



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

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**OPERATIONS COMMITTEE
MARCH 18, 2004**

**SUBJECT: ACCESS SERVICES INCORPORATED (ASI) REQUESTED FY 05 FUNDING
AND FY05-2009 BUSINESS PLAN**

ACTION: RECEIVE AND FILE

RECOMMENDATIONS

Receive and file this report on Access Services Incorporated requested FY05 Funding and proposed FY05-2009 Business Plan

ISSUE

In December 2002, Board directed staff to work with Access Services, its member agencies and the community to develop a new five-year Business Plan for implementation in FY05, following implementation of the FY04 Paratransit Plan.

POLICY IMPLICATIONS

In 1994, Access Services was created and separated from Metro to provide ADA complementary paratransit service, and to act as the Los Angeles County consolidated transportation service agency pursuant to Government Code §15975. The ASI FY2005-09 Business Plan discusses in detail management mobility programs, ridership projections and related costs by updating the previous FY2000-04 Business Plan. ADA paratransit service will continue the existing structure for delivery of service, keeping intact the coordinated efforts of the existing 44 fixed route operators and member agencies of Access Services.

Metro, both as an operator and as the regional planning and programming agency, continues to have the responsibility to ensure compliance with the ADA. Forecasted 10% increases in passenger trips for FY05 and the associated increases in costs of providing the additional trips combined with efficiency proposals are addressed in this report.

FINANCIAL IMPACT

The proposed ASI funding plan requires \$65,374,104 in FY05. This will increase the FY05 budget over FY04 budget appropriation by \$3.67 million. The FY05 Metro forecast allocates \$56,213,637 for ASI as adopted in the Short Range Transportation Plan. If the Board approves the additional \$9,160,467 required by this action, the funds must be reprogrammed from discretionary fund balances which have been previously committed in the 10 year forecast.

DISCUSSION

FY05 Business Plan

Access Services has developed five-year demand and cost projections that are presented in the Strategic & Short-Term Business Plan 2005 – 09. Demand for ADA paratransit is expected to grow at an average rate of 10.2% through FY09 (see table 1). The cost estimates in this Plan are driven entirely by demand since the operating costs have actually declined recently due to improved service efficiencies. The change in service design, from same day service to mostly next day service, implemented in July 2003, helped make the service more cost effective.

HLB Decision Economics, a leader in the specialized field of paratransit demand forecasting, was hired to develop ridership demand. HLB, which has a strong track record with forecasting utilizing their expertise in econometric model development for many transportation companies. Over the past 3 years the Arizona DOT has seen a less than 1 percent variance of projection versus actual while SPTA has seen only a 2 percent variation. Econometric analysis of various factors regarding ridership, population growth, the state of the economy, and inflation were studied to reveal their affect on ridership demand. The HLB forecast for the next five years forms the core element of this plan.

TABLE 1

Passenger Trips / FY	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Completed	2,711,879	2,994,259	3,303,025	3,638,813	4,004,681
% Change	9.9%	10.4%	10.3%	10.2%	10.1%

The plan recognizes that due to the weak economic projections, future ADA paratransit demand cannot be met without a combination of service efficiencies, increased funding and several mitigation measures proposed in this Plan. These mitigation measures are outlined as part of the FY05 funding subsection below.

FY05 Funding

ASI's funding over the past three years were set by the ASI 2000 – 2005 Business Plan. During FY02 to FY03, a large increase in ridership caused the financial projections that were

not inflated to become unrealistic to meet the demands of the ridership. The MTA Board took action in FY03 to add a CPI factor to the remaining years of the Business Plan. In that same year the MTA Board took a one-time action to add an additional \$5 million for FY03 and asked ASI to redesign its service delivery model. Along with this action, ASI was also directed to create a new 5-year Business Plan starting in FY05. Table 2 below shows the history of ASI funding and the proposed FY05 funding if a new Business Plan was not created. The expected funding for FY05 was to be \$64.1 million; the ridership forecast utilizing the proposed mitigation measures will require a budget of \$65,374,104 (table 3):

TABLE 2

	FY 2002	FY 2003	FY 2004	FY 2005 Business Plan	FY05 Funds Requested
MTA Funding (1) + (2)	\$51,363,459	\$53,514,702	\$54,948,747	\$56,213,637	\$56,213,637
CPI (approx)	2.85%	2.83%	2.20%	2.03%	2.03%
Proposition C (Orig Amt)		\$7,705,350	\$7,994,161	\$8,273,005	\$8,273,005
Added CPI \$\$ to Prop C		\$5,086,349	\$6,851,253	\$7,886,363	\$7,886,363
Proposition C (MTA Board Action)		\$5,000,000	\$0	\$0	\$1,274,104
Proposition C (Adjusted)		\$17,791,699	\$14,845,414	\$16,159,368	\$16,159,368
FTA Sect 5310 (STP)		\$45,809,352	\$46,954,586	\$47,940,632	\$47,940,632
MTA MOU	\$51,363,459	\$63,601,051	\$61,800,000	\$64,100,000	\$65,374,104

The budget estimates in FY05 Access Services Budget are driven entirely by demand. The actual operating costs have declined due to improved service efficiencies. With the efficiencies, the projected increase ridership still drives up cost of the projected FY05 budget by nearly 7 million dollars (table3):

TABLE 3

ACCESS SERVICES
Projected Expenses for FY 2005

	<u>FY 2005</u>
Same Day Passengers (3%)	81,356
Next Day Passengers (97%)	2,630,523
Total Passenger Trips	2,711,879
Purch. Transp. Cost per Passenger Trip	\$ 20.56
Purchase Transp. Cost	\$ 55,756,232
Other Purch. Transp. Cost	\$ 4,826,378
Elig. Determination (6%)	\$ 4,130,632
CTSA (0.5%)	\$ 344,219
Administrative (5.5%)	\$ 3,786,413
Implementation Costs	\$ 200,000
Total Capital	\$ 5,150,000
Fares	\$ (4,284,769)
Sale of Vehicles	\$ (500,000)

Miscellaneous	\$ (60,000)
Section 5310 CalTrans	\$ (400,000)
Metro MOU Funding	<u>\$ 68,949,104</u>
Less Projected Savings From Non-Mandated Services	<u>\$ (3,575,000)</u>
	<u>\$ 65,374,104</u>

Non-Mandated Service Options:

Reduction of non-mandated service includes the remaining same day service, removal of the toll free phone service, moving ASI to Metro leased or owned property, reducing night owl service to reflect fixed route, and limiting certification roundtrips per rider (table 4):

TABLE 4

<u>Non-Mandated Service Options:</u>	
Same Day Service	\$1.6 million
Toll Free Phone Service	\$1.0 million
Rent / Relocation	\$ 750,000
Night Owl Service	\$ 100,000
Limit Certification Roundtrips per Rider	\$ 125,000
TOTAL	\$ 3,575,000

If all of the recommended reductions of non-mandated services were implemented in FY05, a budget savings of \$3,575,000 could be realized (as noted in table 3). Further staff effort and public involvement will be necessary before these items can be brought to the Access Services Board of Directors for consideration. This would reduce Metro's contribution to \$65,374,104.

Mobility Management Programs:

The Mobility Management programs (Free Fare, Free-to-Go, Personalized Eligibility, and Travel Training) have potential to offset demand by diverting some trips to fixed-route. All these programs need some level of investment (table 5):

TABLE 5

Mobility Management Programs	
Travel Training	
Personalized Eligibility	
Free Fare	
Senior on the Go	
FY05 Implementation Cost	\$ 200,000
Five-Year Projected Implementation Cost	\$ 1,125,727
Five-Year Projected Savings	\$22,669,503

Free Fare:

The Free Fare program was proposed in the Year 2000 Strategic and Short-Term Business Plan as a mitigation strategy for ADA paratransit demand in Los Angeles County. The program provides fare free access to Access Paratransit riders who wish to ride fixed-route bus (or rail) on the systems that participated in the program.

Access Services reimburses some of the 14 Free Fare program partners for the revenue loss incurred due to boarding the riders and the personal care attendants (PCA, if applicable) for free. 167,749 Free Fare passenger trips were reported to Access Services during FY 2003. Reimbursements to partnering agencies cost Access Services \$46,309. At the Access Services' average cost of \$28 per trip (FY 2003), those trips represent net savings of approximately \$4,710,391 for Access Services and the region. In a fiscally constrained environment, the Free Fare program is especially important as it allows Access Services to concentrate its resources on those individuals who most need the service.

Free-To-Go:

Metro proposes to develop an older adult mobility training program in cooperation with the California State University at Los Angeles Special Education Department (Cal State LA is only one of two colleges in California that offers a masters degree and teaching credential in Orientation and Mobility training). Additionally, Metro would hire a trainer in the third and fourth quarters of FY05 to determine the protocols, marketing needs, and standards for the program

For seniors, mobility orientation would be particularly useful. Many seniors gravitate towards ADA paratransit due to lack of awareness of other options. In 2001, Access Services conducted a pilot mobility orientation program for seniors called "Free-to-Go". The goal of the program was to introduce seniors to transit options in their communities. Please see page 20 of Attachment A for results of the Free-to-Go program:

Travel Training:

Travel training is a short-term, comprehensive, intensive instruction designed to teach people with disabilities how to travel safely and independently throughout the fixed route system. . Communities that have implemented travel training programs have found that not only do persons with disabilities become less paratransit dependent, their mobility improves as their transportation skills increase. Travel training is relatively inexpensive and can lead to dramatic savings.

Cost and benefits are described below in Tables 6 and 7. Since the Free Fare program is an on-going program the current budget has incorporated the cost required to do the Free Fare program, as well as the related savings of reduced trips to be provided by Access Services. If approved, the Free-To-Go program will be developed and designed in FY05 for funding and potential budget savings as well as an implementation plan for FY06. The Travel Training program would be able to be started during FY05 at an annual cost of \$200,000 (to be conservative and not knowing the actual starting of the training program saving are not budgeted until FY06.)

