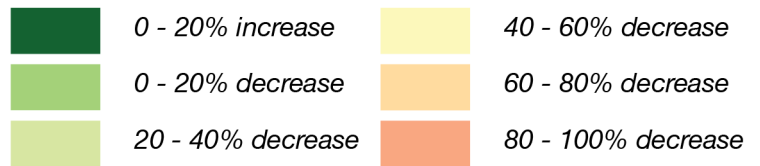
The neighborhood statistical areas that experienced the greatest decreases in the amount of transit service are listed below. For each of these neighborhoods, Ride New Orleans more closely examined why such a significant decline in transit service was observed.

- **Florida Development (-100%):** No transit service was restored to the Florida Development neighborhood. To date, the Florida Development has not been rebuilt and the vast majority of the population has not returned to this area, accounting for the complete removal of transit service.
- **Hollygrove (-95%):** In 2005, Hollygrove was served by the #60 Airline bus and the #30 Tulane bus. After Katrina, the Airline bus was not restored and the new #39 Tulane bus no longer runs up Claiborne Avenue as its predecessor did. While most New Orleanians would consider Carrollton Avenue the downriver boundary of the Hollygrove neighborhood, the neighborhood statistical area delineates the boundary to be either Leonidas or Joliet Streets depending on the location. Therefore, with the loss of the #60 Airline bus combined with the change to the Tulane route, the Hollygrove neighborhood statistical area experienced a dramatic decrease in transit service between 2005 and 2012.
- **West Lake Forest (-92%):** In 2005, West Lake Forest was served by several bus lines, including the #64 Lake Forest Express, #65 Six Flags Express, #67 Crowder, #70 Read and #72 Paris Road Express. In 2012, the only bus line that continued to serve the neighborhood was the #64 Lake Forest Express, explaining the dramatic decrease in transit service to West Lake Forest.
- **Little Woods (-85%):** The Little Woods neighborhood was served by several bus lines pre-Katrina, including: #60 Hayne, #62 Morrison Express, #64 Lake Forest Express, #65 Chef Menteur Express, #67 Crowder, #70 Read / Hayne, #72 Paris Road Express and #73 Oak Island Loop. In 2012, only the #60 Hayne, #62 Morrison Express, #64 Lake Forest Express continued to provide service to Little Woods.

The neighborhood statistical areas that experienced the smallest decreases in transit service offered included: Black Pearl (-14%), Uptown (-15%), Marlyville/Fontainebleau (-19%), Navarre (-19%).

Only one neighborhood experienced an increase in transit service – the West End neighborhood has 12% more transit service today than pre-Katrina. In 2005, the West End neighborhood was served by the #40 West End Express and #41 West End buses that together provided 177 total weekly trips to the neighborhood from the CBD. Post-Katrina, the RTA replaced the West End buses with the new #45 Lakeview bus that runs in a loop in the Lakeview neighborhood. This new Lakeview bus route provides a total of 198 weekly trips, accounting for the increased service to West End.

PERCENT CHANGE IN TOTAL TRIP VOLUME, 2005 - 2012



Map 3: % Change in TTV (2005 - 2012)

Mapping Methodology

In order to better understand the impact of the observed changes in weekly transit trip volume between 2005 and 2012 on New Orleans residents, Ride New Orleans consulted a series of demographic indicators for the neighborhood statistical areas. Specifically, we drew upon 2010 Census data describing the racial composition, average household income, poverty level, household vehicle access, and public transportation usage for residents of each neighborhood statistical area as compiled by the The Data Center. We then used statistical analysis to see if there are relationships, or correlations, between changes in total weekly transit volume and these 2010 demographic indicators.

In order to account for the fact that many of these neighborhood statistical areas experienced a change in population between 2005 and 2012, we used the 2000 Census population for each neighborhood statistical area as a proxy for the population in 2005, and we used the 2010 Census population for each neighborhood statistical area as a proxy for the population in 2012. We then controlled for 2000-2010 population change within our statistical analysis. This means we can be sure that the correlations between changes in service and neighborhood demographics are not justified by post-Katrina population changes alone.

B. Today, Less Transit for Those Who Need It Most

In order to understand which New Orleans transit riders have been most impacted by the decline in available service, Ride New Orleans conducted statistical analyses to relate the changes in weekly transit trips by neighborhood to the demographics of that neighborhood, including neighborhood population, household income levels, poverty levels, non-white populations, and access to personal vehicles. Ride's analysis shows that changes in service are correlated with changes in population between 2005 and 2012 – but, independent of post-Katrina population changes, service has also declined more in areas that need transit most, including low-income neighborhoods, areas where people have less access to personal vehicles, and communities of color.

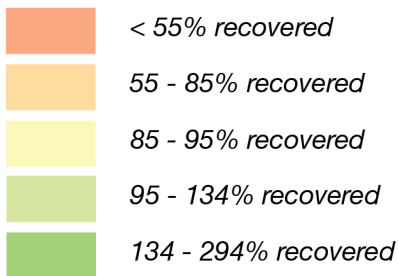
According to the Center for Transit Oriented Development and the Center for Neighborhood Technology, families' transportation costs are the second highest expenditure after their housing costs, which makes the availability of transportation options an important factor in a family's decision to move to a neighborhood. This suggests the RTA's practice of restoring transit service to neighborhoods with the greatest population recovery may in fact perpetuate a cycle of slow recovery in neighborhoods that are struggling to regain residents.

Service Declines and Population Recovery

Ride New Orleans' statistical analysis revealed that a significant correlation exists between population recovery and the change in weekly transit trips. This means that the RTA has restored more service to those neighborhoods that have seen greater population recovery after Katrina.

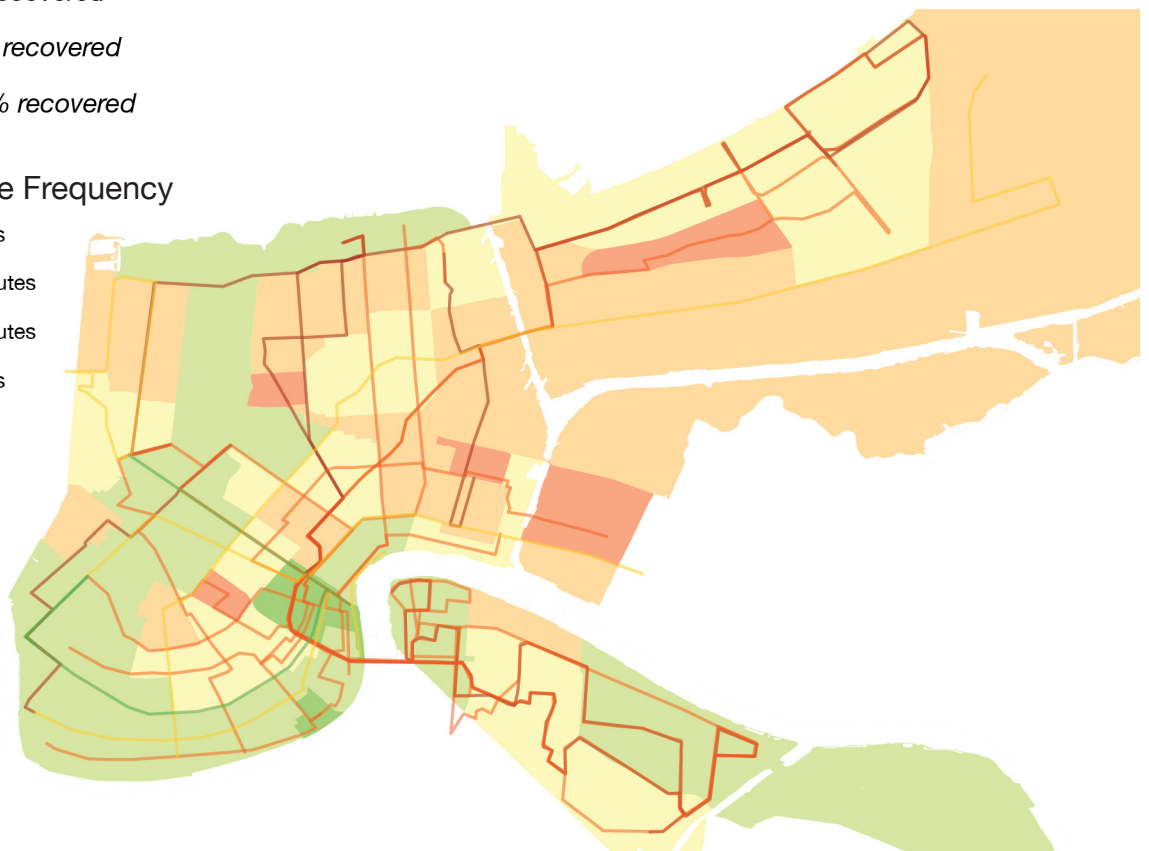
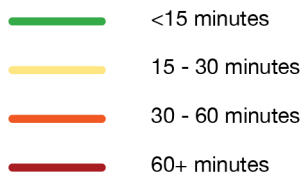
Simple correlation = 0.31

