

## FINDINGS REPORT

# Public Input on Possible Bus Service Cuts

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From November 15-December 15, 2023, the Des Moines Area Regional Transit Authority (DART) held public input on possible bus service cuts that could occur over five years on local routes that primarily serve the City of Des Moines.

DART shared the following information:

- The City of Des Moines' contribution to DART is increasing under a new funding formula that the DART Commission adopted several years ago, intended to align cost with level of service for all member communities.
- The new formula has resulted in the city's contribution exceeding the maximum amount DART can collect in property taxes for public transit by \$7.6 million through Fiscal Year 2029.
- DART is asking the city to consider providing additional revenue to fund the contribution specified under the new formula. The lowa Legislature gave the City of Des Moines the option of raising its franchise fee on gas and electric utilities to fund public transit.
- If DART does not receive additional revenue, the public transit agency will need to cut services by up to 40% over five years.

DART sought feedback from riders and central lowa residents on these topics:

- Whether DART should cut services or whether the City of Des Moines should increase its franchise fee to provide additional revenue to maintain existing transit services.
- How DART should prioritize cutting services, if needed.
- How possible cuts to bus services would affect riders.

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515-283-8100 Fax 515-283-8135 ridedart.com This report summarizes key findings from analyzing public input data collected via a survey and through public input meetings. The complete survey results can be found at ridedart.com/service-cuts.

This information will be shared with elected leaders who make decisions about funding DART and will inform possible paths forward, including how DART will prioritize making service cuts, if needed.

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## **Background on Potential Funding Shortfall**

All U.S. transit systems receive public funding because public transit is a public service, just like parks, roads, libraries, and other infrastructure. Other transit systems fund 50-80% of their service (operating cost) using local taxes; DART receives 62% of its operating budget through local funding from twelve communities that receive DART services. These communities contribute local funding through a property tax levy – the funding tool set by the lowa Legislature.

Each member community has a representative on the DART Commission that decides DART's budget and service levels. The DART Commission adopted a new funding formula that began to be phased in over eight years, starting in 2021. The new formula moves from all member communities increasing their property tax levies at the same rate to communities contributing funding based on population and the level of services received.

Des Moines' contribution to DART is increasing over the eight years the formula is being phased in. This fiscal year (July 2023-June 2024) is the third year of implementing the formula and the city is contributing \$9.8 million to DART, or 38% of the total local funding

DART receives. Over the next five years, that amount will increase to \$17.5 million, or 49% of total local funding. The City of Des Moines' contribution increases significantly because more than 70% of the services DART provides are in Des Moines.

The new formula has resulted in Des Moines' contribution exceeding the maximum amount of property taxes DART can collect to fund public transit per state statute. The city has contributed additional dollars through its Park and Ride Fund for the past three years.

DART has worked with the Iowa Legislature to secure revenue diversification in hopes of being able to provide property tax relief to all DART communities. To date, the only additional transit funding option the Legislature has authorized is allowing the City of Des Moines to increase its franchise fee, a tax on gas and electric bills, up to 2.5 percent to fund public transit.

DART is asking the City of Des Moines to consider providing an additional \$7.6 million over the next five years to fund the contribution as specified under the new funding formula. If DART does not receive additional revenue, it will need to cut services primarily in Des Moines by \$7.6 million over the next five years. That would result in up to a 40% reduction in services.

DART continues to take steps to operate as efficiently as possible with taxpayer dollars. Even with budgetary pressures that include high inflation, staffing pressures, and revenue losses due to changes in Medicaid trip reimbursement, property tax legislation changes, and committed backfill funding phasing out from the state, DART has strived to maintain between 3-5% annual budget growth for the past several years.

## Why Public Input

As a public agency that receives federal funds, DART is required to seek public input when making major changes to its services. The Federal Transit Administration (FTA) requires public transit agencies to develop and follow a Public Participation Plan. DART's Public Participation Plan is designed to meaningfully engage people who use and are impacted by the public transit system.

Because DART does not know the level of funding it will receive as the new formula is implemented over the next five years, the agency presented a worst-case scenario if DART does not receive additional funding above what the City of Des Moines can collect through property taxes. Planning over five years allows DART to make strategic decisions about the level of services it offers to reduce impact on riders and to present a longer-term scenario to all member communities.