**TABLE 6
MOBILITY MANAGEMENT PROGRAMS IMPLEMENTATION COSTS**

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
FREE FARE	\$ 65,157*	75,720	84,806	93,287	100,750
FREE-TO-GO	\$ 0	7,376	7,745	8,132	8,539
TRAVEL TRAINING	\$ 200,000	200,000	200,000	200,000	200,000

* Already in FY 05 Budget Projections

**TABLE 7
MOBILITY MANAGEMENT PROGRAMS NET SAVINGS**

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
FREE FARE	\$ 11,806,658*	13,860,294	15,515,764	17,067,341	18,432,728
FREE-TO-GO	\$ n.a.	n.a.	n.a.	n.a.	n.a.
TRAVEL TRAINING	\$ 0	382,000	964,000	1,546,000	2,128,000

* Already in FY 05 Budget Projections

These programs would increase Metro's contribution by \$200,000 in FY05 to \$65,374,104, which is an increase of \$3,665,000 over FY04 budget.


NEXT STEPS

If approved by the Board, staff will continue collaboration to support implementation of the FY 2005 – 09 Business Plan by July 2004 and will provide updates on significant accomplishments.

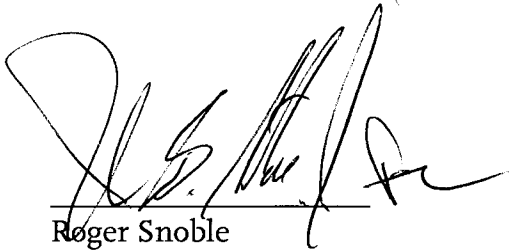
ATTACHMENTS

A. FY 2005 - 09 Business Plan

Prepared by: Mark P. Maloney, Director of Transportation Contract Services



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

ACCESS SERVICES

LOS ANGELES COUNTY C TSA
(CONSOLIDATED TRANSPORTATION SERVICES AGENCY)

STRATEGIC & SHORT TERM
BUSINESS PLAN
2005-2009

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EXECUTIVE SUMMARY

ACCESS SERVICES INC. has developed five-year demand and cost projections that are presented in the Strategic & Short Term Business Plan 2005 – 2009. Demand for ADA paratransit is expected to grow at an average rate of 10.2% through FY 2009. The cost estimates in this Plan are driven entirely by demand since the operating costs have actually declined recently due to improved service efficiencies and a change in service design, from same day service to mostly next day service, implemented in July 2003.

HLB Decision Economics, a leader in the specialized field of paratransit demand forecasting, was hired to develop the ridership demand projections. Econometric analysis of various factors regarding ridership, population growth, the state of the economy, and inflation were studied to reveal their affect on ridership demand. The HLB forecast for the next five years forms the core element of this plan.

The plan recognizes that due to the weak economic projections, future ADA paratransit demand cannot be met without a combination of increased funding and several mitigation measures proposed in this Plan:

The Mobility Management programs (Free Fare, Free-to-Go and Travel Training) have potential to offset demand by diverting some trips to fixed-route. All these programs need some level of investment. Accessibility of the fixed-route systems is critical to the success of these programs.

Other programs like the Vehicle Leasing, Advertising on Vehicles, Foundation and New Grants could help generate revenues. These are inexpensive options, but the returns are low as well.

Significant savings can be generated through restricting non-ADA mandated services including certification trips, night owl service, certain eligibility categories, same day service and transfer-free service. These measures are not under consideration at this time, but may be necessary if the funding approved by Metro is inadequate to cover the cost projections in **Table 1**. By definition, these would be *major* service changes, and would require a thorough public involvement process, and approval by the ASI Board of Directors (**Appendix A**).

A simple budget to implement each project has been included. *Access Services will update the demand forecasts and the Business Plan expense projections annually to accommodate for fluctuations in the key elements of the plan.*

**Table 1
OVERVIEW - DEMAND AND EXPENSE PROJECTIONS FY 2005-2009**

YEAR	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Passenger Trips Completed	2.71 million	2.99	3.30	3.63	4.00
Cost / Passenger before Capital	\$ 25.39	25.89	26.15	26.41	26.94
Operating Expenses	\$ 68.8 million	77.5	86.4	96.1	107.9
Capital	\$ 5.0 million	5.3	7.4	5.9	4.0
Total Expenses	\$ 73.8 million	82.8	93.8	102.0	111.9

PART 1 - INTRODUCTION

The Access Services Strategic and Short-Term Business Plan 2005-2009 presents the agency's paratransit ridership demand and cost projections. It also reviews several proposals to manage the costs of providing Americans with Disabilities Act (ADA) paratransit - diversion of potential demand, exploring new revenue sources and improved efficiency measures. The costs and benefits of each of these options are included where possible.

Strategic planning to meet transportation demand is critical to the transportation industry due to its relationship with economic, demographic, social and political trends. Transportation depends on, as well as, determines those variables.

In the case of ADA paratransit providers, such as Access Services, there are business, legal and regulatory concerns, as well as regional planning imperatives that drive the business plan methodology and process. Market analysis has assumed wider significance in the context of the paratransit industry due to the civil rights nature of the mandated service. Should inadequate planning for paratransit lead to an unmet demand in the system, this would make the provider liable for damages under ADA regulations. A recent letter issued by the Department of Justice on behalf of the Department of Transportation in the case of *Anderson, et al. v. Rochester-Genesee Regional Transp. Auth., et al* clearly states the federal regulatory interpretation that transit agencies must "design, fund, and implement a next-day service to meet the foreseeable needs of all ADA-eligible individuals".

By its very nature, an ADA paratransit system is demand driven in contrast to a fixed route system, where, at least in the short-term, the demand does not impact operating expenses. Fixed-route systems also have the flexibility of limiting supply when economic or fiscal constraints arise. An ADA paratransit system needs to be able to meet all foreseeable demand and stay within all the service parameters established by ADA regulations. The service is inherently expensive. The high variable costs are directly related to the trip demand. A recent survey of 11 peer agencies conducted by New York City Transit¹ showed that on average, each system experienced 10.8% growth in passenger trips provided in 2002. As one of the two largest paratransit providers in the nation², Access Services has been at the forefront of demand and service cost mitigation issues. At \$28, Access Services agency cost per trip (FY 2003) was below the \$30.7 average of peer systems³. Any further efforts to significantly reduce the costs of ADA paratransit must address cost determinants including passengers per hour, trip distance and discretionary demand.

In the Year 2000-2005 Strategic and Short-Term Business Plan, which was completed in March 2000, Access Services made a strong argument in favor of responding to paratransit demand through a regionally coordinated approach. The Access Service Free Fare program, one of the

¹ New York City Transit (NYCT) 2003 Paratransit Peer Report October 15, 2003.

² NYCT 2003 Paratransit Peer Report October 15, 2003.

³ NYCT 2003 Paratransit Peer Report showed the average per-trip cost of 9 peer systems to be \$30.73.

elements of that approach, diverts a large portion of the paratransit demand from a high cost service to low cost alternatives, producing very substantial net savings. The Free Fare program continues to expand rapidly with active support from the member agencies. Fourteen out of 44 member agencies participate in the Free Fare program. Metrolink is expected to be a member by June, 2004. Other components of the regional demand management approach were systemic improvement in fixed route accessibility - in addition to the bus and rail equipment, bus stops, access paths, elevators and curbs need to be usable to make fixed route truly accessible. The Access Services Year 2003/2004 Paratransit Plan update echoed this regional demand management approach. One of the primary objectives of the Paratransit Plan was improvement of overall fixed-route accessibility.

The Los Angeles County Metropolitan Transportation Authority (Metro) Board adopted the Los Angeles County Regional Short Range Transit Plan (SRTP) 2003-2007 in January 2003. Access Services worked with the Transit Operators' Working Group (TWOG) that led the development of the plan on the Issue of Managing ADA Costs at the Regional Level, which was identified as a major action item in the plan. The transit operators formed a Regional ADA Planning Group to coordinate and monitor efforts to manage LA County's paratransit costs. The Regional ADA group closely monitored the development of the demand forecasts contained within this plan.

In order to develop demand forecasts and ensure the most reliable outcomes, Access Services used the services of HLB Decision Economics, a leader in paratransit demand forecasting. The resulting study "Access Services - ADA Paratransit Demand Analysis and Projections" produced in August, 2003-January, 2004 provided the basis for this Business Plan.

Metro Board of Directors approved ASI's last Business Plan in March 2000. The cost estimates provided in that plan were used by Metro as funding marks for Access Services through FY 2005. That plan gave a low, medium and high range of demand, and subsequent costs to provide each level of service. The Metro Board approved the lower cost funding levels, irrespective of increasing ridership levels. The Access Services Strategic and Short Term Business Plan 2005-2009 provides Metro with cost estimates for programming funds for ASI and the regional TIP for the next five years. **The cost estimates for FY 2006-2009 have been adjusted using very conservative CPI estimates as increment.** The demand forecasts for out years (2006 and beyond) will be adjusted annually to accommodate more recent service data and improve the confidence level of the projections. Accordingly, the Business Plan cost projections will be updated annually.

PART 2 - AGENCY

2.1 HISTORY AND CURRENT STATUS

Access Services is a state mandated local governmental agency created by Los Angeles County's public transit agencies to:

- administer and manage the delivery of regional Americans with Disabilities Act paratransit service (ACCESS PARATRANSIT), and
- coordinate human service agency transportation as the Consolidated Transportation Services Agency (CTSA).