Percentage Population Recovered 2005 - 2012



Map 4: Population Recovery and 2012 Transit Route Frequency

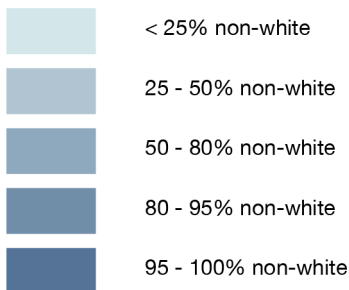
2012 Transit Route Frequency



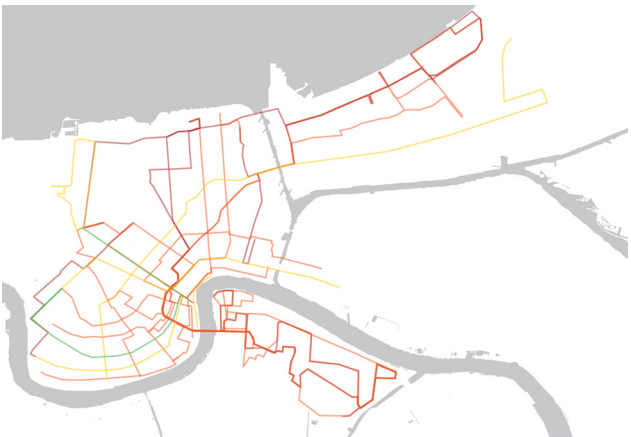
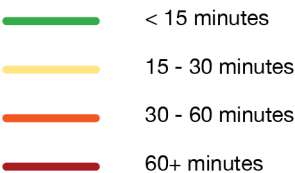
Non-White Populations

Neighborhoods with high percentages of non-white residents have experienced a greater decrease in transit availability than neighborhoods where greater proportions of white residents reside. After controlling for population change, there remains a significant negative correlation* between a neighborhood's percentage of non-white residents and the percentage change in weekly transit volume between 2005 and 2012.

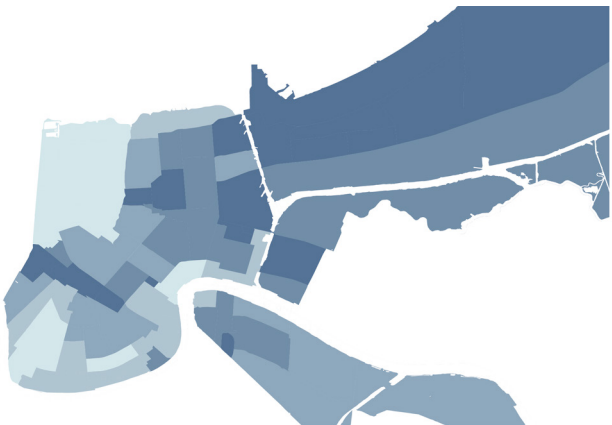
Percent Non-White Population



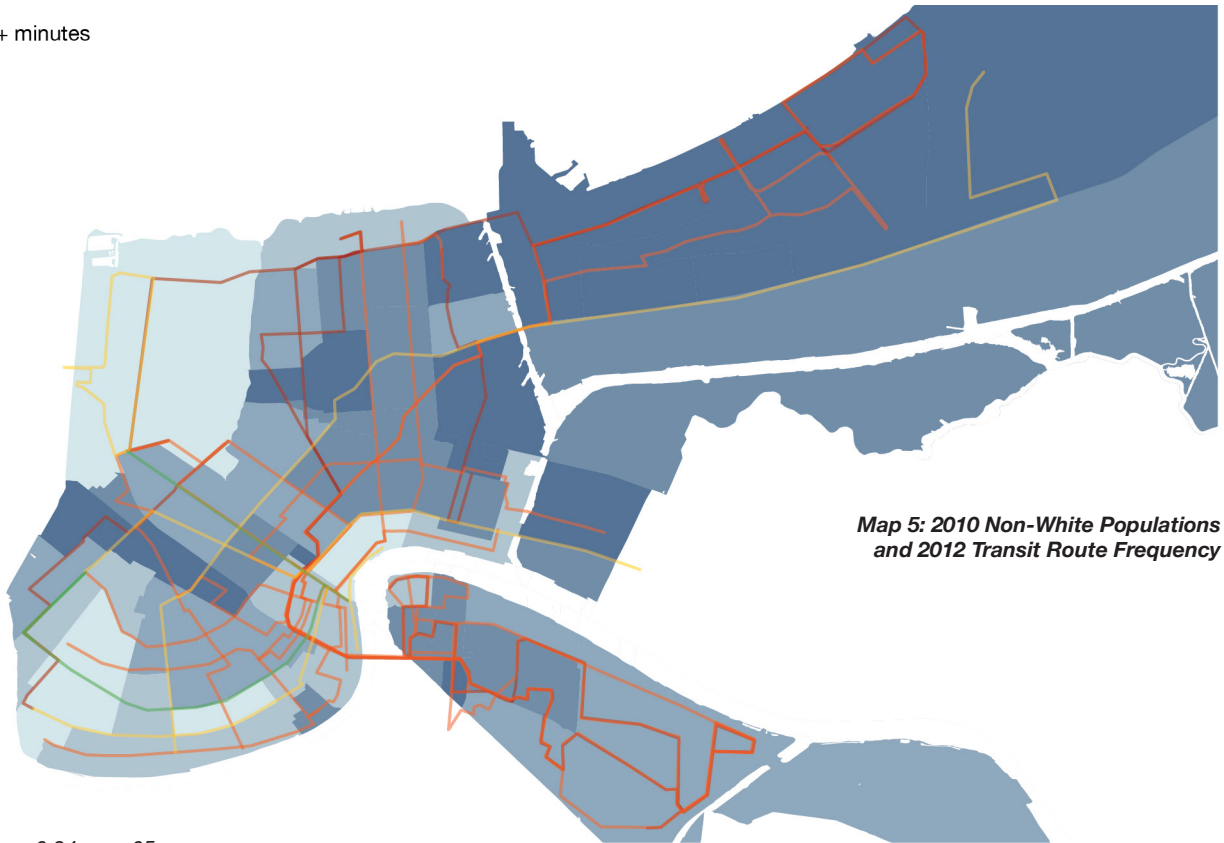
2013 Peak Hour Wait



Map 5c: 2012 Transit Route Frequency



Map 5b: 2010 Non-White Populations



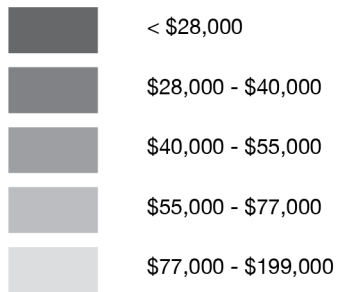
Map 5: 2010 Non-White Populations and 2012 Transit Route Frequency

*Partial correlation = -0.24, p = .05

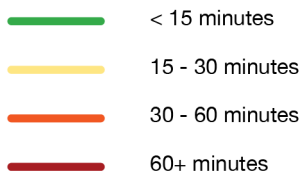
Household Income and Poverty Levels

Neighborhoods with higher average household incomes saw more transit service restored after Katrina, and neighborhoods with lower average household incomes (and higher poverty levels) saw less service restored. After controlling for change in the number of households by neighborhood, we found a significant positive correlation* between the 2005-2012 percentage change in weekly transit volume and the 2010 average household income by neighborhood, and a significant negative correlation between the 2005-2012 percentage change in total transit volume and the 2010 percentage of population living in poverty.