The first public input period began prior to DART's fiscal year 2025 budget planning, when initial service cuts may need to be considered. This phase of public input focused on educating the community and gathering information that can inform possible paths forward during the budget process and approach to service reductions, if needed.

Once DART finalizes its FY25 budget and can project the funding it will receive from local communities, the agency could host a second public input period in spring 2024 before specific service cuts would occur in November 2024.



## **Public Input Activities**

DART provided the following opportunities for the public to learn and provide input:

- 6 public meetings: One meeting was held in each of the four Des Moines wards; DART also hosted a virtual meeting and an open house at DART Central Station. Each meeting featured a 20-minute presentation from a DART Leadership Team member and participants were invited to ask questions and provide comment.
- **Survey:** All riders and residents, including meeting participants, were asked to complete a survey that could be taken online or on a printed copy. The survey contained 20 questions related to:
  - o If and how respondents use DART services
  - o Perspectives on funding for public transit
  - o How riders believe DART should prioritize making service cuts, if needed
  - Demographic information

Surveys were brought to each public input meeting and delivered to organizations that requested copies. Surveys were translated into Spanish, Vietnamese, and Arabic.

To encourage participation in public input meetings, DART led and supported the following activities, fostering broad community awareness:

- Earned media, with coverage in seven major local media outlets that ran 34 separate stories about possible service cuts and the public meetings.
- Distribution of materials, including postcards, posters and fliers with partners.

- Information shared with riders through signage, hangtags on buses, bus audio and emails.
- Social media promotion, including boosting each public input event on Facebook to surrounding neighborhoods.





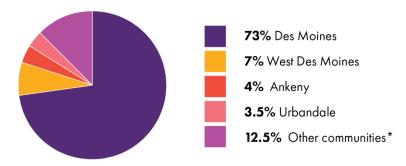
## **Overview of Findings**

The opportunity to participate in public input reached a broad audience in central lowa, with an emphasis on collecting input from riders. The results reflect input from riders and residents who chose to participate and are not statistically significant or a representative sample of the population.

## Survey

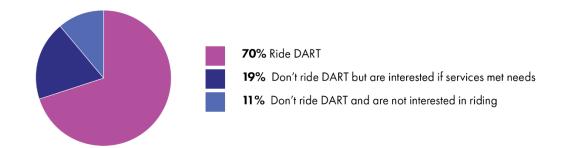
DART received 1,136 total responses to its survey.

#### **Participation by City**



<sup>\*</sup> Residents of all DART member communities participated.

#### **Use of DART Services**

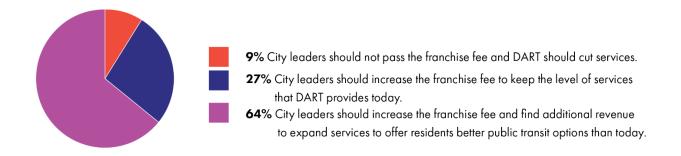


#### **Demographics**

Respondents were representative of Polk County's overall population. Compared with DART rider demographics, respondents were higher income, have higher rates of driver's licenses, and have more access to a car in their household.

## **Overall Feedback**

#### Desire to Fund DART Services – All Respondents



92% of **Des Moines residents** who responded to the survey (716 total respondents) believe that city leaders should provide more funding to maintain or expand DART services.

#### **Examples of Comments Shared**

"I have ridden the bus for 40 years and continue to see it as a needed service for our city considering there is no other mass transit option and the cost of owning a personal vehicle continues to rise."

"I think DART should be in charge of finding its funding and not rely on increasing fees. Pursue more grants or diversify the service portfolio to increase funding."

"While I currently do not ride DART, bus service cuts would push me further away from riding DART. I would like to ride DART, but my route (Route 11) is already hourly service during peak hours with no non-peak service. As someone who has lived in a location with much more frequent service, the frequency of service greatly affected when I rode the bus verses walking."

"Having robust public transit options available is an important element for a 'big city' to have. We need to have good transit service available in central lowa if we want to attract new residents to town, to keep young lowans from moving away; to staff shops, restaurants and medical / care facilities; to enable immigrants, youth, and disabled folks who don't/can't drive to get where they need to go. Our family is willing to pay more in property or sales taxes and franchise fees if it would ensure that we make more transit options available, at a lower cost, to everyone in the community."

