



Kansas RTAP Fact Sheet

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Come on in, the Water's Fine!

Establishing vanpools in Kansas

By Nick Pappas

In larger cities, commuters often have a variety of choices in how they get to work. The convenience of having reliable public transportation is not only a great asset, but still the only way some citizens can afford their increasingly longer commutes during an era of economic uncertainty. However, it's a fiscal challenge to provide transportation choices to those who reside in rural or small communities. While paratransit service can help serve most of these individuals, a more convenient option for groups of people with a common destination is a vanpool service. This article describes the characteristics of different types of vanpool services, gives examples of successful vanpools in other rural areas, and offers suggestions as to how your agency can implement this service in your own community.

What are vanpools?

Simply put, vanpools are a more formal arrangement, among a larger number of interested people, than are carpools—usually between five and 15 people. According to the Kansas Energy Council, riders benefit from participating in a vanpool as opposed to a carpool when their commute exceeds 15 miles. While each person's commute time will likely increase due to the increased number of stops to pick up riders, the overall cost of commuting will decrease, especially as the vanpool carries more riders.



Types of vanpools

There are four common types of vanpool services: third-party vanpools, employer-sponsored vanpools, owner-operated vanpools, and public transit vanpools. In **third-party vanpools**, a private organization administers vanpool services for commuters, companies, and government agencies. The vendor covers maintenance, insurance, and administration of the vanpool, while the vanpool members are responsible for promoting their program, identifying a driver and driver backups, and collecting fees. The fees charged to the riders are used for the gas and the cost of leasing the van from the organization. An example of a third-party vanpool service is one offered by Enterprise Rent-A-Car in California.

The second type of vanpool service is an **employer-sponsored vanpool**. This is generally the least expensive vanpooling option for riders in the long-term, where employers purchase or lease the vans and cover maintenance, insurance, and administration. However, the start-up

costs associated with buying or leasing vehicles may make this an unattractive option for employers. Also, these types of programs are often limited to employees of one company who may be charged a fee for their participation. These fees often cover overhead costs of the vehicles as well as gasoline and insurance.

An example of an employer-sponsored vanpool is the State of Kansas Vanpool Program that is provided by the Kansas Department of Administration. Established since the mid-1980s, this program has provided efficient transportation for riders commuting daily to Topeka. Although anyone can participate in one of these state-sponsored vanpools, at least 50 percent of the riders must be state employees. Also, the driver of the vanpool—called the vanpool coordinator—is responsible for finding riders and standbys, determining the fare for each rider, collecting fares, scheduling maintenance on the van, and completing all paperwork for the Department of Administration.

According to Abe Rezayazdi, a vanpool coordinator from the State of Kansas Vanpool Program, the fee structure for riders is based on mileage, how old the specific van is, and a state-mandated assumption about the price of gasoline. The fees generated go toward repaying the Department of Administration for the cost of the van. For a vanpool that operates from Lawrence to Topeka, for example, riders

can expect to pay between \$2.50 and \$3.50 for the 60-mile roundtrip drive, including toll charges. This amounts to approximately five cents per mile per rider. For a van that holds between 10 and 12 riders, this amounts to a fee of 50 to 60 cents per mile charged to the vanpool as a group.

The third type of vanpool service is a **rider-operated vanpool**. While capital costs can be minimal if a rider already owns a van, issues of affordable and adequate insurance coverage arise. Also, personal liability can become an issue, leading many rider-operated vanpools to organize as corporations. Further, the vehicle owner(s) must arrange for maintenance, insurance, and billing.

The final type of vanpool service is a **service operated by a public transit agency**, where maintenance, insurance, and billing are the responsibility of the transit agency, as is the cost of the vehicle and all operating expenses (including gas). The van is leased to one driver, a designated collector pays the agency (usually monthly), and the promotion of the vanpool is the responsibility of the members. The fees charged to riders go toward repaying the transit agency for the cost of the van and operating expenses.

Benefits of vanpools

Implementing a vanpool program benefits everyone: the vanpool driver, riders, employers, and the community and environment. Since the vanpool driver is responsible for storing the van and is usually allocated a set number of personal miles for use of the van, the need for the driver to purchase a personal vehicle is reduced. Also, because the driving responsibility can be transferred to any eligible member of the vanpool, a long-term commitment is not required of a vanpool driver. Further, the driver does not typically pay for his or her ride to work.

Perhaps those who benefit the most from a vanpool program are the riders themselves. At a minimum, travel stress is reduced; access to job

markets is increased for those with no transportation of their own; commuting costs, such as gasoline, maintenance, toll charges, and insurance premiums are reduced; and the depreciation of riders' personal vehicles is reduced.