Average Household Income



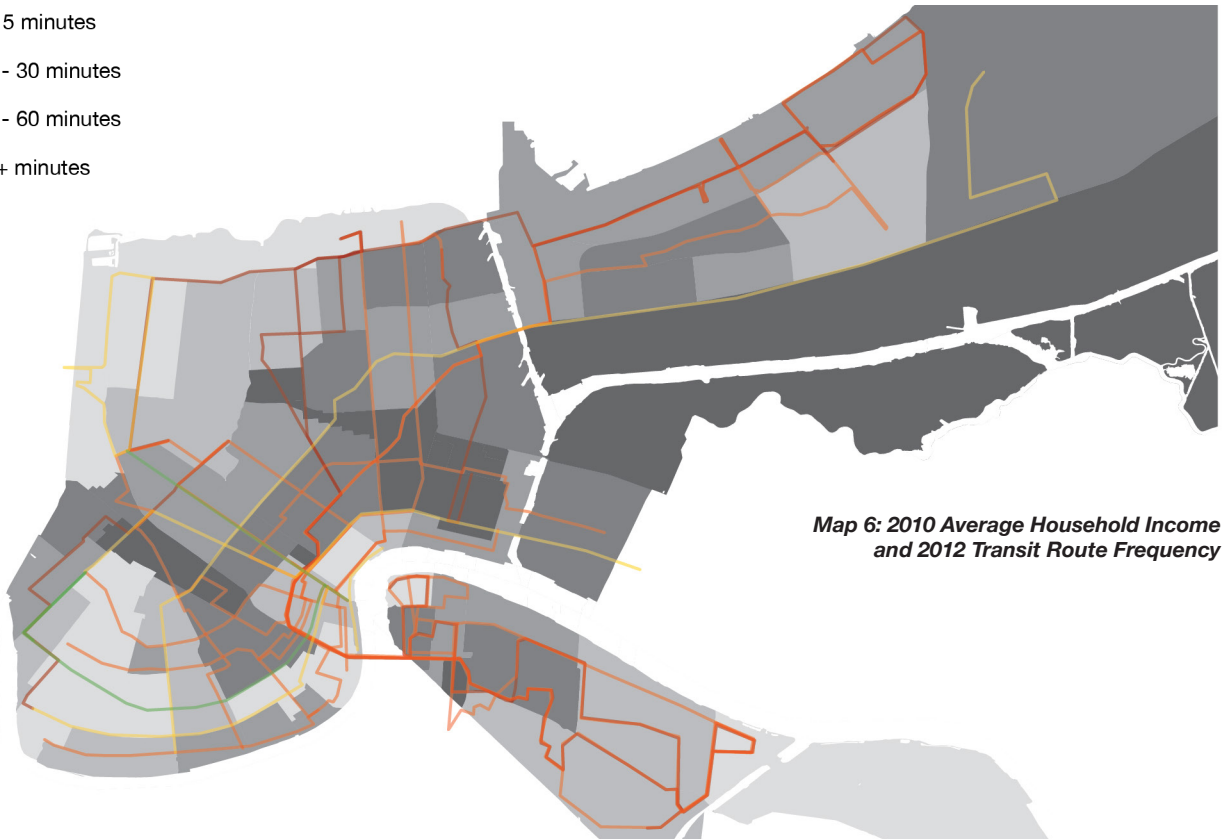
2013 Peak Hour Wait



Map 6c: 2012 Transit Route Frequency



Map 6b: 2010 Average Household Income



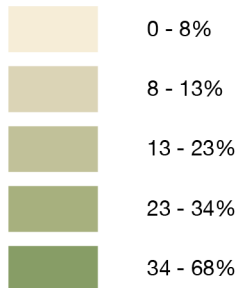
Map 6: 2010 Average Household Income and 2012 Transit Route Frequency

*Partial correlation = 0.27, $p < .03$

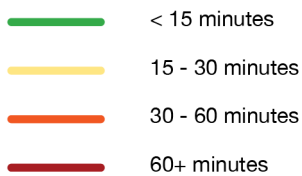
Household Vehicle Access:

Neighborhoods where more households have no access to a vehicle have seen a greater decline in transit service post-Katrina. After controlling for change in the number of households by neighborhood, we found a significant negative correlation* to exist between the 2005-2012 percentage change in total transit volume and households with no vehicle access.

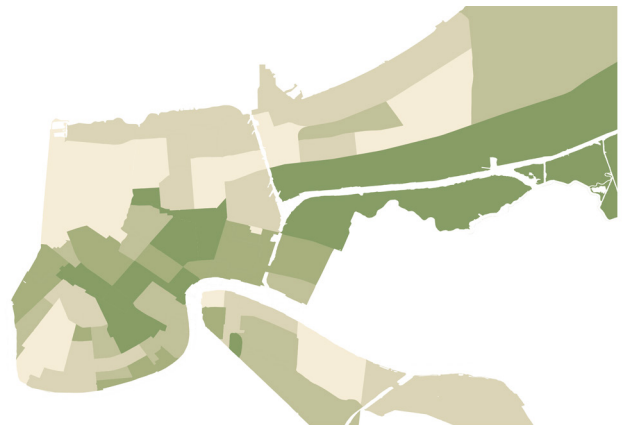
Percent of Households with No Vehicle



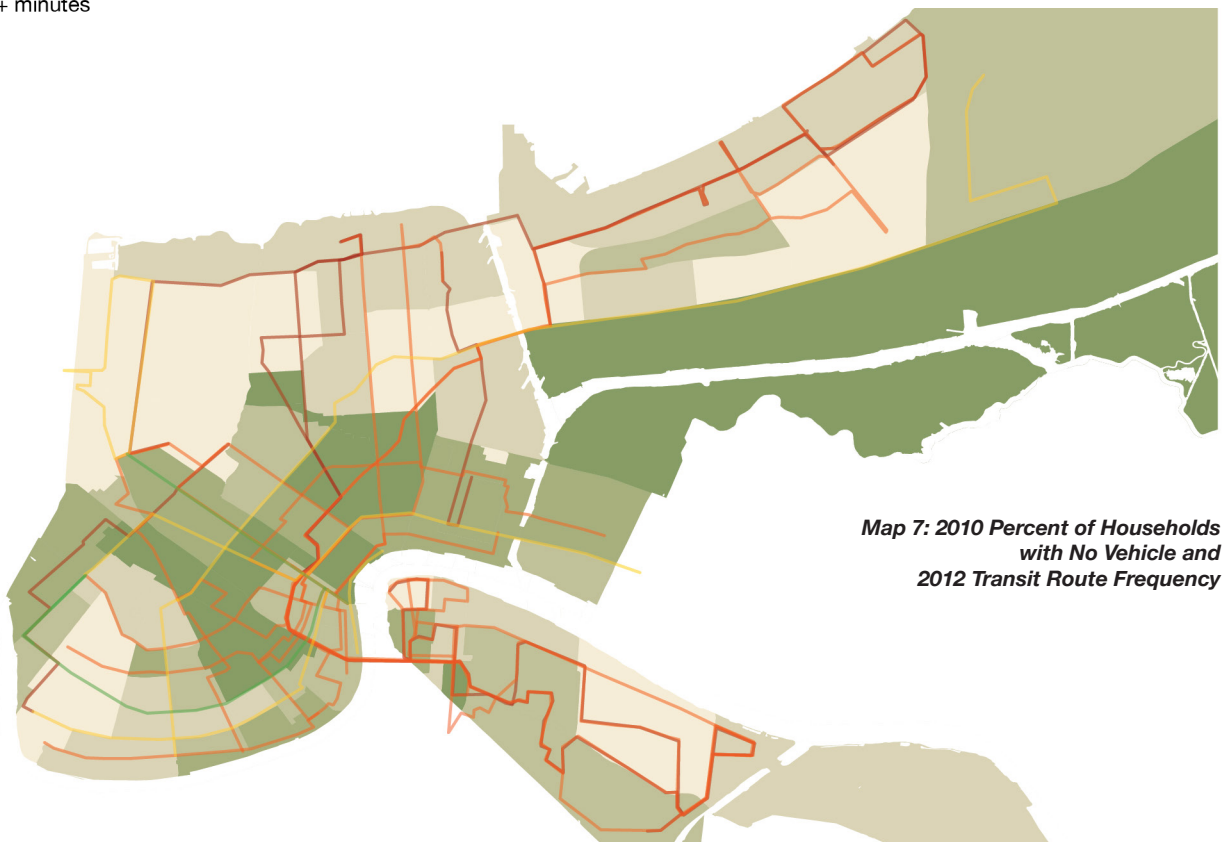
2013 Peak Hour Wait



Map 7c: 2012 Transit Route Frequency



Map 7b: 2010 Percent of Households with No Vehicle



Map 7: 2010 Percent of Households with No Vehicle and 2012 Transit Route Frequency

*Partial correlation = -0.39, $p < .002$

Part 3: An Unsustainable System:

High Costs and Low Revenues Are Jeopardizing the Viability of the RTA

In 2013, Ride New Orleans obtained a five-year financial projection from the RTA that forecasts the agency's revenues and expenses through 2017. This forecast reveals that the agency is operating at a deficit and that its current available revenues do not cover the agency's costs. In 2012, the RTA's deficit was \$4.3 million – meaning that the agency spent \$4.3 million more than it earned that year. During 2013, the RTA's approved budget projected a deficit of \$12 million; between 2014 and 2016, the projected deficit is anticipated to be between \$16 million and \$20 million every year.

