Rural Transit: You Can Get There From Here

Twenty Years Later: Rural Transit is Thriving, Demand is Growing, More Resources Needed

by Scott Bogren

The quiet country roads and quaint small town main streets of rural America have never been synonymous with public transportation. No, that notion was always reserved for busy big city streets with rush hours, rail systems and articulated buses. Recent history reinforces this theory.

The past two decades have seen many forms of public transportation virtually abandon rural areas. Small town residents often travel hundreds of miles just to access the nearest airport; intercity bus service is a shell of its former self; taxi service is scant and expensive; and passenger rail service often streaks through the countryside in the middle of the night.

With few exceptions, the mantle of providing public transportation to rural areas has been left to the Section 5311 (once known as Section 18) network. These bus systems connect rural residents who can't or don't drive with jobs, medical care, education and training, shopping and independence. And these agencies have done more than merely plug a gaping hole in America's public transportation network — they have proven themselves economic and social generators.

"America's most innovative, efficient and flexible transportation providers are those serving rural areas," says CTAA Executive Director Dale Marsico. "They are the transportation solution for the next century."

In March, the U.S. Senate recognized the vital role rural transportation agencies are playing in rural communities by authorizing a landmark 82 percent increase in rural public transit funding. According to authorized levels, rural public transit formula funding for fiscal year 1998 would be $240 million.

"Public transportation is not just an issue for big cities and urban areas," said U.S. Senator Craig Thomas (R-Wyo.)who sponsored the amendment that effectively doubled the rural transit program. "Rural America is just as dependent and deserving of public transit. The Senate passed bill seeks to put some equity into how the federal government supports these useful programs across the board."

Without question, rural public transportation has come a long way in the past 20 years.

Chronic Isolation

The Section 18 program (now Section 5311) of the Urban Mass Transit Act was born in 1978 as federal transit funds were made available to areas with populations of less than 50,000. In creating the program, the federal government realized that to be without a car in rural America meant chronic isolation.

Indeed, in 1977 rural residents drove a third more miles to work and double the miles on family business than their urban counterparts. Between 1960 and 1973, bus service in rural areas declined by 53 percent while passenger rail service was cut by more than 80 percent. The poor, the elderly and people with disabilities, in particular, were becoming increasingly stranded.

Of course, the creation of a federal program did not necessarily create the concept of rural public transportation. Community action agencies, senior centers and other human service agencies had been plying rural roads, highways and byways for years trying to keep up with multiplying demand. It was these agencies and transit providers that paved the way for the formation of the Section 18 program. The U.S. Department of Transportation, too, had tested the rural market with a demonstration project.

The immediate precursor to Section 18 was a three-year demonstration program launched in 1973 known as Section 147. The Section 147 program's stated goals were to increase the mobility of people who had no access to public transportation by developing new modes and types of rural transportation and enhancing coordination. In reality, it opened the door.

"Section 147 totally opened the door for transportation in rural areas," recalls rural transportation pioneer and former CTAA Board Member Linda Wilson who used the funding program to launch JAUNT, Inc. in Charlottesville, Va.

Section 147 offered the proof that rural public transportation was no oxymoron, and that if buses and vans were put on the roads of rural America, people would ride them.

Unused Funds?

Of course, just because the Section 18 program was launched, legions of buses and vans did not instantly appear. In fact, during the first two years of the program, obligations actually lagged resulting in a buildup of unused program funds. This situation, however, would not last long. Spending caught up with funding soon enough, and by 1984, demand began to outstrip the resources.

From its inception, Section 18 was destined to spur coordination with human service agency transportation. The original language launching rural transit formula funding in 1978 set the federal matching funds rate at 50 percent for operating funds, 80 percent for capital and administration. An amendment to the Urban Mass Transit Act in 1983 made it clear that agencies receiving federal transit funding could use HHS money as match.

In 1983, Congress passed the Surface Transportation Assistance Act which appropriated $80 million for rural transit formula funding, a record at the time. Meanwhile, the rural transit program was moved entirely under the Urban Mass Transportation Administration (now Federal Transit Administration or FTA); administrative responsibility for the program had heretofore come under the purview of the Federal Highway Administration.

"I promise that rural transportation at UMTA is going to become a major issue," pledged then UMTA Executive Director Ray Sander.