#### Non-Rider Feedback

#### **About Non-Rider Respondents**

- 11% of respondents (127 survey participants) were non-riders who would not ride DART today and don't plan to ride DART in the future.
- 53% of non-rider respondents live in Des Moines (n=67), with non-riders participating from every other DART member community.

#### Feedback from Non-Riders:

- 55% of non-rider respondents believe that city leaders should:
  - Increase the franchise fee to keep the level of services that DART provides today (18%, n=21), or
  - o Increase the franchise fee and find additional revenue to expand services (37%, n=43).
- 45% (n=53) of non-riders agree that city leaders should not pass the franchise fee and DART should cut services.
  - 40% of non-riders that live in Des Moines (n=25) felt that city leaders should not pass the franchise fee and DART should cut services.

#### Feedback from Residents Interested in Riding:

19% of survey respondents (199 individuals) said they would ride DART if services met their needs. Of this segment, 92% believe that city leaders should increase the franchise fee to maintain services (12%) or find additional funding to expand services (80%). 8% agree that city leaders should not pass the franchise fee and DART should cut services.

#### **Examples of comments shared**

"As a DSM taxpayer, I'm slightly worried about the franchise fee for DSM. At a time when people struggle to pay bills, adding any amount to it could be a stretch. Will this affect people's quality of life?"

"I provide care to many residents in the DSM area who utilize DART as a means to get to and from appointments and work. Cutting services would make it more challenging for these individuals. If anything I feel public transportation needs funding. People should not have to decline a job because they don't have transportation, or miss important appointments because there is not a bus that runs a route."

"The costs associated with the DART transportation itself is already too high and is impacting those homeowners that have to pay it in property taxes. State government officials should seek special funding in order to allow this expense at a lower cost to those individuals who need it but cannot regularly afford it, in addition to prevent further concerns to those homeowners as well."

"As a person who has used DART services, and who pays a property tax levy to subsidize DART, I believe fares should reflect what it costs to provide the service and DART should not rely on tax levies from people who don't use the service. Establish programs for bonafide low-income and disabled riders using sliding fares schedules."

"I'm actually more concerned for people who NEED a regular and reliable bus service to get to and from work and school, as I'm semi-retired with plenty of time on my hands. People on second and third shift need transport too, and first shift generally starts at 07:00. We should be EXPANDING public transport, not shrinking it!"

## Fixed Route Rider Feedback

#### **About Fixed-Route Rider Respondents**

- 68% of survey respondents (n=778) ride DART's fixed route services (Local Routes, Express Routes, and/or downtown shuttles).
- 80% of respondents who ride fixed-route services live in Des Moines.
- 58% of respondents who ride fixed-route services indicate that getting to work is the top reason they ride.

#### Feedback from Fixed-Route Riders

- 96% agree that city leaders should:
  - Increase the franchise fee to keep the level of services that DART provides today (31%, n=231), or
  - Increase the franchise fee and find additional revenue to expand services (65%, n=479).

#### **How DART Should Cut Services**

If DART needs to reduce its services, fixed route riders shared these preferences for how DART makes service cuts:



Respondents were split on whether DART should:

- Reduce frequency of service on routes in order to maintain span of services provided (51%), or
- Reduce the span of its services so frequency on routes remain higher (49%)

#### Impact of Service Cuts

If DART must make a significant cut to services, with a focus on reducing frequency on Local Routes, riders indicated that:



Responses were balanced as to what people would do if service cuts were enacted, with roughly equivalent numbers saying they would continue riding as much as they do today or ride less often. 11% said they would stop riding and take their own car, get a ride, etc.

#### **Examples of comments shared**

"Bus cuts would significantly affect my day to day, how I get to work, when I get to work and how often I attend events outside of work. If my bus route to work were to become

less reliable, I would have to switch from driving minimally to driving everyday which would not only affect me, but the environment. My bus in the afternoon is currently quite crowded as it is. If it were to run less often, there's a good chance it would reach capacity which could in turn double the wait again. I urge you to consider how crowded the buses are now when rescheduling the routes."

"I would need to quit my job if I could not find transportation. In addition, I would not be able to operate my business. Currently I have a business which employs at least 28 people each year. I could not operate my business if I do not have reliable and affordable transportation. This outcome would have a major impact on our community."