Because of the availability of an “unrestricted reserves” fund, the RTA is still able to cover their annual expenses. In 2012, that fund held more than \$42 million. In 2014, the RTA's projections anticipate spending more than \$12 million from this fund, at which time the agency will have fully depleted the unrestricted reserves fund, leaving the RTA unable to cover their operating expenses for 2015.

Typically, when a transit agency encounters a deficit, the agency will cut transit service to bring expenses down or raise fares to increase revenues. When the RTA presented their 2014 budget to the New Orleans City Council on November 12, 2013, officials with Veolia Transportation Services Inc. (the RTA's delegated managers) warned that the RTA cannot continue without a fare increase. “Unfortunately[ly] for us, we have not had a fare increase since 1999,” Veolia Vice President Justin Augustine said. “We've now gotten down to the point that [what is] critical to our survivability is the ability to put a product on the street that can sustain itself.”

In this section, Ride New Orleans analyzes the basic causes of the RTA's structural deficit – both the RTA's costs of providing service and the agency's revenues, particularly in terms of fares paid by riders. Our analysis compared the RTA's costs and revenues to those of similar transit agencies in other cities and regions. We found that the RTA's operating expenses are the highest among all the comparison markets at \$168 per vehicle revenue hour, while the RTA's fares are the lowest of any of the comparison transit agencies that we analyzed as a part of this study; fares in our comparison markets range from \$1.35 to \$2.65. The RTA's higher than average operating expenses per vehicle revenue hour, combined with their lower fares, suggest that any solution to the increasing deficit must include both cost containment and revenue generation measures.

A. Comparison Transit Markets and Agencies

In order to understand how the RTA's finances and operations compare to similar transit markets nationwide, Ride New Orleans selected eight comparison transit agencies that are comparable to the RTA because they have similar regional income profiles, service areas, and funding resources. While no market alone provides an ideal match to the New Orleans experience – especially when reviewing the agencies' costs – collectively, the eight transit agencies and markets that they serve provide a good basis for comparison. These transit agencies include:

- Central Arkansas Transit Authority in Little Rock, AR;
- Greater Richmond Transit Company in Richmond, VA;
- Metro Transit in Minneapolis, MN;
- Southwest Ohio Regional Transit Authority in Cincinnati, OH;
- Memphis Area Transit Authority in Memphis, TN;
- Metro Transit – St Louis in St Louis, MO;
- Miami-Dade Transit in Miami, FL; and
- Milwaukee County Transit System in Milwaukee, WI.

Operating Expenses: The NTD defines operating expenses as “the expenses associated with the operation of the transit agency . . . including salaries and wages, fringe benefits, services, materials and supplies in addition to expenses associated with vehicle operations, vehicle maintenance, non-vehicle maintenance, and general administration.” Our operating expenses figures for the RTA therefore include paratransit operations as well as fixed-route service provided by buses and streetcars.

For more detail on how the comparison markets were selected, see Appendix B: Comparison Markets.

B. Operating Expenses Are Higher Than Comparable Agencies

Between 2000 and 2012, the RTA's budget for operating expenses decreased by 26%, from \$124 million to \$92 million. While this decrease in funding provides some explanation for the service cuts experienced during this time period, actual service was slashed by far more than 26%, as seen in Part 1 of this report. This means there is clearly a second factor in play: the RTA is not as cost-efficient today as it was before Katrina. (For all funding-related indicators in this section, we accounted for inflation by using the latest Bureau of Labor Statistics inflation information provided in the Consumer Price Index to adjust to 2013 dollars.)

In order to understand how cost-efficient the RTA is in comparison to similar transit agencies, we looked at a variety of standard indicators based on NTD data that break down operating expenses on a per-hour and per-mile basis. We compared the RTA's performance on these indicators to the comparison transit agencies shown in Part A. The results: in 2012, the RTA's operating costs were higher than the operating costs of any of their peer transit agencies according to every metric.

Chart 8: RTA Operating Expenses 2000 - 2012 (Millions 2012\$)