In order to provide the complementary paratransit service mandated by the ADA, the public fixed-route transit agencies in Los Angeles County agreed that the most effective and cost-efficient means would be to establish one regional service on their behalf.

In 1992 a Los Angeles County Coordinated Paratransit Plan was submitted to and approved by the Federal Transit Administration (FTA), to meet the complementary paratransit requirements for all the public fixed route systems in the County. That Coordinated Plan was developed by the Los Angeles County Transportation Commission (LACTC) which also appointed itself as the CTSA for the County, as prescribed under California Law.

In 1994 Access Services was organized as a California public benefit (private nonprofit) corporation and designated as the LA County CTSA to ensure continued implementation of the coordinated paratransit plan and coordination of social service agency transportation in the County. Access Services is a "governmental" agency within the meanings of the California Fair Political Practices Act and the California Open Meetings and Records Act (Brown Act).

Following the formation of Access Services, Inc. (ASI), Metro submitted its individual Paratransit Plan identifying per ADA regulations, the paratransit service provided by ASI. FTA approved Metro's Paratransit Plan and Metro operated under it until April 2003 when Metro became an ASI member.

Currently there are 44 public transit operators serving Los Angeles County that are the member agencies and formal stockholders of Access Services Inc. The operating name of the transportation service is "Access Paratransit."

2.2 GOVERNANCE

2.2.1 BOARD OF DIRECTORS

Access Services is governed by a nine member Board of Directors whose members are appointed by:

- The County of Los Angeles Board of Supervisors
- City Selection Committee’s Corridor Transportation Representatives representing Metro
- Mayor of the City of Los Angeles
- Governing boards of the municipal fixed route operators
- Governing boards of the local fixed route operators
- Los Angeles County Commission on Disabilities
- Los Angeles County Independent Living Centers
- Board of Directors of Metro
- Local fixed route operators and then municipal fixed route operators (rotating appointment)

2.2.2 ADVISORY COMMITTEES

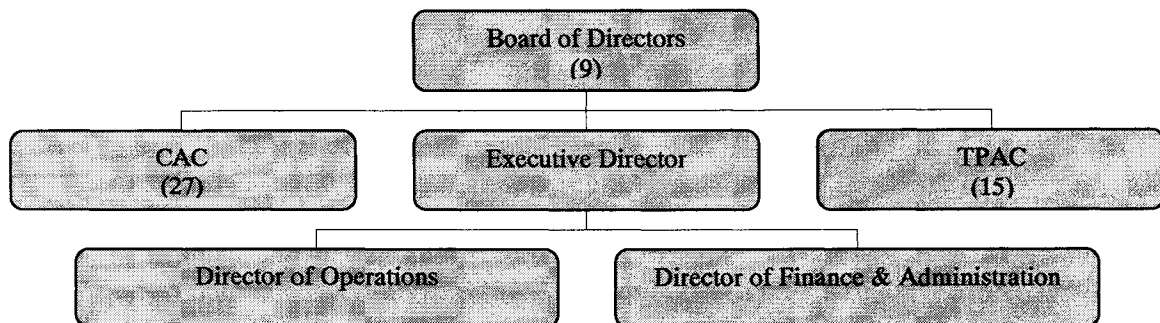
The board has created two advisory committees, the Community Advisory Committee (CAC) and Transportation Professionals Advisory Committee (TPAC).

CAC has 27 members that are appointed by the Board according to criteria that ensures the committee reflects the diversity of individuals with disabilities or their representatives, geographic communities, organizations and Access Services users. Each board member appoints three CAC members. The Chair of the CAC is an ex-officio member of the Board of Directors.

TPAC has 15 members that comprise transit, paratransit, and social service transportation professionals representing all regions of Los Angeles County and are jointly appointed by the board.

Figure A

ASI GOVERNANCE AND ORGANIZATION



2.3 STAFFING

Access Services is managed by an Executive Director, a Director of Operations and Director of Finance and Administration. The agency employs 68 individuals. The CTSA program is operated in-house. Access Paratransit service is provided by contractors (service providers). Eligibility and Customer Services are contracted out as well. Access Services staff manage the service provider, transportation eligibility and customer service contracts.

2.4 FUNDING

Metro, as the Regional Transportation Planning Agency (RTPA), programs federal and local funds for Access Services. Beginning in 2000, the funding was based on the Year 2000 Access Services Business Plan.

These allocations must be included in the Regional Transportation Plan (RTP) and the Transportation Improvement Plan (TIP), which is adopted by Metro, the Southern California Association of Governments (SCAG), the California Transportation Commission (CTC) and Federal Transit Administration (FTA).

Access Services is a direct grantee of FTA for the federal funds approved by Metro. Due to the lag between ASI's fiscal year and the FTA grant cycle, Metro loans ASI the funds through annual funding agreements. The funding agreement includes local funds to match federal grant funds as well as additional local funds to meet the rest of the ASI budget plan.

During FY 2003, the ASI's funding comprised:

- FTA 5310(a)(1) and (2) funds 74.0%
- Local Proposition C (40% discretionary) sales tax funds 20.0%
- Fare revenue 5.5%
- Interest and other sources .5%

PART 3 - SERVICES

3.1 CONSOLIDATED TRANSPORTATION SERVICES AGENCY (CTSA)

The CTSA designation authorizes Access Services to operate as a public transportation (community transit) agency independently of the Cities' and PUC regulations. CTSA statutes and the related Transportation Development Act (TDA) statutes specifically give CTSA's independent transit operating authorities, allowing them to set fares (without a Public Utilities Commission hearing) and giving them the ability to charge different rates to different agencies where warranted. CTSA's are specifically authorized to claim TDA funding pools. Access Services does not claim TDA funds.

The State mandates CTSA's to coordinate social service agency transportation in the region and prepare an Action Plan for the RTPA for coordination of these services. The most recent SB826 Inventory and Action Plan was completed in August 2002. Before and during its development, Metro staff had envisioned the 2002 Action Plan as a map for sub-regional paratransit coordination at Metro's service sector levels. The Plan was received and filed by the ASI Board in FY 2003. Due to the coincidence of the Action Plan and the 2003/2004 Paratransit Plan schedules, ASI's Board deferred review of the Action Plan.

CTSA program activities include education and training workshops, scholarships for Pepperdine University's Transit/Paratransit Management Program and other certification programs. During FY 2002-2003 the CTSA program offered four workshops and training sessions attended by eighty-seven transit and paratransit professionals. The improved management skills and knowledge imparted through the programs positively impact the quantity and quality of services in the region.

The investment made in improving mobility through coordination of resources allows for a more efficient allocation of the paratransit demand over a greater number of local transportation systems. Coordination between sub regional providers results in reduced costs and allows Access Services to focus on regional trips as intended by the Paratransit Plan.

The CTSA program is not expected to grow significantly over the next few years unless a broader role for the CTSA is envisioned by Metro, or other funding sources become available.

The estimated CTSA expenses for FY 2005-2009 are shown in **Table 2**.

3.2 ACCESS PARATRANSIT

3.2.1 SERVICE AREA

Los Angeles County has a population of 9,979,600⁴ and covers a 4,061 square mile area. Within the metropolitan area, fixed-route public transit is provided in a 1,550 square mile area. In order to meet the member agencies' ADA compliance requirements, Access Paratransit provides service within a 3/4 mile corridor on either side of all fixed-route bus or rail services in the County. This is effectively the entire inhabited portion of the County. Since some of the member agency routes that originate in LA County serve portions of adjacent Counties, Access Services also serves portions of San Bernardino, Ventura and Orange Counties. Access Paratransit serves many centers of employment, health-care, education, recreation and residence.

3.2.2 SERVICE PARAMETERS

Access Paratransit is a shared-ride and curb-to-curb service. The design conforms to the six defining criteria prescribed by USDOT's ADA regulations⁵ (Appendix C). The ADA regulations on complementary paratransit preclude any restrictions on the number of trips or prioritization of trip purpose. The regulations also mandate comparable fares, service areas and days and hours of service to the fixed route services.

The current service design was developed with extensive input from the disability community and all stakeholders and was implemented at the beginning of FY 2003-04. Due to the unfavorable fiscal environment that shaped this service model, Access Services and the stakeholder community agreed on a service plan that complied with the essential elements of the ADA regulations, while dispensing with many of the non-mandated services, including 24-hour reservations and dramatically reducing on-demand same-day service.

Access Services' updated paratransit plan provides for a system design consisting of a basic complementary ADA paratransit "next-day" curb-to-curb service. Similar to fixed route bus and rail services, Access Paratransit is available 24 hours a day seven days a week, with limited service between 1:00am – 5:00am (night-owl service).

Ninety seven percent of the passenger trips provided during July-December 2003 were next-day service. For efficiency purposes, the system retained the flexibility to perform a small number of same-day trips when permitted.

⁴ Year 2003, California Department of Finance, Demographic Research Unit

⁵ 49 CFR 37

Reservations for Next Day and Same Day services may be made between 6:00am and 10:00pm seven days per week. Under the next-day service, a paratransit trip reservation may be made for any time the next day, subject to the negotiation window permitted by applicable regulations. Under same-day service, a trip reservation may be requested for any time on a given day, subject to a (minimum) 45 minute response time.

For predictable and recurring trips, such as for work, dialysis treatment or school, Standing Order service is available. This option allows advance routing of these trips and can be more cost effective. It also reduces the volume of calls to reservation centers.

3.2.3 VEHICLES

Service is provided with 554 dedicated vehicles, including vans, minivans and sedans (479 of which are owned by Access Services) and operated by 6 contractors. In addition, 723 pre-certified taxicabs are used to supplement the dedicated vehicles. Due to budget adjustments to meet service demand, funds for replacing paratransit vehicles have been reduced. This plan addresses several options to fully fund the vehicle replacement schedule.