Doing More with Less: A Common Thread

"In some ways, problems (in rural areas) are not so enormous; they are more manageable," said then UMTA Section 18 Manager Lynn Sahaj (who now serves as FTA Deputy Associate Administrator). "Money seems to go farther — not that there's enough of it, but rural operators are used to limited funding and good at making it go a long way."

In 1985, a two-day series of historic hearings held by the House of Representatives addressed rural transportation issues. Led by Representatives James Oberstar (D-Minn.) and Newt Gingrich (R-Ga.), the hearings marked the first real congressional interest in the rural transportation program.

"You (rural transit operators) are service oriented, penny pinching, flexible and innovative, representing all the values that this (Reagan) Administration ought to be embracing," said Gingrich.

By 1986 the rural transit network had swelled to more than 1,000 agencies, with the average system operating 13 vehicles. Still, there were vast rural regions of the country that remained unserved.

Another landmark date for rural transportation is October of 1987 and the establishment of the Rural Transit Assistance Program (RTAP) which began providing technical assistance and training to rural transit agencies across the country.

"The need for information and help was undeniable," recalls current CTAA Associate Director Charles Dickson who was the first RTAP Coordinator. "People were just so glad to know that there were other rural transit operators and that they were part of a network."

Earlier in 1987, when the Senate authorized funding for RTAP, then Senator James Sasser (D-Tenn.) first noted the inequity in funding between rural and urban areas in the transit field. "As it stands now, we spend $28 per capita of mass transit funds for large cities but only $1 per capita for mass transit in rural areas," Sasser noted.

More than a decade since its inception, the challenges facing rural transit providers were crystallized in 1989 after CTAA finished its second survey and directory of the Section 18 program. At the same time that CTAA reported a 24 percent increase in the number of rural public transit agencies, funding was scaled back. The House had approved a 22 percent cut in rural transit spending, and only a last-ditch effort by rural operators won a final 2 percent cut.

"We were holding our collective breath," recalled Bob Rottenberg, administrator for the Franklin Regional Transit Authority in Greenfield, Mass.

A Maturing Network

The 1990s have seen rural transit programs move out of their adolescent stage and into the sophisticated, thriving agencies we see today. The Americans with Disabilities Act (ADA), drug and alcohol testing and bus testing were some of the regulatory storms and unfunded mandates that rural transit operators weathered in the early part of the decade.

Of course, the ADA didn't pose nearly the challenge to rural transit providers that it did elsewhere in the transit industry because most rural operators were well versed in providing accessible transportation and were operating fully accessible vehicles.

In 1991, the Intermodal Surface Transportation Efficiency Act (ISTEA) was passed which authorized record levels of funding for Section 18 and, more significantly, changed the percent of formula funds going to non-urbanized areas from 3 percent to 5 percent.

ISTEA also brought with it the Section 18 (i) program which required states to set aside at least 15 percent of their total rural formula program for intercity bus transportation (unless the governor certifies that the state's intercity needs are already being met). The intercity set aside, as it came to be known, has proved itself controversial.

"Why should the all the funding come from those (rural transit agencies) that can least afford it?" asked CTAA Board Member Dave Marsh, executive director of the Capital Area Rural Transit System in Austin, Texas. Still, Marsh acknowledged, "Intercity bus and Section 18 providers are the only two transportation entities serving rural America."

Coordination became a staple of the industry as rural systems in all 50 states scrambled to fill out their budgets with human services dollars, Medicaid non-emergency transportation funding and more. As demands grew, funding largely remained static. Even when funding increased, many states used the extra money to launch new rural systems rather than augment existing ones.

Indeed, a 1994 survey of rural transportation conducted by CTAA revealed that the network now totalled nearly 1,200 providers. Yet, these providers served only 59 percent of the rural counties across the country leaving 41 percent totally unserved by public transportation. Also in 1994, the Section 18 program was renamed Section 5311.

By 1995, rural transit was faced with a vehicle replacement crisis. CTAA data suggested that nearly half (48 percent) of the vans and buses in use in rural transportation were past their designated useful or expected lives.

"We can't buy vehicles as fast as we need to replace them and we keep expanding service without much of a plan for replacing vehicles down the road," pointed out Jim Mallery of the Nevada Department of Transportation. "We've got vans we're using that have more than 300,000 miles on them."