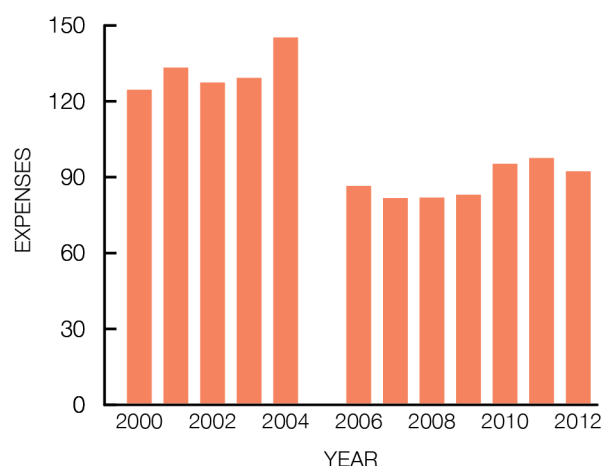
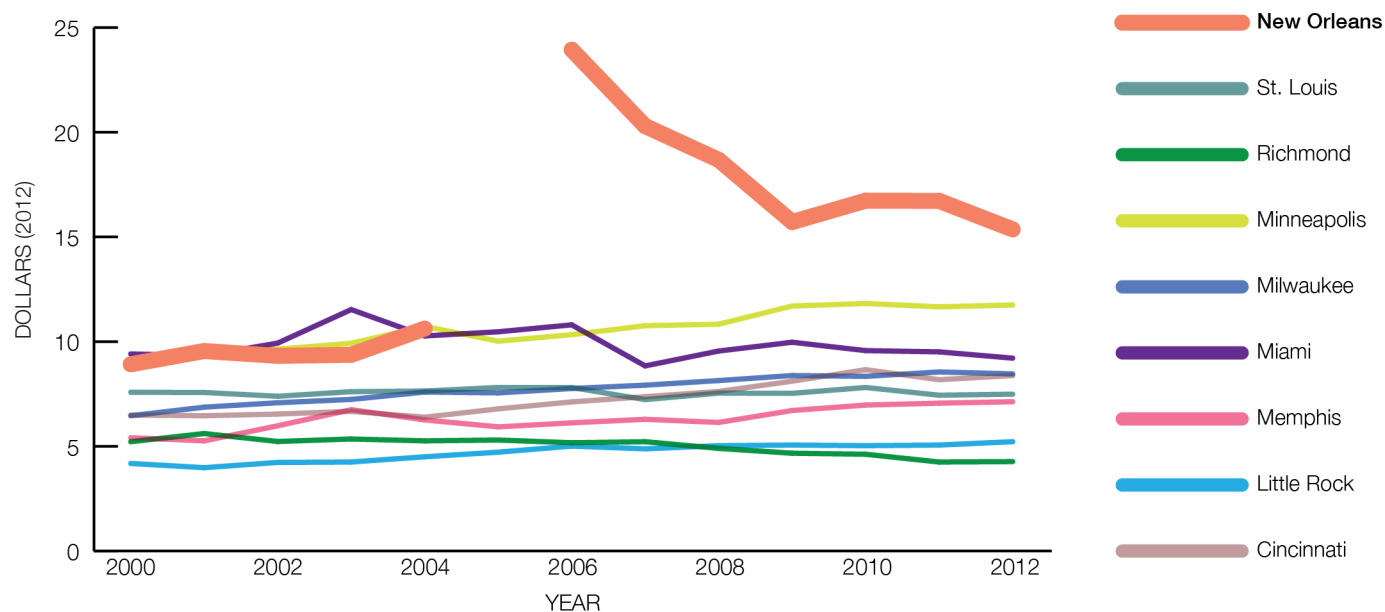
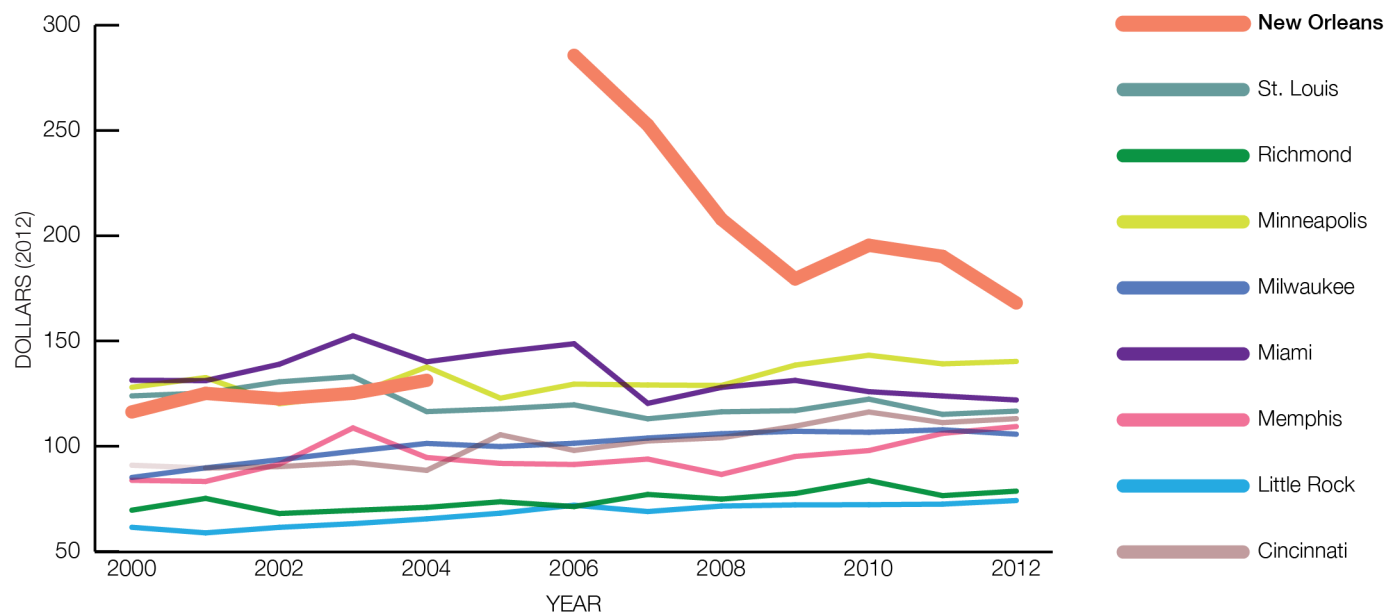


Chart 9: Operating Expenses per Vehicle Revenue Mile



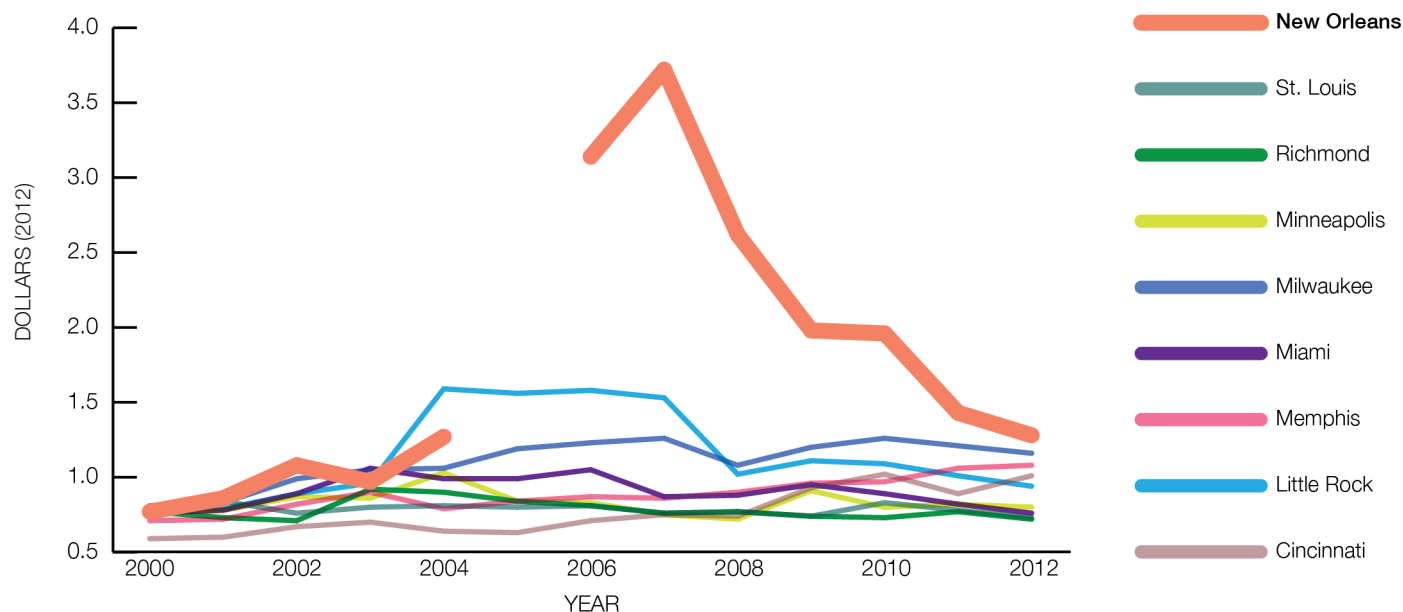
Operating Expenses per Vehicle Revenue Mile: Relating operating expenses to vehicle revenue miles reveals the cost for one mile of transit service by one vehicle. In 2012, the RTA's costs per vehicle revenue mile were \$15 – the highest among all of the comparison markets. Miami was the next most expensive market at \$12 per vehicle revenue mile, while the other comparison markets' costs ranged between \$4 and \$9 per mile. In contrast, in the early 2000s, the RTA's operating expenses per vehicle revenue mile were in line with Miami and Minneapolis at \$9 to \$11 per vehicle revenue mile, while other comparison markets ranged between \$4 and \$8 per vehicle revenue mile. (**Chart 9**)

Chart 10: Operating Expenses per Vehicle Revenue Hour



Operating Expenses per Vehicle Revenue Hour: Relating operating expenses to vehicle revenue hours provides the cost of operating one transit vehicle for one hour. In 2012, the RTA's operating expenses were \$168 per vehicle revenue hour – the highest among all of the comparison markets. Minneapolis was the next most expensive market at \$140 per vehicle revenue hour, while other agencies ranged from \$74-\$122 per hour. In contrast, in the early 2000s, the RTA's operating expenses per vehicle revenue hour were in line with the St. Louis, Miami and Minneapolis comparison markets in the \$116 to \$124 per vehicle revenue hour range. (**Chart 10**)

Chart 11: Operating Expenses per Passenger Mile



Operating Expenses per Passenger Mile: Relating operating expenses to passenger miles reveals the cost for every mile that a passenger travels aboard transit. In 2012, the RTA's costs per passenger mile were \$1.28 – the highest among all of the comparison markets. The Milwaukee comparison market had the next highest costs per passenger mile in 2012 at \$1.16. In contrast, the RTA's costs of \$0.77 per passenger mile were in line with peer transit agencies in the early 2000s, though a cost spike to \$1.27 per passenger mile occurred even before Hurricane Katrina in 2004. The only other comparison market to observe a similar increase in the early 2000s was Little Rock, where costs surged to \$1.59 per passenger mile during that same time period. (**Chart 11**)

Comparisons & Suitability

Ride New Orleans understands that the costs faced by various transit agencies are not identical and that each agency has unique budgetary requirements. Nonetheless, the fact that the RTA has the highest costs according to every metric tested in these comparison markets should be a strong signal about the necessity of cost efficiency as a complement to any potential fare increase discussions.