3.2.4 SERVICE PROVIDERS AND SERVICE REGIONS

The service area is comprised of six regions, served by different contractors:

SERVICE REGION	SERVICE PROVIDER
San Fernando Valley	MV (Valley) Transportation
Eastern region	San Gabriel Transit
West/Central region	Administrative Services Cooperative (ASC)
Southern region	Global Paratransit Incorporated and MV (Paramount)
Santa Clarita Valley	City of Santa Clarita
Antelope Valley	Antelope Valley Transit Authority (AVTA)

3.2.5 SERVICE STATISTICS

Access Paratransit currently provides 7,500-8,000 one-way passenger trips per typical weekday, to a population of 60,000 certified riders. During the last completed fiscal year 2002-2003, over 2.44 million passenger trips were provided, a 16.3% increase over the previous year.

The Eastern region accounted for nearly one third of all passenger trips completed in FY 2003. About one quarter of all passenger trips completed emanated from each of the Southern and West/Central regions. The Northern region accounted for a fifth of the total passenger trips. Santa Clarita and Antelope Valleys accounted for less than 1% each.

Trip denial rates have been low throughout the last five years. Since January 2000 the denial rate has remained between 0 and 0.8% and was 0% at the end of the last fiscal year, 2003.

Over the past five years, about 22% of the passenger trips were utilized by persons using wheelchairs. About 58% of the passenger trips were used by riders who were ambulatory, and 15% by personal care assistants. Companions, children and certification trips comprised the remaining 5%.

The average on-time performance (pick-up within 20 minutes of estimated time) over the last five years was 91.5%.

3.2.6 SERVICE DEMAND

Access Services ridership has been increasing every year since FY 1998. Except for FY 2000, ridership has exhibited high levels of growth. In FY 2003, 2.44 million passenger-trips were provided. While demand has grown during this period (1.19 million passenger trips were provided in FY 1998), the rate of growth has been as low as 1.3% (FY 1999-2000), and as high as 32.5% (FY 1998-99).

Table 2

PROJECTED PROGRAM EXPENSES FY 2005-2009

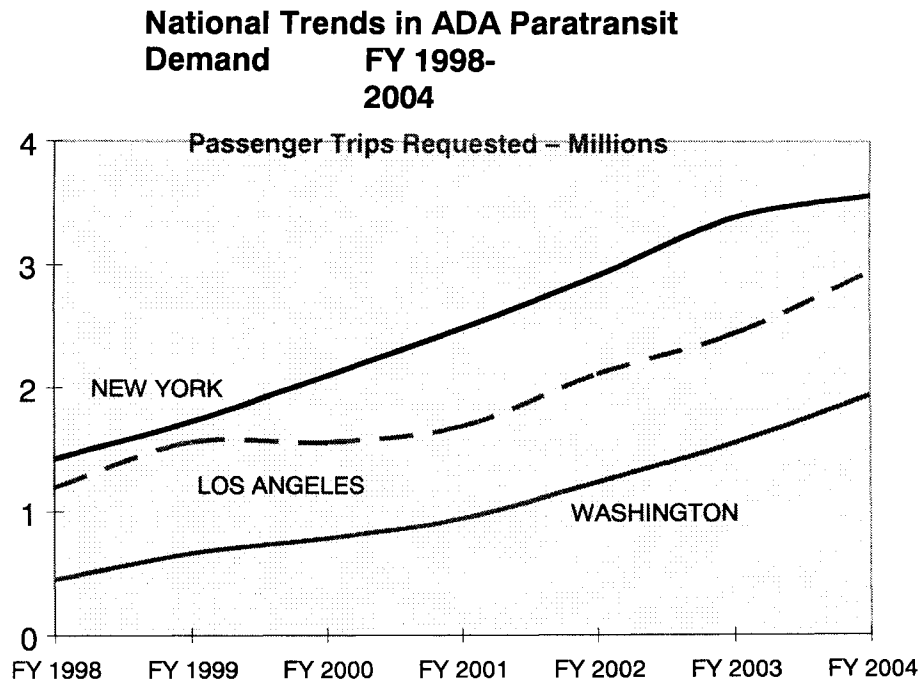
Program/FY	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
CTSA Program	\$ 344,219	387,663	431,915	480,582	539,481
Access Paratransit	\$ 64,713,241	72,880,674	81,200,041	90,349,448	101,422,396
Administration	\$ 3,786,413	4,264,295	4,751,066	5,286,404	5,934,289
Capital	\$ 5,000,000	5,287,600	7,401,400	5,919,000	4,033,000
Total Expenses	\$ 73,843,874	82,820,232	93,784,423	102,035,434	111,929,166

PART 4 - DEMAND FORECASTS FY 2005-2009

ADA regulations do not allow the complementary ADA paratransit providers to limit the supply of transportation services that are mandated. It is also incumbent upon agencies to plan adequately for demand in order to budget appropriately for equipment and the operations and other resources. Any trip denials occurring due to inadequate or unreliable planning would be construed as non-compliance with the regulations.

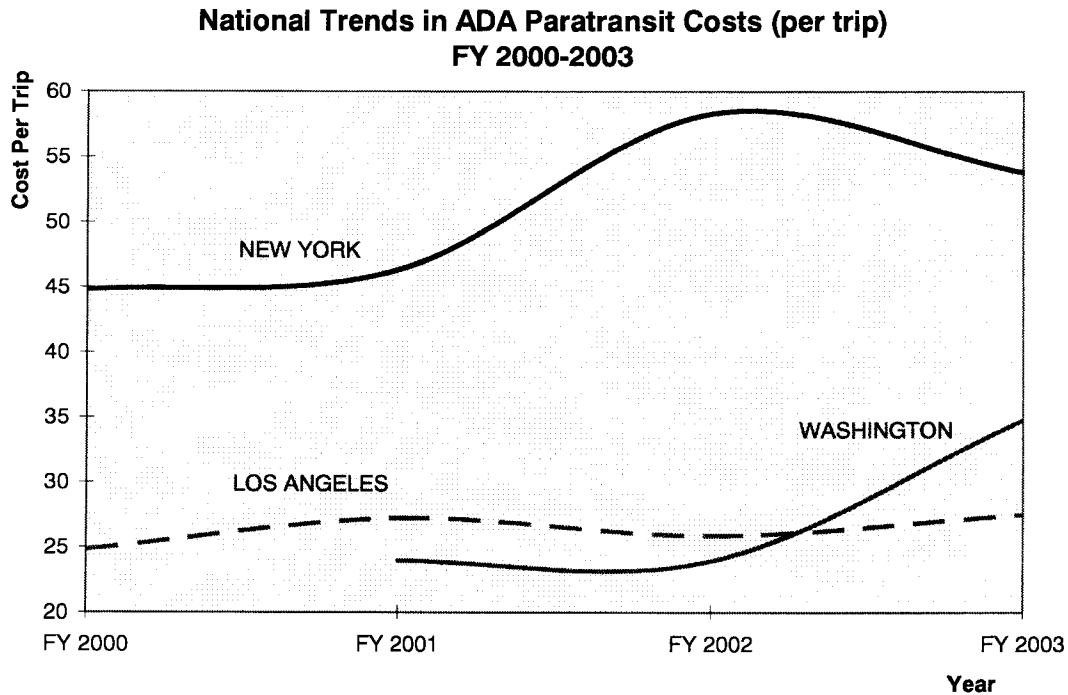
In order to forecast the demand for ADA paratransit in LA County over the next five years, Access Services worked with HLB Decision Economics, recognized as experts in the specialize field of paratransit demand. HLB has developed ADA paratransit demand models that have been applied by New York City's MTA, Washington DC's Washington Metropolitan Area Transit Authority (WMATA), Philadelphia's South East Pennsylvania Transportation Authority (SEPTA) and Seattle's King County (Seattle) Metro.

Figure B⁶



⁶ Data provided by HLB Decision Economics.

Figure C⁷



Access Services’ Board approved the award of the project to analyze demand and develop forecasts for FY 2005-2009 to HLB Decision Economics in August 2003. The scope of work required a statistical demand analysis along with a five-year forecast of ADA paratransit demand for each of the six Access Services service regions, as well as collectively for the County.

The HLB study on paratransit demand analysis conducted an in-depth examination of the various factors that affect trip demand. It looked at historical paratransit operations data (trip requests, denial rate, on-time performance, etc.) as well as socio-economic data (employment, population, etc.) to determine quantitatively which factors – as well as the extent to which changes in these factors – affect travel demand. The analysis provided valuable information pertaining to the likely impact of various factors on future demand and cost conditions. The forecasts will enable Access Services to plan strategically for projected demand and cost conditions as well as to alter such conditions through changes in alternative policy factors under the agency’s control (such as no-shows and cancellations policy).

⁷ Based on New York City Transit (NYCT) Peer Survey Data.

CONTD. PART 4 - DEMAND FORECASTS FY 2005-2009

The demand analyses and forecasts for the six service regions separately and combined, were performed using historical paratransit operating data provided by ASI. Data on other variables like Population, employment, weather etc. was collected by HLB from the Census Bureau, California Department of Finance and other independent sources. To account for uncertainty surrounding different economic and demographic variables in the model, the demand forecast was developed within a risk analysis framework: central forecasts (or most likely forecasts) were presented along with lower and upper forecasts. The projections were generated for the period extending from FY 2005 to FY 2009. HLB's report titled "ADA Paratransit Demand Analysis and Projections" is attached as **Appendix C**.