## Transit-Dependent Rider Feedback

#### **About Transit-Dependent Respondents:**

- 32% of survey respondents (n=363) are transit dependent, meaning they use any DART service and have no access to a car in their household.
- 89% live in Des Moines and 6% live in West Des Moines.
- 56% indicate that getting to work is the top reason they ride.
- 54% are employed either full-time (36%) or part-time (18%). 12% indicated they are retired and 13% have a disability.
- Most are low-income, although some were moderate and high earning individuals.

#### Feedback from Transit-Dependent Riders:

Transit dependent respondents had split feedback about how to balance service cuts, if needed, similar to feedback from all riders.

#### Impact of Service Cuts on Transit-Dependent Riders



#### **Examples of comments shared**

"I am functionally blind; I do not drive nor will I ever. DART is absolutely essential in my independence, and without it at its current level of operation, I can't even fathom what life will be like."

"Kids use the dart bus for schools don't get rid of them because most parents work all day and can't pick up their kids after school. The bus should be used to help others who doesn't have a car and need a ride."

"I already have a two-hour commute to a job that is around 10 miles away. It would cost me so much in Uber, I would more than likely not be able to keep my job."

## **Public Meetings**

**253 individuals** attended a public input meeting (not including DART Commissioners, Des Moines City Council members, and media). All individuals who attended a meeting were encouraged to complete the survey, in addition to having an opportunity to ask questions or provide a public comment.

Attendees asked a variety of questions related to how DART is funded and how it provides services. Public comments shared align with what is reflected in the survey.

#### **Examples of comments shared at meetings** (paraphrased in notes):

- Past few years have been horrendous with inflation. I have elderly neighbors. If we knew this was coming, how did we not prepare? I don't want to see an increase in taxes.
- We need to be expanding mass transit in Des Moines, not reducing it! How is it that college towns like Iowa City provide the service that they do without charging? I say it is a matter of priorities.
- I am the legal guardian of a boy who goes to a Des Moines public school. We live too close for the school bus. I work at a hospital and have to be at work in the morning. He's able to get a DART bus and get to school. We depend on that DART bus, and it would be detrimental to have it reduced, meaning he would walk to school. I'm single, raising this child. We don't have family in town, so he would walk. It's a safety issue. When it's too cold or icy, he would miss school and that's a concern.
- I would like to see a cut back on services and DART get more efficient. I'm not a fan of taxes. I pay enough now. It would be nice to have a bus every 15 minutes in front of my house but sometimes you have to make sacrifices.

- A staff member from STEP (Secondary Transition Employment Program) said that many of their youth and young adults rely on DART to get to their entry-level jobs and they worry that service cuts would reduce their independence
- Nonprofit employee lives downtown and takes DART to work. Wants the city to
  prioritize DART. They look like drastic cuts that will force people to make drastic
  decisions (of where they live / where they work).

### Conclusion

DART has identified the following key insights from analyzing all the data collected through public input:

- The number of people who participated in public input was high compared with previous public input opportunities, demonstrating significant engagement in the conversation among riders and some community members.
- Among all respondents, the majority believe the City of Des Moines should increase the franchise fee to provide additional funding that would maintain public transit services or find additional funding to expand services.
- Among non-riders who do not plan to use DART services, the responses were
  mixed, with 55% agreeing that city leaders should increase the franchise fee to
  maintain services or find additional funding to expand services. 45% agree that
  city leaders should not pass the franchise fee and DART should cut services.
- If DART needs to cut services to match the level of funding it receives from member communities, riders prefer that DART balance cutting how often buses run and eliminating some routes or reducing how often buses run and keeping all routes.
- If DART must make significant cuts to services, riders are mixed in how changes
  would impact their use of DART, with 47% continuing to ride as much as they do
  today, 42% saying they would ride less often and 11% saying they would stop
  riding all together.
- DART received a variety of perspectives on how a cut in services would impact riders' ability to access jobs and other services across the region.

Information collected through public input has been shared with elected leaders who make funding decisions. If service cuts are needed, DART will use public input feedback to develop proposed service changes. DART anticipates holding public input in midspring to get feedback on proposed changes that would begin in November 2024.

Stay informed at <u>ridedart.com/service-cuts</u>.