C. Fares and Other Sources of Revenue

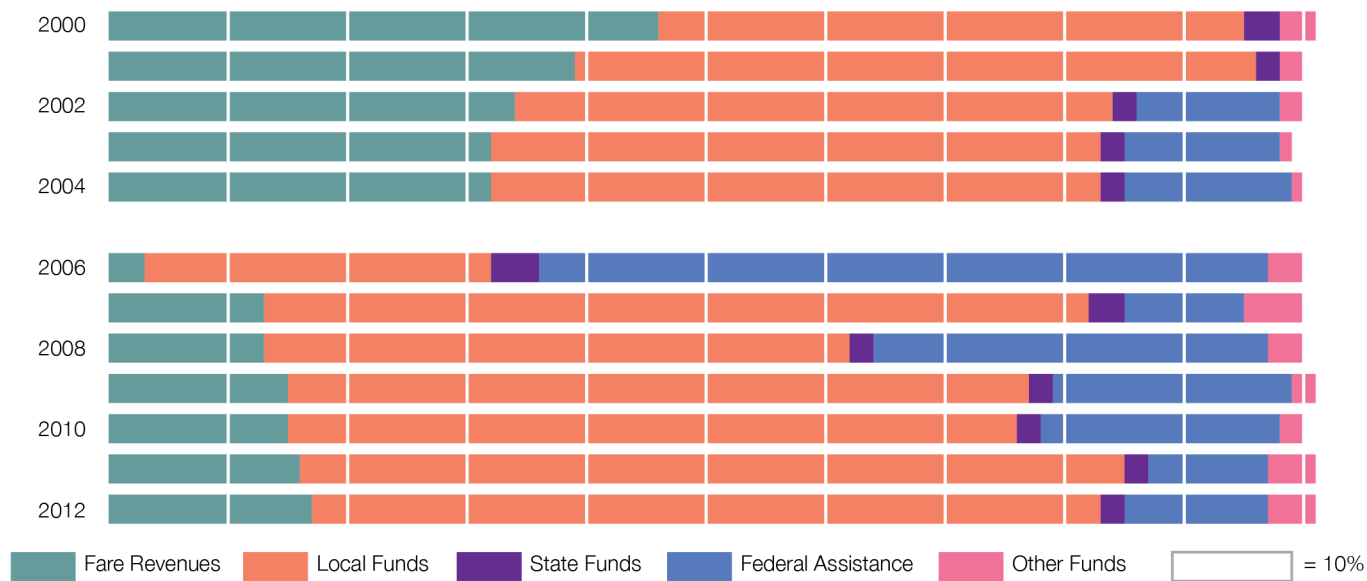
This section examines the RTA's multiple sources of revenue to cover operating expenses, and takes a close look at how passenger fares fit into this picture. Currently, RTA's primary source of revenue for operating expenses is a local sales tax. In 2012, fares covered only 17% of the RTA's total operating expenses, which is the lowest percentage of operating expenses covered by fares among all of the comparison transit agencies. The RTA's high operating costs partially account for this issue; but the RTA also has not had a fare increase since 1999, and has the lowest fares among any of the comparison transit agencies. Looking at the full picture on revenues will be a critical step for the RTA's future.

Funding Sources for the RTA

The RTA receives funding from the following sources:

- **Fare Revenues:** The funds the agency collects from charging users of the system to ride transit vehicles – currently, fares are \$1.25 per trip;
- **Local Funds:** In New Orleans, the RTA collects a 1% sales tax approved by voters in 1985. According to a *CityBusiness* article published on December 19, 2012, “the ballot tax excluded hotels, but the RTA attempted to impose it on hotels via board resolution in 1999. The resulting litigation concluded a year later with an agreement between the RTA and New Orleans Tourism and Marketing Corporation (NOTMC)....The RTA receives 60 percent of the first \$7.2 million and 40 percent of any amount beyond that threshold. (The NOTMC) ...evenly splits its share with the Ernest N. Morial New Orleans Exhibition Hall Authority.”
- **State Funds:** As of 2014, \$4.96 million is available and divided between all State public transit agencies. This is the same amount that was allocated by the State to public transit in 2010, when Louisiana was ranked 41st among all states in spending on public transit per capita.
- **Federal Assistance:** The RTA receives operating support from the Federal Government from a variety of programs. Typically, these grants require a 50% match of local funds from the RTA.
- **Other Funds:** Other funds may include advertising, charter operations and more.

Chart 12: Sources of Operating Funds 2000-2012



Fares are Lower Than Comparison Markets

The RTA's fares are currently set at \$1.25. The RTA has not increased fares since 1999 – not even to adjust for inflation. The RTA's fares are the lowest of any of the comparison markets that we analyzed as a part of this study which range from \$1.35 to \$2.65. In some cases, transit agencies in the comparison markets have different fares depending on the mode of transit (e.g. bus versus rail) or time of day that the transit service is being utilized.

Table 4: Comparison Markets - Fares

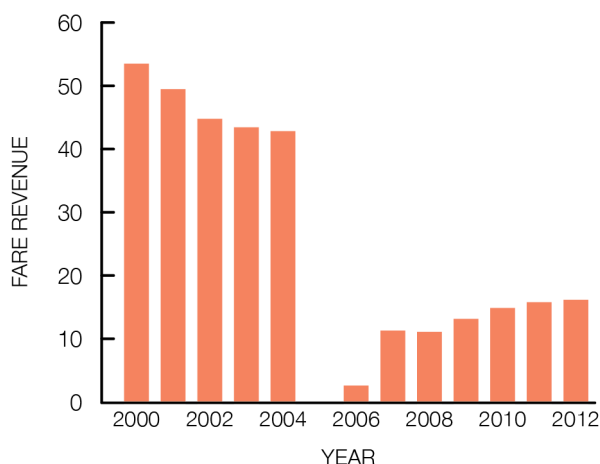
	Fare 1	Fare 2
New Orleans	\$1.25	
Little Rock	\$1.35	
Richmond	\$1.50	
Minneapolis	\$1.75	\$2.25 ^a
Cincinnati	\$1.75	
Memphis	\$1.75	
St. Louis	\$2.00	\$2.25 ^b
Miami	\$2.25	\$2.65 ^c
Milwaukee	\$2.25	

Fare Revenues Have Decreased Over Time

Before Katrina, when the RTA's transit service was more robust, the agency brought in significantly higher fare revenues. Consistent with our observations of transit rider usage declines between 2000 and 2004, the RTA also experienced a decline in fare revenues earned. In 2000, the RTA brought in close to \$54 million in fare revenues. By 2004, that number had dropped by 20% to \$43 million.

As expected, the disruption to transit service and ridership in 2005 caused fare revenues to drop dramatically. While fare revenues have grown significantly in the years since 2006, the RTA is still earning only a fraction of the fares that it used to, in keeping with the lower ridership levels observed in the same time period. In 2012, the RTA brought in just \$16.5 million in fare revenues, representing a 62% decrease from 2004.

Chart 13: RTA Fare Revenues Earned 2000 - 2012 (Millions 2012\$)



^a Minneapolis' Metro Transit charges \$2.25 for rides during rush hour (6-9am and 3-6:30pm) on weekdays.

^b St. Louis' Metro Transit charges \$2.00 for bus riders and \$2.25 for rail riders.

^c Miami Transit charges \$2.25 for a regular bus ride and \$2.65 for an express bus ride.

Low Farebox Recovery Ratio – Fares Cover Only A Small Portion of Operating Expenses

A transit agency's farebox recovery ratio refers to the percentage of operating expenses that are met by the fare revenues earned. In 2010, the National Transit Database reported that the average farebox recovery ratio of all transit agencies in the United States was 32%. In 2012, the RTA's farebox recovery ratio was just 17% – meaning that fares covered only 17% of total RTA operating expenses. In 2000, the RTA recovered 46% of their operating expenses from fare revenues earned, though that number had dropped to 32% by 2004.