The impact of the July 1, 2003 changes in service design from same day to predominantly next day is not yet known or factored into the demand forecasts. In the six months since the implementation of the plan, the service data has shown a trend towards reduced demand and reduced trip length, but it is too preliminary to be of significance to the forecasting process. Unexpected events like the Metro strike that lasted 35 days (October 14-November 17, 2003) and some start-up problems with a new service provider (ASC) in the Access Services West/Central region made it harder to assess the impact of the service changes. Access Services FY 2003-2004 Paratransit Plan that drove the service changes, assumed that certain efficiencies in costs and a reduction on demand would result. At the end of the current fiscal year (June 2004) when a full year's data on demand and costs becomes available, it will be entered into the HLB forecasting model to update the forecasts. An update of the Business Plan projections may be necessary at that time.

Table 3

**ADA PARATRANSIT DEMAND PROJECTIONS
FY 2005-2009**

Passenger Trips/ FY	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009
Requested	3,234,821	3,571,654	3,939,959	4,340,550	4,776,919
% Change	9.9%	10.4%	10.3%	10.2%	10.1%
Denied	0	0	0	0	0
Cancelled	428,338	472,939	521,708	574,746	632,534
No-showed	94,604	104,455	115,227	126,941	139,704
Completed	2,711,879	2,994,259	3,303,025	3,638,813	4,004,681

PART 5 - BUSINESS PLAN OBJECTIVES

This Business Plans presents the Access Services strategy to meet the demand for ADA paratransit over the next five years. HLB's demand forecasts establish the baseline for service needs that ASI has to meet. The demand for ADA paratransit is clearly and steadily on the rise. The trend in the next five years shows annual increases ranging from 9-10%. The HLB study identified a strong correlation between population growth and ADA paratransit demand in LA County. Given LA County's increasing population trend, and the demographic shift towards an older society, paratransit service needs will rise in the foreseeable future. It is equally clear, on the other hand, that funds at local state and federal levels continues to be scarce.

The challenge for Access Services and the RTPA (Metro), lies in meeting demand in the most cost effective manner in the near term, but also managing demand through a strategic plan that provides options and incentives for greater utilization of resources that already exist, in the near and long term. Unless potential demand can be mitigated through viable options to ADA paratransit, ADA costs cannot be contained in a meaningful way.

Mobility management and intermodal coordination, including Free Fare, Mobility Orientation and Travel Training Programs, appear to have the most potential for demand diversion with relatively low investments. The success of the mobility management programs ultimately depends on how current and potential Access Paratransit riders perceive the fixed route systems. While the fixed route systems are technically in compliance with ADA regulations, other aspects of the service including access to bus stops, useable curb-cuts and customer information may present barriers to seniors and persons with disabilities. Access Services will work with the member agencies, Metro and riders to remove barriers to fixed-route where possible.

Access Services is working on non-traditional funding sources including vehicle leases, advertising on vehicles, fundraising through a foundation, and new grants.

Same day service and implementation of next day service introduced efficiencies in the system. Improved scheduling and routing of trips is expected to make them more cost effective.

5.1 OBJECTIVE 1 - MOBILITY MANAGEMENT and intermodal coordination

Access Paratransit bridges the transportation gaps for times when accessible fixed route cannot fulfill the needs of the individuals with disabilities. Those individuals with the ability to use accessible fixed route transportation need to accept that responsibility and use it whenever possible. Whenever a person chooses fixed route over ADA paratransit, significant transportation dollars are saved. As a mobility facilitator for people with disabilities in Los Angeles County,⁸ Access Services plans to assist riders in selecting and using the most appropriate mode.

The historical lack of accessible fixed route transit created psychological and skill-related barriers to using fixed route transportation service among persons with disabilities⁹. The ADA has removed barriers through improved equipment, technology, and an attitude shift among transportation providers, users, and the general public.

Seniors and persons with disabilities that form the base for Access Services applicants, remain unfamiliar with fixed route services. Greater awareness of the potential of fixed route services can assist future Access Services applicants and seniors and persons with disabilities in general.

The Free Fare program, Mobility Orientation and Travel Training programs promote travel independence through the use of fixed route services, and incentivize the process through free training and in case of Free Fare, cash savings.

5.1.1 EXPANSION OF FREE FARE PROGRAM

The Free Fare program was proposed in the Year 2000 Strategic and Short-Term Business Plan as a mitigation strategy for ADA paratransit demand in Los Angeles County. The program provides fare free access to Access Paratransit riders who wish to ride fixed-route bus (or rail) on the systems that participated in the program. The program currently has 14 partners:

Carson Transit, Culver City Bus, El Monte Trolley Company, Foothill Transit, Glendale Beeline, LADOT DASH & Commuter Express, Montebello Bus Lines, Monterey Park Spirit Bus, Metro Bus and Rail, Norwalk Transit, Pasadena ARTS Bus, Santa Monica's Big Blue Bus, Torrance Transit and West Hollywood Transit.

Access Services reimburses some of the Free Fare program partners for the revenue loss incurred due to boarding the riders and the personal care attendants (PCA, if applicable) for free.

⁸ Vision Statement – Access Services is a mobility facilitator for persons with disabilities and specialized transportation needs. Access Services is committed to expand mobility through coordination, cooperation and cost effective service operations.

⁹ Project Action “Individualized Travel Instruction/Training” 2001

167,749 Free Fare passenger trips were reported to Access Services during FY 2003¹⁰. Reimbursements to partner agencies cost Access Services \$46,309. At the Access Services' average cost of \$28 (average agency cost per trip for FY 2003), those trips represent net savings of approximately \$4,710,391 for Access Services and the region. In a fiscally constrained environment, the Free Fare program is especially important as it allows Access Services to concentrate its resources on those individuals who most need the service.

The Free Fare program grew significantly during FY 2003. New agreements with major systems including LADOT's DASH and Commuter Express, Culver City Transit, Montebello Bus Lines, Pasadena ARTS Bus, Torrance Transit and El Monte Trolley were implemented. Ridership in several systems, especially those serving densely populated areas, rose steeply through FY 2003. Culver City Transit, which implemented Free Fare in FY 2003, reported 25,676 rides for that year, and nearly 50,000 rides for FY 2004 (estimate). LADOT reported 133,755 trips in FY 2003. Other partners have reported similar growth. ASI is currently working with Metrolink and Palos Verdes Peninsula Transportation Authority (PVPTA) for participation in the Free Fare program.

All the major systems in Los Angeles County are expected to join the Free Fare program by FY 2005. After the resulting growth spurt, ridership in the program is expected to level off during FY 2007.

The estimated Free Fare costs to Access Services and the net savings over the next five years are presented in **Tables 4A and 4B**.

5.1.2 IMPLEMENTATION OF MOBILITY ORIENTATION PROGRAMS

During Access Services eligibility evaluation all applicants view an eleven minute video "Getting There". The video compares accessible fixed route transit in Los Angeles County with Paratransit. The Transit Evaluator explains the accessibility and usability of fixed route transit. An estimated 47,000 (out of 60,000) Access Paratransit applicants who qualified with "Unconditional" eligibility¹¹, may be able to use fixed route for some short and spontaneous (same day) trips, especially if a personal care assistant were available. Mobility orientation offered through the eligibility process is inadequate due to the limitations imposed by the eligibility process. A broader outreach with specialized information for seniors and various ability levels would be more effective in promoting fixed route use.

¹⁰ Metro, Carson Transit, Glendale Beeline, Monterey Park Spirit and West Hollywood Transit do not report free-fare trips, or invoice Access Services for revenue-loss.

¹¹ Unable to independently use accessible fixed route transit.

For seniors, mobility orientation would be particularly useful. Many seniors gravitate towards ADA paratransit due to lack of awareness of other options. In 2001, Access Services conducted a pilot mobility orientation program for seniors called "Free-to-Go". The goal of the program was to introduce seniors to transit options in their communities.

As a result of Free-to-Go¹²:

- 73% of participants were encouraged to use public transportation
- Participants' unfamiliarity with bus decreased from 14% to 3%
- 56% of the people interviewed afterwards had used a bus
- Participants' unfamiliarity with other Dial-A-Rides decreased from 26% to 4%
- 59% of the participants felt a "Travel Host" (a form of travel training) would be helpful to learn how to ride the bus

The Free-to-Go program was discontinued in FY 2002 due to lack of funding. Given the increase in the senior population, an investment in their mobility orientation presents a cost effective way to manage the future costs of ADA paratransit in Los Angeles County. The Free-to-Go program will be implemented in FY 2005-06 if funds are available.

5.1.3 IMPLEMENTATION OF TRAVEL TRAINING

Travel training¹³ is short term, comprehensive, intensive instruction designed to teach people with disabilities how to travel safely and independently throughout the fixed route system.

Travel training programs seek to remove or lessen perceived barriers to transportation. Communities that have implemented travel training programs have found that not only do persons with disabilities become less paratransit dependent; their mobility improves as their transportation skills increase. Travel training is relatively inexpensive but can lead to dramatic savings.

In 1998, a Chicago Regional Transportation Authority (RTA) study looked at the cost effectiveness of travel training. During 1996-1998, 175 individuals completed training. *Out of a sample of 50 travel trained individuals that were surveyed, 50% reported that they used fixed route services at least once a week.* It was reported that those individuals took 155 one way fixed route trips each

¹² "Access Paratransit Free-to-Go Program Final Report" prepared by Strategic Consulting & Research in June 2002.

¹³ Project Action "Individualized Travel Instruction/Training" 2001

CONTD. PART 5 - BUSINESS PLAN OBJECTIVES

week, resulting in a total of 8,060 one way trips annually. The study demonstrated not only a recouping of costs but annual savings of \$189,894 for the 50 riders. A travel training program in Los Angeles County could yield similar results. Using the Chicago model Access Paratransit could expect to produce the following results (this analysis will assume an average of 4 one way trips per person per week as an outcome):

Persons Travel Trained	Cost per person (estimate)	Cost of Travel Training
200	\$ 1,000	\$ 200,000
Persons using fixed route	4 one-way trips per week per year	Cost saved on paratransit (estimate \$28.00 agency cost/trip)
100	20,800	\$ 582,400

The initial training class would net paratransit cost savings of \$382,400 for the first year. Subsequent years would yield cumulative ADA paratransit cost savings.