Funding cuts in 1995 threatened to mitigate the gains made by rural transit in the earlier part of the decade. The 1994 election and a commitment on the part of Congress to balance the budget slated the Section 5311 program for cuts. In the end, the program was reduced by 17 percent, making for particularly hard times in community transit.

"There's no way to take a 20 percent cut and not feel some pain," said Geauga County (Ohio) Transit Program Director Bud Jordan at the time. "We'll reduce hours of operations and perhaps staff; the system will still be there, but a lot leaner than it was."

In 1996, President Bill Clinton signed into law sweeping reforms of the nation's welfare system. Thousands of Americans receiving public assistance would have to find work or risk losing their benefits. Rural public transportation would play a key role in this new initiative, as many unemployed rural residents have no other way to access training, education and jobs.

Reauthorization of ISTEA took center stage in 1997 as the new Congress began to closely examine the national transit program. News out of the Senate confirms that Section 5311 is thriving.

Growing Demand and Insufficient Resources

The two most vital issues for rural transportation heading into the 21st century are meeting the growing need for service and developing sufficient resources. Many rural agencies, today, are operating vehicles well beyond their useful lives and the attendant problems this aging equipment presents keeps many a rural operator up at night. Clearly, the vehicle crisis that CTAA highlighted in 1995 has only grown worse.

For example, the state of Tennessee estimates that its rural transit agencies are currently operating nearly 120 buses and vans beyond their useful lives (as defined by FTA and the manufacturers). The cost to replace these vehicles would be at least $5 million. Last year, Tennessee received a grand total of $3.9 million for rural transit — capital replacements and operating costs.

In many areas of the country, the need for mobility far outstrips the resources to provide rural transportation. And this problem promises to worsen in coming years as the population in rural areas ages and becomes less likely to drive a car. Current estimates suggest that rural populations will age faster than those in cities or suburbs.

There are still far too many areas of the country without rural transit service. In 1994, CTAA surveys revealed that two in five rural counties still had no public transportation. Zero. Another 25 percent had service equal to one trip per month.

This lack of service presents a tough decision for many state departments of transportation. With the additional funding a state receives for rural transportation, should the state DOT buy new vehicles for its current grantees, or launch rural service in unserved areas?

CTAA State Delegate Darrel Feasel, transportation and engineering program supervisor, small-urban and rural areas, for the Virginia Department Rail and Public Transportation, has developed a priority list for rural transit.

"Our first priority is to maintain the existing systems, especially with operating assistance," says Feasel. "The second priority is to ensure that the capital fleet is being replaced. But we realize that Section 5311 doesn't provide enough funds, so we rely on Section 5307 (discretionary bus) funds, STP transfers and other state funds.

"The third priority is to expand into unserved areas, and we typically do so through state-aid funds and begin with a feasibility study and a modest investment." says Feasel. "We try to take a holistic approach with our programs, while always seeking to expand rural and small-urban transit."

Harvesting Support

The recently completed round of Senate negotiations with regard to ISTEA reauthorization illustrated the new political power of rural areas and rural transit. The Senate authorized higher growth in the Section 5311 program (88 percent) than in any other transit program. But another, perhaps more important, conclusion was drawn.

The public transit industry, as a whole, needs rural transit agencies in order to maximize its strength. In fact, public transportation can no longer be seen as the domain of the largest cities. The Senate's ISTEA reauthorization takes the first step in truly creating a national transit program, one in which all areas of the country are fully represented.

"Just like one of ISTEA's goals being completion of the national interstate highway system, this year's Senate ISTEA reauthorization takes a first step toward completing the nation's national public transit network by finally authorizing appropriate levels of funding for rural public transit," says CTAA's Dale Marsico.

Rural Transit Timeline

1973 Section 147 demo program launched

1977 Section 18 initiated, funding set at $10 million and 2% of formula

1983 Local match redefined to include HHS funding

1985 House holds historic rural transit hearings

1986 Section 18 appropriations increase by 24% to $75 million

1987 Rural Transit Assistance Program (RTAP) started

1991 ISTEA enacted, Section 18 formula boosted to 5%, Intercity bus set aside begins

1992 ADA passed into law

1993 Section 18 appropriations increase by 43% to $130 million

1994 Section 18 renamed Section 5311

1995 Section 5311 funding cut by 17%

1996 Welfare reform law passed

1998 Senate authorizes 88% increase for Section 5311, an 88% increase