All of the comparison markets that we examined with the exception of Metro Transit in Little Rock, AR, have higher farebox recovery ratios than the RTA. The Southwest Ohio Regional Transit Authority in Cincinnati had the highest farebox recovery ratio in 2012, covering 37% of their operating expenses through a fare of \$1.75. The Milwaukee County Transit System, Metro Transit in St. Louis and the Greater Richmond Transit Company all had farebox recovery ratios of 29%, with respective fares of \$2.25, \$1.75 and \$1.50.

Part of the reason that the RTA has such a low farebox recovery ratio is the agency's high operating costs. However, even if the RTA were to reduce its operating costs to bring them more in line with national averages, the RTA would still have a farebox recovery ratio of approximately 25%, which is lower than that of the comparison transit agencies.

Chart 14: RTA Farebox Recovery Ratios 2000 - 2012

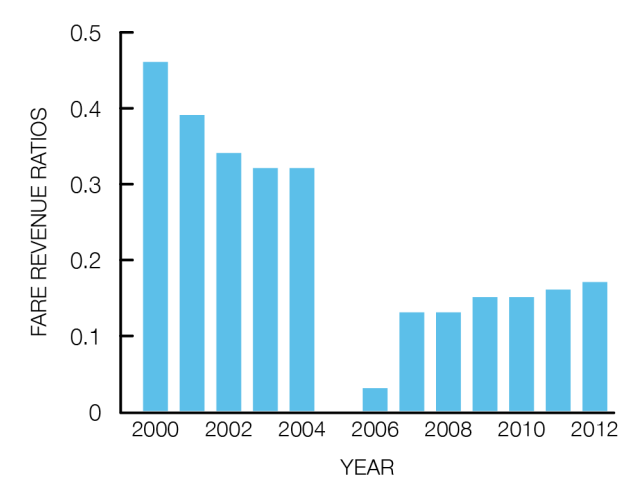


Chart 15: 2012 Comparison Markets Farebox Recovery Ratios



Conclusions

Ride New Orleans' analysis in this report highlights several critical findings. First, our research confirms that there is too little transit service in New Orleans. By the end of 2012, less than half of the pre-Katrina transit service offered by the New Orleans Regional Transit Authority (RTA) in 2005 had been restored, even though the population had recovered to 86% of its pre-Katrina numbers. Our buses are full, and the demand for transit is growing each year; serving our population with service that is frequent, convenient, and safe must be a top priority to help our region grow.

Second, our analysis shows that we need a renewed focus on equity in our transit system planning. The data show that post-Katrina service reductions have been worst in areas where transit service is needed most: low-income neighborhoods, communities of color, and areas where people have less access to personal vehicles have also faced the largest reductions in service. Not only are these results disappointing, but statistical analysis shows that these findings hold true even when controlling for post-Katrina population changes – meaning that these service reductions cannot be justified on the basis of population changes alone. Careful analysis and planning is needed in order to make sure our transit system works for all riders, and to recognize the importance of our bus routes in creating economic growth that is open to all residents of New Orleans.

Third, we must address the RTA's deficit through both cost containment and a careful evaluation of funding options. The RTA's five-year operating budget confirms that the agency is operating at a significant deficit every year and projects that the agency will deplete its operating reserves by 2015. Cost efficiency will be crucial to address this issue; the RTA's operating expenses are higher than those of eight similar transit agencies.

We need to be ready for a comprehensive evaluation of options for funding the public transit network that best meets the needs of New Orleans and the greater region. This conversation may include a fare increase as New Orleans does have lower fares than all of the comparable transit agencies we examined. However, before any fare increase request is approved, our transit riders, public officials, and taxpayers must insist on seeing a system-wide, long-term plan for sustainably and efficiently increasing the level of transit service available to our citizens - including a master plan for service increases, as well as an operating plan for financial sustainability. These plans will provide an opportunity for public dialogue and ensure that our taxpayers receive good value in return for public investment in transit.

The RTA and the City of New Orleans are at a critical juncture: we will either take a reactive stance to our deficit, cut transit service, and hamper our economic growth, or we will start looking to the future with progress in mind. Now is the time to make a system-wide, long-term plan that will strengthen our regional transit system, help our region grow its economy, and include all New Orleans residents in future economic growth.

Houston's Transit System Reimagining planning process, completed in 2014, shows how important rethinking bus service can be to creating a system that works for all riders without raising costs. In Houston, planners were able to design a network that increased the number of bus riders with access to buses that came every 15 minutes or less from 50% to 73% - meaning that half the riders who had long waits before would now have access to very frequent bus service.

Houston's experience shows that putting more service on the street in an efficient, carefully planned way can create benefits for bus riders and help improve everyone's access to high-quality transit.

Action Steps

Reimagine Our System

Study and implement a transit system redesign like those completed in Houston and Portland: In 2014, Houston's METRO transit agency released a new "Transit System Reimagining" master plan that gives 73% of bus riders access to buses that come every 15 minutes or less; by cutting down on redundant lines, the planners were able to provide this level of service for no new operating costs. New Orleans must take a cue from Houston and other cities, like Portland, Oregon, who have found that master planning and rethinking their systems can keep costs down while making transit more convenient for riders.

Understand Regional Service Patterns

Add Jefferson Transit (JET) to this analysis: Our workforce is regional, and so are our transit riders – understanding the post-Katrina service changes and costs in the JET system would provide even greater perspective into the ways in which an improved transit system could generate economic growth.

Bring the RTA's Budget to Light

Get to the root causes of RTA's high operating costs: There is a strong need for a third-party transparent review of RTA's operating costs that will enable riders and public officials to understand why RTA's operating costs on a per-mile and per-hour basis are far higher than those of comparison transit agencies.

Re-Examine Streetcar Focus

Examine whether focus on streetcar construction is restricting the provision of adequate bus service: The costs associated with the construction, operations, and financing of new streetcar lines may be decreasing the RTA's ability to re-introduce adequate bus service to communities that depend on buses as their only transit option. Examining the potential tradeoffs can assist in creating a more balanced approach to streetcar and bus service in the future.

Prioritize Equity Issues

Focus on equity impacts in the master planning process: This report reveals that the communities in New Orleans that need transit most – low-income areas, areas where fewer people have personal vehicles, and communities of color – have also seen the largest declines in service post-Katrina, even when their populations have returned. A future master planning process must focus on how our transit system can better serve these areas so that all of our city's neighborhoods can grow and thrive.

Appendix A

Data and Methodology Overview

In preparing this report, Ride New Orleans depended on three primary data sources: 1) the National Transit Database, 2) RTA public records, and 3) United States Census and American Community Survey Data five-year estimates from 2011 and 2012. In this section, Ride New Orleans provides an overview of the data sources and methodology. More detailed methodology notes appear throughout the report as specific indicators are discussed.

1) National Transit Database

The National Transit Database program (NTD) was established by the United States Congress to be the Nation's primary source for information and statistics on the transit agencies operating in the United States. Any transit agency that is the recipient or beneficiary of grants from the Federal Transit Administration is required to submit data to the NTD. As such, the New Orleans Regional Transit Authority (RTA) and other agencies submit annual reports to the NTD on a variety of indicators related to transit service availability, usage, costs and more. The most significant limitation of the NTD data is that the data is self-reported by transit agencies to the NTD program and is rarely reviewed or audited by the Federal Transit Administration. This reliance on self-reporting could produce errors or divergences in calculating the metrics that transit agencies report.

Ride New Orleans examined NTD metrics to understand how the RTA's transit service availability, demand and usage, and funding and costs have evolved between 2000 and 2012. Because of the disruption to transit service in 2005 following Hurricanes Katrina and Rita, the New Orleans Regional Transit Authority did not report to the NTD that year.

2) RTA Public Records

Over the course of conducting this research, Ride New Orleans filed several public records requests to the RTA to receive information based on ridership, historic and current transit route maps and schedules, and agency budget forecasts.

The historic and current transit route maps and schedules were provided by the RTA in the General Transit Specification Feed (GTFS) format. The GTFS is a common format for public transportation schedules and associated geographic information that presents information in a series of text files with each file modeling a particular aspect of transit information: stops, routes, trips, and other schedule data. In addition to relying on the GTFS data, Ride New Orleans consulted transit route schedules published on January 1, 2005 (therefore prior to Hurricane Katrina) and in the fall of 2012.

3) U.S. Census and American Community Survey Data

In order to understand demographic changes in the New Orleans region and in the comparison markets that we analyzed, Ride New Orleans relied on 2010 United States Census data and the 2008 – 2012 5-year American Community Survey estimates.