The accumulated cost savings to paratransit through FY 2009 could reach \$5,020,000. The program will be implemented in FY 2005-2006 if funds are available.

TABLE 4A

**MOBILITY MANAGEMENT PROGRAMS
Implementation Costs by Program**

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
FREE FARE	\$ 65,157	75,720	84,806	93,287	100,750
FREE-TO-GO	\$ 0	7,376	7,745	8,132	8,539
TRAVEL TRAINING	\$ 200,000	200,000	200,000	200,000	200,000

TABLE 4B

**MOBILITY MANAGEMENT PROGRAMS
Net Savings by Program**

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
FREE FARE	\$ 11,806,658	13,860,294	15,515,764	17,067,341	18,432,728
FREE-TO-GO	\$ n.a.	n.a.	n.a.	n.a.	n.a.
TRAVEL TRAINING	\$ 0	382,000	964,000	1,546,000	2,128,000

5.2 OBJECTIVE 2 - REVENUE ENHANCEMENT

The revenue enhancement proposals can be implemented relatively quickly, and expected to become operational within a year of implementation. The foundation and advertising on vehicles involve initial investments, which make the proposals contingent upon funding. The vehicle leasing program implementation would require research and regulatory guidance, and could be time consuming.

5.2.1 LEASING VEHICLES AT MARKET RATES FOR PARATRANSIT AND GENERAL TRANSPORTATION

ASI is interested in the feasibility of leasing ASI owned vehicles to contractors at market rates. The leased vehicles would be able to provide regular taxi service when demand for ADA paratransit is low.

This concept has the potential to reduce operating costs by up to \$1 million per year since the depreciation cost of the vehicles would be shared with the independent contractors who would sublease the vehicles from ASI's contracted service providers.

Preliminary discussions with contractors indicate that savings to ASI would be reflected in more favorable contract terms. The accessible ASI vehicles operated in regular taxi service would effectively increase the number of accessible taxicabs available to the general public.

ASI owns 479 accessible vans and minivans, all procured with FTA Section 5310 funds and matched by local sales tax revenues. The vehicles are leased to service providers at a nominal fee. The ASI owned vehicles are dedicated to ADA paratransit and are operated by employee drivers.

5.2.1.1 FEDERAL REGULATIONS/ISSUES:

Federal requirements may restrict the flexibility of ASI to use independent contractors in the delivery of paratransit trips in ASI owned vehicles. The premise is that ADA complementary paratransit costs can be reduced and more accessible vehicles made available for the general public if the use of independent contractors were allowed¹⁴.

¹⁴ 9070.1E, Chapter V (Program Management) -VEHICLE USE. FTA encourages maximum use of vehicles funded under the Section 5310 program. Consistent with the requirements of 49 C.F.R. Parts 18 and 19, vehicles are to be used first for program related needs and, beyond the purposes for which a Section 5310 grant are made, to meet other transportation needs of elderly persons and persons with disabilities, to meet other Federal program or project needs, and finally for other local transportation needs."

CONTD. PART 5 - BUSINESS PLAN OBJECTIVES

Preliminary research indicates that Federal regulations allow the vehicles to be used "...beyond the purposes for which a Section 5310 grant is made" including "local transportation needs." However, it appears that such incidental use is only allowed after meeting the needs of seniors and persons with disabilities. Whether the vehicles could be used for incidental trips during periods of low demand is not clear, and it is also unclear whether the arbiter on this issue would be FTA or the State.

5.2.1.2 STATE REGULATIONS/ISSUES:

"The lease between the Section 5310 sub recipient and the lessee contains the terms and conditions that must be met in providing transportation service to the elderly and persons with disabilities. Because the purpose of the Section 5310 grant is to provide transportation service to the elderly and persons with disabilities, other uses of the vehicle are permitted only as long as such uses do not interfere with service to the elderly and persons with disabilities."

"The state, being responsible for ensuring that the terms and conditions of the original grant with FTA are met, must agree, in writing, to each lease between the sub recipient and the lessee. Such an agreement should specify that the leased vehicle shall be used to provide transportation service to the elderly and persons with disabilities, that the vehicle may be used for incidental purposes only after the needs of these individuals have been met, and that the sub recipient or state must retain title to the vehicle."

5.2.1.3 LOCAL ISSUES:

Several local issues involving costs (insurance and maintenance), regulations (taxi-franchising and leasing) and operations (methodology for prioritizing trips between ADA, paratransit, subsidized and general purpose trips) need to be researched and resolved.

5.2.2 ADVERTISING ON ACCESS SERVICES VEHICLES

Vehicle advertisement has been a commonly used revenue generating tool in the transportation community for many years. For Access Services this represents a non-traditional revenue source, since the vehicles have not been used in advertising in the past. Access Services will try out an advertising pilot project to determine if the concept and revenue raised justify a permanent advertising program.

The placement of ads on transit vehicles has traditionally required that transit agencies work closely with an agent to produce advertisements for application on vehicles and also to help secure advertisers. Access Services' current graphics vendor will be involved in this pilot project and will be able to produce the materials and possibly aid in securing advertisers. The advertisements will not interfere with any of the driver's activities. The right side of the vehicles where the riders enter, will remain unchanged and will continue to clearly identify the vans as Access Services vans.

The pilot project is expected to yield gross revenue of \$60,000 during one year of testing. Gross revenue is determined based on a one-year contract with the advertisers for placing their information on a hundred vehicles units (rear and left windows) at the rate of \$50 per vehicle unit per month (\$600 per year). The revenue generated from this project is considered 'unrelated income' to our normal business income; therefore, it is taxable at the rate of 35%. Access Services would be required to file an additional tax form with the IRS. The professional accounting fees involved will be approximately \$1,500 a year.

If the vehicle advertisement pilot project meets the revenue projections, Access Services would consider expanding the vehicle advertisement program to cover the entire fleet of 479 ASI owned vehicles.

Access Services plans to work with businesses and public organizations to secure advertisements and public service notices that will bring in a steady revenue stream. Advertising agreements will be written to include ad-content, size, placement, and any other relevant issues. The Board will review and approve all agreements. **Tables 5A and 5B** show estimated expenses and revenues by year.

5.2.3 ACCESS SERVICES FOUNDATION

The FY 2003-2004 Paratransit Plan identified the foundation as a possible means to implement one of the three Plan objectives¹⁵. During FY 2003 the Access Board of Directors approved the possible formation of a foundation. The foundation would work to develop awareness and funding through philanthropic trusts and foundations committed to improving accessible transportation for people with disabilities.

Before formation of the foundation is complete there are administrative tasks in progress that need to be completed. A set of by-laws is required to be adopted by the Access Services Board and to establish a tax exempt status (501.C-3). Research is currently underway as to how the foundation would operate, if dependent or independent of the Board of Directors, and several findings have been made. An independent entity will require a staff and there will be greater costs for insurance (Liability, Workers Compensation, etc.) and auditing services (annual independent audit) as well as payroll issues to deal with; it may be worth the additional costs in order to avoid possible organizational and political difficulties. If the foundation is a supporting entity, staffing and payroll services could come from Access Services, which should help keep costs low.

¹⁵ Section 1.2 Plan Objectives - Seek separate funding through a foundation or other means to encourage and foster creative approaches to providing improved mobility to people with disabilities outside its responsibilities as the ADA complementary paratransit provider for the member agencies and the Metro.

The foundation could be activated during FY 2004-2005. The most practical way to provide for a start up of this foundation will be to hire a consultant to help form the foundation, and in general help organize and define the functions. It is estimated that the consultant would cost in the range of \$50,000--\$75,000 for one year. If it is decided to have a supporting foundation, it could use Access Services staff, which would provide a minimum of 5% of their time to it - which could be billed back to the foundation. Some thought has been given to making a "loan" to the foundation to allow it to become established, but that the loan would need to be paid back over time.

In all, it is estimated that it will cost between \$100,000—140,000 per year to fund the administration of the foundation. Legal and consultant fees would need to be budgeted and funded as foundation-related expenses.

It is estimated that foundation will need to be operating for 2-3 years before it can begin to generate an income. The income would be in proportion to the agency's investment in the foundation. The costs of operating a foundation are shown in **Table 5A**.

5.2.4 NEW GRANT OPPORTUNITIES

Access Services has continued efforts to identify other sources of revenue besides Section 5310 funds in order to support the paratransit service directly and indirectly. During FY 2004 Access Services submitted grant applications to Caltrans and Community Transportation Association of America (CTAA) for various projects including demand analysis, a centralized dispatching study, an assessment of integrated/universal fare system needs, professional development and travel training. During FY 2001 and 2003 Access Services applied for Metro's Call for Projects to fund system improvements like a uniform scheduling system and travel training. The future of the Call for Projects remains uncertain due to the ongoing State budget crisis; the projects in the Call were not included in these projections.

The competition for funds has increased as most systems face fiscal problems. The grants are generally small in size, as they are targeted at the average size agency. Due to the uncertainty of funding, the projects that are proposed for funding do not include core programs, but those that support the agency's mission. Access Services will continue to look for new opportunities and pursue available sources.

If successful, the grants that are in process would require a local match component. The costs and estimates from various grants are shown in Tables **5A and 5B**.

Table 5A

**REVENUE ENHANCEMENT PROGRAMS
Implementation Costs by Program**

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Leasing Vehicles	\$ 0	25,000	30,000	35,000	40,000
Advertising on Vehicles	\$ 0	31,000	114,000	131,000	142,000
Foundation	\$ 100,000	110,000	120,000	130,000	140,000
New Grants	\$ 206,300	n.a.	n.a.	n.a.	n.a.