Employers can also benefit from their employees using vanpool services. According to the American Planning Association, construction of paved surface parking spaces can cost up to \$5,000 per parking space; the reduced need to provide employees with parking can provide significant savings. Additionally, vanpools can increase an employer's access to labor markets because vanpools can provide mobility to riders who may be unable to commute via personal vehicle. Finally, employee productivity and morale can improve due to the reduction of stress from no longer having to drive.

The benefits of a vanpool program transcend those immediately connected to such a program. The community and environment at large benefit from reduced rush-hour congestion, improved air quality, and reduced dependence on fossil fuels. In more rural areas, a vanpool program can serve communities not served by transit, it requires fewer passengers than a bus, and it can help increase allocated funding to a transit agency.

Implementing a vanpool program

The process a transit agency must undergo to implement a vanpool program includes four major steps:

1) Prior to purchasing vehicles, **funding sources should be identified** to decrease the costs to the transit agency as much as possible. A list of possible funding sources appears above. It is adapted from a vanpool program report published by the Arizona Department of Transportation. (See complete sources at end of this article.)

2) The second step in implementing a vanpool program is to **establish ridership fees**. Current vanpool programs operate at an average rate of 50 to 60 cents per mile, although this rate can vary

considerably depending on the vehicle and the cost of gas, insurance, and maintenance. Some programs offer a fixed fee rate, regardless of ridership numbers, while other programs charge each vanpool based on its success in attracting and keeping riders, or on miles traveled. However, a primary component in establishing ridership fees is creating partnerships within the community.

3) **Establishing partnerships**, the third step, is essential in helping reduce fares for riders, as well as promoting the program to would-be riders. For example, employers who realize the benefits of vanpool programs can encourage employee participation in a vanpool by using tax incentives provided by the Internal Revenue Code's Section 132, Commuter Choice Program. Under this program, an employee's transit or vanpool cost, up to \$100 per month, is deducted from his or her pay. The employer then uses these funds to purchase a transit or vanpool pass or voucher for the employee. The employee's taxable income is reduced, thereby saving payroll taxes for both the employee and employer, and income taxes for the employee. Additionally, if congestion is a major issue in a community, partnering with businesses to provide "vanpool only" parking entices potential riders to join.

4) The final step in implementing a vanpool program is **identifying and anticipating future challenges before they arise**. Most of these challenges take the form of marketing the vanpool service. Advertising is a key component in securing future riders. Strategies to address this can include face-to-face outreach and electronic communication, outreach at an employer worksite event or transportation fair, and, ultimately, word of mouth.

However, according to Abe Rezayazdi, the biggest challenge in maintaining a vanpool program is keeping up with the maintenance of the vans and completing all the necessary paperwork. In any case, anticipating challenges is crucial to the

long-term success of the program.

Examples of successful transit agency vanpool programs

There are a number of successful vanpool programs throughout the nation. In New Jersey, for example, a state-promoted Vanpool Sponsorship Program is run by NJ Transit. NJ Transit uses FTA funds to provide eligible vanpools with monthly operating subsidies of \$150, which are divided among each vanpool's riders. The program has 144 vanpools and over 1,250 riders.

The Utah Transit Authority has two programs that individuals can use to establish and operate vanpools. The first helps individuals purchase vans, the second leases vans. Under the lease program, \$540,000 is used per year in Congestion Mitigation and Air Quality (CMAQ) money to purchase vehicles. Because these vehicles are purchased under state contract, they are considerably cheaper than individuals could hope to pay normally. In addition, the leases cover fuel, insurance, and maintenance.

In Connecticut, a vanpool service called "Easy Street" operates a 300-vehicle vanpool program. CMAQ monies are used to purchase vans and operate the program. The monthly rate for a person commuting 50 miles roundtrip per day is \$112, including fuel. A passenger can also receive a \$25 or \$50 reward for recruiting a new passenger. However, perhaps the biggest selling point to riders is the "guaranteed ride home program" that guarantees a ride any time during the work day in the case of an emergency.

The Washington Department of Transportation has the largest vanpool program in the country, operating over 2,000 vanpools statewide. Vans that hold eight, 12, and 15 passengers are offered by local transit agencies. Riders can organize through a rideshare program called "Ridematch" where groups between five and 15 riders can start a new vanpool. Through this online service, riders can use an

interactive map that allows vanpools to organize pick-up points and find the closest riders in a selected area.

Ultimately, members volunteer to drive and keep the van clean, and schedule fueling, maintenance and repair.

Conclusion

Vanpool service is becoming an increasingly desirable mode of transportation for many commuters. The benefits transcend those who are directly involved—drivers, riders, and employers—and impact the entire community and environment. Although implementation of a vanpool program does take some thought and work, there are many great examples of successful programs nationwide, and the funding sources are plentiful. With these strategies, perhaps your agency can implement the next successful vanpool program and have a positive impact in your own community.

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