In conducting our transit service availability analysis, Ride New Orleans relied on the neighborhood statistical areas originally created by the New Orleans City Planning Commission in 1980. These neighborhood boundaries were drawn to align with U.S. Census Tracts. As explained on the City of New Orleans' data.nola.gov website:

“Census Tracts are small, relatively permanent statistical subdivisions of a (municipality). The primary purpose of Census Tracts is to provide a stable set of geographic units for the presentation of decennial census data. In 1980 the New Orleans City Planning Commission, for planning and decision-making purposes, divided the city into Census Tract based ‘neighborhoods’. Additional neighborhoods were created after the 1990 and 2000 Censuses. Following Hurricane Katrina, The Data Center settled on these boundaries to facilitate the use of local data in decision-making. These neighborhoods underwent further change during the 2010 Census due to modifications (consolidation and/or splitting) of Census Tracts, the resulting boundaries were renamed as ‘Neighborhood Statistical Areas’ to reflect their actual function.”

The Data Center makes United States Census 2010 and American Community Survey 2008 – 2012 data available based on the City Planning Commission's neighborhood statistical areas. We relied on the neighborhood statistical area as a unit of analysis for understanding the correlation of transit service availability in 2005 and 2012 to other demographic and socio-economic patterns occurring during that same time period.

Appendix B

Comparison Markets

In order to understand how the trends we observed at the RTA compare to larger national trends in the transit industry, Ride New Orleans selected and compiled American Community Survey 2011 5-year estimates and NTD data from eight comparison transit agencies for the period from 2000 through 2012.

These transit agencies include:

- Central Arkansas Transit Authority in Little Rock, AR;
- Greater Richmond Transit Company in Richmond, VA;
- Metro Transit in Minneapolis, MN;
- Southwest Ohio Regional Transit Authority in Cincinnati, OH;
- Memphis Area Transit Authority in Memphis, TN;
- Metro Transit – St Louis in St Louis, MO;
- Miami-Dade Transit in Miami, FL; and
- Milwaukee County Transit System in Milwaukee, WI.

In order to select these comparison markets, Ride New Orleans first evaluated a series of demographic and transit indicators for 39 metropolitan areas and their central cities. We used Census data to identify cities with similar income profiles, and then turned to the National Transit Database to identify transit systems within these cities whose service areas and funding resources are similar to the New Orleans transit system.

Specifically, the indicators that we analyzed for the 39 metropolitan areas included:

- Median income and percentage of individuals living below the poverty level (2011 American Community Survey five-year estimates)
- Transit service area density, transit service expenditures per capita and transit service expenditures per service area (National Transit Database 2011). The 2011 National Transit Database is the most recent NTD data available as of the release of this report.

From this analysis, Ride New Orleans selected the above transit agencies as our comparison markets. While no market alone provides an ideal match to the New Orleans experience – especially when reviewing the agencies' costs – collectively the eight transit agencies and markets that they serve provide a good basis for comparison and represent transit agencies and metropolitan regions of roughly comparable sizes and densities. Below we offer a profile of each of our comparison markets.

Cincinnati, OH – Southwest Ohio Regional Transit Authority

The Southwest Ohio Regional Transit Authority provides transit services to the greater Cincinnati region, covering a 262-square-mile area that is home to more than 845,000 residents. The Authority charges a fare of \$1.75 per trip.

The city of Cincinnati has a slightly lower median household income than the city of New Orleans (\$34,104 versus \$37,275), and in both cities, just over a quarter of the population lives in poverty, making Cincinnati a comparable market from an economic standpoint.

The RTA's service area is more densely populated than that served by the Southwest Ohio Regional Transit Authority (4,584 versus 3,226 per square mile). The RTA spent more per capita than its Ohio counterpart by 290% in 2011.

Little Rock, AR – Central Arkansas Transit Authority

The Central Arkansas Transit Authority provides transit services to the Little Rock metropolitan area, covering a 94-square-mile area with close to 343,829 residents. It charges a fare of \$1.35 per trip.

Little Rock residents have higher incomes than New Orleanians. Little Rock's median household income is about \$7,000 higher than New Orleans (\$44,392 versus \$37,275), and only 18% of its residents live in poverty.

The New Orleans RTA's service area is more densely populated than that served by the Central Arkansas Transit Authority's (4,584 versus 1,726 per square mile). In addition, the New Orleans RTA spent more per capita than its Little Rock counterpart by 316% in 2011.

Memphis, TN – Memphis Area Transit Authority

The Memphis Area Transit Authority provides transit services to the Memphis metropolitan area, covering a 311-square-mile area with close to 733,000 residents. A ride aboard a bus or streetcar in Memphis costs \$1.75.

Memphis and New Orleans have very comparable median household incomes and poverty levels. The median household income in both cities is approximately \$37,000 and in each, 26% of the population lives in poverty.

The New Orleans RTA's service area is more densely populated than that served by the Memphis Area Transit Authority (4,584 versus 2,356 per square mile). However, the New Orleans RTA spent significantly more per capita than its Memphis counterpart by 384% in 2011.

Miami, FL – Miami-Dade Transit

Miami-Dade Transit provides transit services to the Miami-Dade County, covering a 306-square-mile area with close to 2.5 million residents. Miami Transit charges \$2.25 for a regular bus ride and \$2.65 for an express bus ride.

While Miami and New Orleans have very comparable poverty levels at 28% and 26% respectively, the median household income in Miami is \$30,270, about \$7,000 less than in New Orleans.

The New Orleans RTA's service area is significantly less dense than Miami-Dade Transit's service area (4,584 versus 8,158 per square mile). The New Orleans RTA spent more per capita than its Miami counterpart by 147% in 2011.

Minneapolis, MN – Metro Transit

Metro Transit provides transit services to the Minneapolis-St. Paul region, covering a 607-square-mile area with close to 1.8 million residents. Transit fares in Minneapolis-St. Paul range from \$1.75 to \$2.25 for rides during rush hour (6-9 am and 3-6:30 pm) on weekdays.

Overall, the Minneapolis- St. Paul region has higher income levels than New Orleans, with median household incomes of \$47,000 and a poverty level of only 22%.

The New Orleans RTA's service area is more densely populated than Metro Transit's service area (4,584 versus 2,975 per square mile). The New Orleans RTA spends more per capita than its Minneapolis counterpart by 180% in 2011.

Milwaukee, WI – Milwaukee County Transit System

Milwaukee County Transit System provides transit services to Milwaukee County, covering a 237-square-mile area with 940,000 residents. A transit fare in Milwaukee is \$2.25 per trip.

Milwaukee's median household income and poverty levels are very comparable to New Orleans' – in 2011, the median household income was \$35,851 and the poverty level was 27%.

The New Orleans RTA's service area is slightly denser than Milwaukee County Transit System's service area (4,584 versus 3,966 per square mile). The New Orleans RTA spends more per capita than its Milwaukee counterpart by 167% in 2011.

St. Louis, MO – Metro Transit

Metro Transit serves the greater St. Louis region, covering a 558-square-mile area with 1.54 million residents. St. Louis' Metro Transit charges \$2.00 for bus riders and \$2.25 for rail riders.

St. Louis' median household income and poverty levels are very comparable with New Orleans – in 2011, the median household income was \$34,402 and the poverty level was 26%.

The New Orleans RTA's service area is more densely populated than Metro Transit's (4,584 versus 2,760 per square mile). The New Orleans RTA spends more per capita than its St. Louis counterpart by 190%.

Richmond, VA – Greater Richmond Transit Company

The Greater Richmond Transit Company provides transit services in Richmond and parts of Chesterfield and Henrico counties covering a 227-square-mile area with 450,000 residents. A transit fare in Richmond is \$1.50 per trip.

Richmond's median household income and poverty levels are very comparable with New Orleans – in 2011, the median household income was \$39,201 and the poverty level was 26%.

The New Orleans RTA's service area is much more densely populated than Greater Richmond Transit Company's service area (4,584 versus 1,980 per square mile). The New Orleans RTA spends more per capita than its Richmond counterpart by 288%.



WORLD CLASS TRANSIT FOR NEW ORLEANS

PO Box 19231, New Orleans, LA. 70179

(504) 345-8360

www.rideneworleans.org

info@rideneworleans.org