Table 5B

**REVENUE ENHANCEMENT PROGRAMS
Net Revenues by Program**

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Leasing Vehicles	\$ 0	1,112,000	1,332,000	1,522,000	1,618,000
Advertising on Vehicles	\$ 0	29,000	166,000	188,500	210,000
Foundation	\$ n.a.	n.a.	n.a.	n.a.	n.a.
New Grants	\$ 1,063,200	n.a.	n.a.	n.a.	n.a.

5.3 OBJECTIVE 3 - IMPROVED EFFICIENCIES

The next day service model, with the same day service enhancement, relies on the efficiencies of scheduling and routing trips more effectively. Through the efficient routing of trips, the average trip distance can be reduced thereby reducing costs. Typically, paratransit systems capture this efficiency using a passenger per hour (PPH) calculation. This calculation does not accurately reflect the cost savings for Access Paratransit because it does not capture the efficiency (or reduction of billable miles) for each shared ride. The PPH calculation does not translate for Access Paratransit primarily because the majority of ASI's contracts are based upon a fixed monthly fee along with a rate per revenue mile.

Recently, ASI has begun using an "efficiency factor" in order to capture the effectiveness of shared rides. The efficiency factor is defined as *the revenue miles divided by the direct miles*. The direct miles (DM) are the miles that would have been billed to ASI if the trips had been performed as single trips and if no shared rides had been performed. Revenue Miles (RM) are the miles billed to ASI after the trips have been efficiently routed, including shared rides. Currently the system wide efficiency factor is (approximately) 97%. Utilizing improved routing technologies and the experience gained during the first year of operating a primarily next day service model, it is anticipated that the efficiency factor will improve to 93%. The savings associated with these improvements have been projected into the proposed transportation costs for FY 2005 through FY 2009.

PART 6 - FINANCIAL PROJECTIONS FY 2005-2009

The financial projections were determined almost entirely from the demand projections and the projected costs of providing transportation – both factors are outside the control of the Agency. Access Services has been eliminating discretionary expenses for the last three fiscal years in order to meet the demand for ADA transportation. During FY 2003 Access Services implemented the FY 2003-2004 Paratransit Plan which restructured the service model to make it less expensive to provide transportation. The same day service model was replaced by a primarily next day service model. The next day model is more efficient as it gives dispatchers time to route trips more effectively. The operating costs per trip were expected to be reduced nearly 14% through the change. As service providers get accustomed to the new design, savings and efficiencies are becoming more apparent. The demand for trips appears to be lower than indicated by recent trends, possibly due to the new model.

Due to the higher than expected growth in demand during FY 2003, and due to uncertainty about the service model in FY 2004, Access Services has had to defer capital expenses, in order to stay within the budget. The vehicles are expected to be in service longer and the resulting increases in maintenance expenses will need to be addressed during future years.

Access Services has historically had low administrative expenses, which have always been below 6% of total expenses. The financial projections for FY 2005-09 assume that administration expenses will comprise 5.5% of the total expenses before capital. Administration expenses are projected to have zero-growth through the duration of this Plan.

The expenses by category and total agency expense by fiscal year are shown in **Table 6**. The sources of funding are shown in **Table 7**.

6.1 RELOCATION OF ASI OFFICES

The lease on the current Access Services administrative facility in downtown Los Angeles is in effect through March 2005. The current facility is a premium property in the financial district where market rates have risen substantially higher than the \$393,000 annual rent that Access Services pays. Access Services was able to secure a below market rate for the current facility through a sub-lease agreement with tenant.

Renewing the lease at the going rate in FY 2005 is not feasible due to the inflationary trend in leasing costs in select areas of downtown Los Angeles. Access Services has started the process of leasing a similar sized facility in or close to the downtown Los Angeles area. Research indicates that it should be possible to secure a suitable facility for up to \$455,000 per year.

A one time moving and relocation cost will be incurred as part of the move. Relocation, including moving, alterations and technology upgrades, and furniture, is expected to cost \$800,000 during FY 2004-2005. Thereafter, the facility lease would cost approximately \$475,000 per year through FY 2009.

CONTD. PART 6 - FINANCIAL PROJECTIONS FOR FY 2005-2009

Table 6 - EXPENSE PROJECTIONS FY 2005-2009

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Same Day Pax Trips (3%)	81,356	89,828	99,091	109,164	120,000
Next Day Pax Trips (97%)	2,630,523	2,904,431	3,203,934	3,529,649	3,884,000
Total Pax Trips	2,711,879	2,994,259	3,303,025	3,638,813	4,004,000
Purchased Transp. Cost – Same Day \$	1,672,906	1,884,043	2,099,107	2,335,629	2,621,000
Purchased Transp. Cost – Next Day \$	54,090,632	60,917,389	67,871,141	75,518,682	84,774,000
Purchased Transp. Cost \$	55,763,538	62,801,432	69,970,249	77,854,312	87,395,000
Purchased Transp. Cost per Pax Trip \$	20.56	20.97	21.18	21.40	21.58
Purchased Transp. - Reg Trip \$	55,075,099	62,026,106	69,106,419	76,893,147	86,316,000
Other Expenses ¹⁶ \$	4,130,632	4,651,958	5,182,981	5,766,986	6,473,000
ADA - Direct Cost (86%) \$	59,205,732	66,678,064	74,289,400	82,660,133	92,790,000
ADA - Indirect Cost (2%) ¹⁷ \$	1,376,877	1,550,653	1,727,660	1,922,329	2,157,000
Purchased Transp. - Cert Trip \$	688,439	775,326	863,830	961,164	1,078,000
Other Expenses ¹⁸ \$	3,442,194	3,876,632	4,319,151	4,805,822	5,394,000
Eligibility Determination (6%) \$	4,130,632	4,651,958	5,182,981	5,766,986	6,473,000
Other CTSA (0.5%) \$	344,219	387,663	431,915	480,582	530,000
Administration (5.5%) \$	3,786,413	4,264,295	4,751,066	5,286,404	5,934,000

¹⁶ Communications- telephone and data transmission, contracted customer services, vehicle insurance, and Complaint and Operations Monitoring Center salaries and related benefits, etc.

¹⁷ Communications – telephone and data transmission, printing and mailing costs for rider communications, and Operations salaries and related benefits, etc.

¹⁸ Communications – telephone and data transmission, eligibility and appeals costs, contracted customer services, and salaries and related benefits, etc.

Total Expenses (before Capital) \$	68,843,874	77,532,632	86,383,023	96,116,434	107,896
Capital Expenses					
Relocation \$	800,000	-	-	-	
Vehicle Replacement \$	3,900,000	4,987,600	5,401,400	3,919,000	3,733
Misc. Capital Projects \$	300,000	300,000	2,000,000	2,000,000	300
Total Capital \$	5,000,000	5,287,600	7,401,400	5,919,000	4,033
Total FY Expenses \$	73,843,874	82,820,232	93,784,423	102,035,434	111,929

Table 7

FUNDING SOURCES

Funding Sources	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Fares \$	4,284,769	4,730,929	5,218,780	5,749,325	6,327,000
Sale of Vehicles \$	500,000	750,000	770,000	400,000	590,000
Miscellaneous \$	60,000	60,000	60,000	60,000	60,000
Section 5310 Caltrans \$	400,000	400,000	400,000	400,000	400,000
Section 5310 FTA (estimated) \$	57,352,177	64,928,941	72,408,509	78,708,943	87,771,000
Prop C. \$	11,246,928	11,950,362	14,927,134	16,717,166	16,780,000
Total FY Funding Sources \$	73,843,874	82,820,232	93,784,423	102,035,434	111,929,000
Metro Gross MOU Funding \$	68,599,105	76,879,303	87,335,643	95,426,109	104,551,000

Appendix A

ANALYSIS OF COST SAVINGS THROUGH ELIMINATION OF NON-ADA SERVICES

Access Services currently provides non-ADA services that include same-day service, transfer-free regional service, toll-free telephone reservations, unrestricted certification trips and night-owl service, and mostly unrestricted eligibility. The curtailment of services not required by the Americans with Disabilities Act (ADA) may be a viable means to manage costs provided the regulatory and political issues can be managed. Similar proposals in ASI's FY 2002 and 2003 Paratransit Plans elicited widespread community opposition and activism.

The following three proposals are not under consideration by Access Services, but may need to be implemented in order to meet the expense projections in the event that the funds approved by the Metro Board fall short of the projections.

All the proposals discussed in this part would result in major changes to the existing service plan. The public involvement process, to include the stakeholders in the process, and to comply with regulations and Access Services policy could take several months. Board action on the revised plans would be required as well. In order to realize the savings in any given year, the planning and implementation process would need to begin a year in advance.

Effective implementation of these changes may require significant investments in technology, which would offset some of the savings.

A.1 A LIMITED NUMBER OF CERTIFICATION ROUNDTRIPS PER APPLICANT

Certification trips have proved to be more expensive compared to regular service. Due to unfamiliarity with the service, certification riders do not follow the regular service procedures. Historically this group of riders has high rates of late cancellation (trip cancelled with less than two hours notice) and no shows that result in wasted capacity while other eligible riders are denied the use of those resources. During FY 2003, the rate of late cancellations and no-shows was nearly 25%. Currently the cost to ASI is approx. \$20.56 for each unfulfilled one-way trip.

Certification trips could be limited to a certain number of opportunities per applicant. Applicants would be informed that a late cancellation or no-show could result in denial of subsequent certification trip requests. Individuals who choose to use the certification trips responsibly would not be affected by this change. **Table 8** shows the estimated trips and the dollars that would be saved if only one certification trip per applicant were allowed¹⁹. Implementation of this proposal would require community input, public notification and Board action; that process could take six months to a year.

¹⁹ The number of certification trips that should be allowed, will be determined following the public involvement process.

Table 8

IMPACT OF LIMITING CERTIFICATION ROUND TRIPS /APPLICANT²⁰

FY	Transit Evaluations Performed	Individual Trips Provided (68% of Evaluations)	Individual Trips Provided After Change (51% of Evaluations)	Reduction in Trips	Purchased Transp. Cost * Savings
2004-2005	37,827	25,722	25,722	0	0
2005-2006	43,013	29,249	21,937	7,312	\$ 153,332
2006-2007	48,199	32,775	24,581	8,194	\$ 173,548
2007-2008	53,385	36,302	27,226	9,076	\$ 194,226
2008-2009	58,571	39,828	29,871	9,957	\$ 217,262
Totals	240,995	163,876	129,337	34,539	\$ 738,368

(*Purchased transportation cost per trip for FY 2006-\$20.97, FY 2007-\$21.18, FY 2008-\$21.40, FY 2009-21.82)

A.2 RESTRICTED NIGHT OWL SERVICE COMPARABLE TO FIXED ROUTE

As stated in the 1995 Los Angeles County Coordinated ADA Complementary Paratransit Plan Update, the service hours for Access Paratransit in the Los Angeles County Basin have been divided into two periods:

- Base Service from 5:00 am to 1:00 am
- Night Owl Service from 1:00 am to 5:00 am

The base service area covers most of the urbanized Los Angeles Basin, whereas the Night Owl service only serves Los Angeles and parts of western Los Angeles, San Gabriel Valley, San Fernando Valley and South Bay.

Due to limitations with the routing software, the Night Owl service restriction has not been enforced. In essence, service is available 24 hours a day, 7 days a week in the Los Angeles

²⁰ The following projections are for illustration purposes only; the impacts were based on limiting one certification round trip per applicant.

Basin. In order to ensure ADA compliance, the Night Owl service area and hours need to be evaluated based upon the current fixed route services.

Implementation of this proposal would require community input, public notification and Board action; that process could take six months to a year.

A.3 PERSONALIZED PARATRANSIT ELIGIBILITY

The ADA requires an eligibility process for determining ADA paratransit eligibility. The eligibility criteria are designed to limit ADA paratransit eligibility only to those individuals whose functional abilities prevent them from using a fixed-route system.

Access Services, with community participation, will develop and implement a reasonable, realistic, workable, and affordable approach to personalized eligibility, including trip by trip eligibility which leads to effective use of the most appropriate mode of travel for people with disabilities. Personalized eligibility may use trip qualifiers, guides based on the functional ability of the person, to determine what types of trips are paratransit eligible and which trips should use fixed route transit. Some of these qualifiers may be:

- Day and night eligibility
- Number of transfers
- Path of travel barriers
- Develop a tiered list of difficulties

Occasional use of fixed route transit will not exclude paratransit eligibility. Personalized eligibility determinations and implementation relies heavily on the accessibility of the transit system and infrastructure.

TABLE 9

PERSONALIZED PARATRANSIT ELIGIBILITY Reduction in Trips and Cost Savings

Annual trips shifted to fixed route system	Transit Evaluations	7.68% of new applicants with Trip Options (Reduction in ADA paratransit trips)	Savings
FY2004-2005 Estimates	38,879	0	0
FY 2005-2006 Estimates	44,382	0	0
FY 2006-2007 Estimates	49,884	199,217	\$ 5,578,069
FY 2007-2008 Estimates	55,387	221,194	\$ 6,193,419
FY 2008-2009 Estimates	60,889	243,166	\$ 6,808,657
Total	249,421	663,577	\$ 18,580,145

The current method of establishing trip qualifiers is based solely on the self reporting of the applicant and yields 0.45% of the applicants identifying a fixed route trip they can use. Developing a more comprehensive, personalized eligibility should identify approximately 7.68% of the applicants²¹ with fixed route trip options as shown in **Table 9**. The savings resulting from this change are shown in **Table 10**. The savings were calculated using \$28 as the agency cost per trip.

Implementation of this proposal would require community input, public notification and Board action; that process could take six months to a year.

²¹ Federal regulations state:

37.123 ADA paratransit eligibility -- standards.

(b) If an individual meets the eligibility criteria of this section with respect to some trips but not others, the individual shall be ADA paratransit eligible only for those trips for which he or she meets the criteria. **Appendix D- Trip-by-Trip Eligibility** A person may be ADA paratransit eligible for some trips but not others. Eligibility does not inhere in the individual or his or her disability, as such, but in meeting the functional criteria of inability to use the fixed route system established by the ADA. This inability is likely to change with differing circumstances.

Table 10

ELIMINATING NON-ADA SERVICES
Savings by Program

YEAR	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Elimination of some Certification Trips	\$0	153,332	173,548	194,226	217,262
Restricted Night-Owl Service	\$0	107,000	112,000	117,000	122,000
Personalized Eligibility	\$0	0	5,578,069	6,193,419	6,808,657

Appendix B

Mandated Complementary ADA Paratransit Service Criteria

The ADA regulations include definitions of six essential service criteria designed to ensure that public transit agencies providing ADA complementary paratransit service offered service that achieved certain minimum standards. These are: Service Area, Response Time, Fares, No Trip Purpose Restrictions, Hours and Days of Service, and Capacity Constraints. These are discussed below.

Service Area: The transit agency must provide the minimum ADA complementary next-day paratransit service to origins and destinations within $\frac{3}{4}$ mile on either side and around the endpoints of each fixed route. Within the defined core areas that are heavily covered by transit service, any pockets or holes that are formed by measuring $\frac{3}{4}$ mile around each fixed route are also included in the service area. Outside of the core area, wider corridors may be designated. Generally, the $\frac{3}{4}$ mile corridor width is used throughout most urban systems.

Transit agencies that have fixed routes that abut jurisdictional boundaries are not required to go beyond their jurisdiction unless they have authority to operate in that area. However, transit agencies are encouraged to develop agreements to facilitate transportation between areas.

Response Time: Subsection 37.131(b) states: *“The entity shall schedule and provide paratransit service to any ADA paratransit eligible person at any requested time on a particular day in response to service requested on the previous day.”* Subsection 37.131(b)(1) adds that *“The entity shall make reservation service available during at least all normal business hours of the entity’s administrative offices, as well as during times comparable to normal business hours, on a day when the entity’s offices are not open before a service day.”*

In addition, reservation requests may be negotiated up to one hour on either side of the original requested trip time. Within that time span, the reservation time offered is considered within reason. Reservation times offered outside of the one-hour window on either side of the requested time are considered the same as denials of service.

Subsection 37.131 also states that reservations may be accepted further in advance of the trip, as decided by policy action through a public process.

Fares: The fare for an ADA complementary paratransit trip may not exceed two times the full adult fare for the corresponding fixed route trip, including transfers and zone charges, if relevant. Companions traveling with an eligible rider pay the same fare as the eligible rider. If a personal care attendant (PCA) is designated by the eligible rider to assist the eligible rider, the PCA travels with no fare charged from the same origin and to the same destination as the eligible rider.

Trip Purpose Restrictions: The regulations clearly state that ADA complementary paratransit trips cannot be prioritized or restricted based on trip purpose.

Hours and Days of Service: ADA complementary paratransit service must be made available during the same hours of the day and the same days of the week that the applicable fixed route public transit services are available. As a result, some areas may have longer service hours than other areas, as fixed route service areas vary by time of day and day of week.

Capacity Constraints: Transit agencies may not limit the availability of ADA complementary paratransit service to ADA paratransit eligible persons in any of the following ways:

1. Restrictions on the number of trips an individual may take;
2. Waiting lists for access to the service;
3. Any operational pattern or practice that significantly limits the availability of service to ADA paratransit eligible individuals, including substantial numbers of untimely pick-ups (significantly early or significantly late), trip denials or missed trips; or substantial numbers of trips with excessive travel times. Operational causes beyond the control of the transit agency may not be a basis for determining that such a pattern or practice exists.

Additional Service Design Considerations

Premium Service and “Premium Charges” for Certain Paratransit Services: In the fall of 2002, the FTA Office of Civil Rights released guidance on premium charges for paratransit services. The guidance states:

“In general, any paratransit services that a transit operator provides above and beyond its regulatory obligations..., are not subject to the service criteria for ADA complementary paratransit (i.e., service area, response time, fares, trip purpose, hours and days, and capacity constraints).” The guidance went on to make it clear that if the transit operator choose to offer service exceeding the *“the basic next day service requirement, [the]...operator would not be bound by the service criteria for ADA complementary paratransit ...”* including the limit on fares to twice that of the fixed route system.

This guidance is consistent with earlier FTA pronouncements and is attached as Appendix C.

Subscription Service: The ADA regulations allow, but do not require, the provision of subscription services subject to two limitations:

- (b) Subscription service may not absorb more than 50 percent of the number of trips available ---at any given time of day, unless there is non-subscription capacity.*
- (c) Notwithstanding any other provision of this part, the entity may establish waiting lists or other capacity constraints and trip purpose restrictions or priorities for participation in the subscription service only.*

For many paratransit providers, subscription service, or standing order requests for paratransit trips that recur frequently, has been the backbone of the paratransit system, forming the basis from which the schedules are developed. For other providers, subscription service has been avoided in order to ensure all customers have the same level of access to paratransit service.

Same Day Service: 49 CFR 37.131(b)(3) permits (under the nomenclature of “real-time scheduling”) but does not require, same-day service. Where same-day service is offered in addition to ADA complementary paratransit next-day service, the same-day service is a premium service to which the service criteria of 49 CFR 37.131 do not apply.

