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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
OPERATIONS COMMITTEE
FEBRUARY 21, 2008**

SUBJECT: ACCESS SERVICES INCORPORATED (ASI) – FY 2009-2103 STRATEGIC & SHORT TERM BUSINESS PLAN

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file this report on Access Services Incorporated's (ASI) proposed FY 2009-2013 Strategic & Short Term Business Plan.

ISSUE

In December 2002, the Board directed staff to work with ASI, its member agencies, and the community to develop a new five-year Strategic & Short Term Business Plan for FY 2005-2009 for implementation in FY 2005. The FY 2005-2009 Strategic & Short term Business Plan was fully implemented following the implementation of the updated FY 2004 Paratransit Plan, which included the change of ASI's service model from same day to a next day service model. The draft FY 2009-2013 Strategic & Short Term Business Plan (Attachment A) is discussed in this report, and ASI is seeking our input to include in their final plan.

Inspector General's ASI Audit Recommendations

The Board directed the Office of Inspector General (OIG) to perform a compliance and performance audit of ASI and its contractors. On January 23, 2008, the Inspector General Office released their final report of the Audit of ASI. Several recommendations from that audit are addressed in this business plan.

Specifically, the business plan addresses the following OIG recommendations:

Recommendation #2: Eligibility Determination Process. "ASI should a) review the narrative comments included on the eligibility Survey and initiate any appropriate actions or changes, b) consider client comments/concerns when making any future changes or improvements to the eligibility evaluation process or the evaluation facility, and c) evaluate whether ASI can offer more evaluation locations through the use of mobile evaluation units." To address this recommendation, the ASI business plan includes the possibility of "locating and owning its

own eligibility facility” to develop a more modern, welcoming environment, while provide a number of transit elements to enhance functional testing.

Recommendation #5: Customer Rider Satisfaction Surveys. “ASI should review the narrative comments on the Rider Survey and initiate any appropriate actions or changes.” ASI’s response noted that many of the comments mentioned the desire for premium services. The ASI business plan calls for identifying premium services that are most needed and working with the community to identify the funds and revenues sources to operate them.

As part of the OIG audit, Eligibility and Rider Survey Questionnaires were distributed to 2,500 individuals. The survey results show that 80% of the respondents rated the overall quality of the eligibility process as good or excellent and 78% of the respondents rated the overall fairness of the eligibility evaluation process as good or excellent. The survey results also show that 87% of the riders felt that paratransit services were stable and/or improving and 72% of the respondents rate the overall quality of service for trips as good or excellent.

POLICY IMPLICATIONS

In 1994, Access Services was created and separated from LACMTA to provide the American with Disabilities Act (ADA) complementary paratransit service and to act as the Los Angeles County Consolidated Transportation Service Agency pursuant to Government Code §15975. The ASI FY 2009 -2013 Strategic & Short-Term Business Plan discusses in detail its management mobility programs, ridership projections and related costs by updating the previous FY 2005-2009 Strategic & Short Term Business Plan. ADA paratransit service will continue the existing delivery service structure, keeping intact the coordinated efforts of the existing 45 fixed route operators and member agencies of ASI. However, potential regulatory changes by the United States Department of Transportation (USDOT) could force ASI to make changes to its service model that could potentially result in higher costs.

As both an operator and regional planning and programming agency, we continue to have a responsibility to ensure compliance with the ADA. Increases in passenger trips for FY 2009 (forecasted at 2.4%), increases in costs associated with providing the additional trips, efficiency proposals, and proposed new services are addressed in this report.

DISCUSSION

FY 2009-2013 Strategic & Short Term Business Plan

HDR Engineering, Inc. (HDR) was hired by ASI to develop ridership demand projections for this business plan update. HDR is an industry leader with a strong track record in the specialized field of paratransit demand forecasting. Econometric analysis of various factors regarding ridership, population growth, the state of the economy, and inflation were studied to reveal its effect on ridership demand. The HDR forecast for the next five years forms the core element of this plan.

ASI has developed five-year demand and cost projections, which are included in the ASI FY 2009 -2013 Strategic & Short-Term Business Plan. Demand for ADA paratransit is expected to grow at an average rate of 2.4% through FY 2012 (see Table 1 below). The cost estimates developed by HDR in the FY 2009-2013 Strategic & Short Term Business Plan are driven almost entirely by demand projections and conservative Consumer Price Index (CPI) estimates of the projected costs of providing transportation. It should be noted that the cost estimates for FY 2013 were completed by ASI.

TABLE 1

Fiscal Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Passenger Trips	2,495,593	2,555,337	2,615,544	2,679,405	2,744,424
% Change	2.7%	2.4%	2.4%	2.4%	2.4%

The Business Plan proposes new services, capital equipment, and technological and legislative initiatives currently under consideration to enhance the overall effectiveness of service. Some of these may require additional programming of funds through new grants or revenues.

Mobility Management Programs

ASI’s Mobility Management Programs continue to offset demand by diverting some trips to fixed-route bus and rail services.

Free Fare Program

The Free Fare Program was proposed in the FY 2000 Strategic & Short-Term Business Plan as a mitigation strategy for ADA paratransit demand in Los Angeles County. The program provides free fare access to ASI riders who wish to ride fixed-route buses (or rail). The free fare program has grown to include 20 free fare program partners, and ASI reimburses some of the 20 partners for the loss of fare revenue associated with riders and personal care attendants’ use of their services. In FY 2007, 1.38 million free fare passenger trips were reported to Access Services by partnering agencies that receive reimbursements for providing the free fare trips. Reimbursements to these partnering agencies in FY 2007 were \$690,140. The estimated savings for the County and ASI in FY 2007 were \$26 million (at the rate of \$18.90, the variable cost of providing a trip, net of average fare per trip, \$1.60).

ASI is continuing its efforts to expand the free fare programs with member agencies not currently participating in the free fare program as well as with Amtrak.

New Rider Orientation

This program began in October 2007 to make it easier for new customers to use Access Paratransit and to address complaints and issues reported to ASI’s Customer Service Department.

A series of workshops demonstrate to new riders how to make reservations, identify ASI vehicles, and present other basic concepts of utilizing the ADA paratransit service to make their initial experience a friendly and positive one.

Travel Training

Travel Training continues to be offered to individuals who, after going through the ASI paratransit eligibility process, are considered capable of using bus and/or rail with adequate training. In FY 2007, 358 individuals successfully completed travel training. This fiscal year to date, 651 individuals have successfully completed travel training.

Travel Orientation

In FY 2007, ASI hired a Mobility Coordinator and implemented the Travel Orientation program. This program helps counsel and provides referrals to individuals who are found not eligible or partially eligible for ASI paratransit, as well as other individuals with disabilities and seniors.

ASI program staff conducts outreach, develops databases of other available transportation services, and assists individuals in finding the best transportation alternative available to meet their trip needs.

In FY 2007, 28,978 individuals went through the personalized eligibility (in-person assessment) and did not qualify for ADA paratransit. Based upon appeals processes, the denial rate for FY 2007 was 10%.

The initial reaction from riders regarding this program has been positive.

Integration with Regional TAP Card

ASI continues to work with us to allow for participation in the Universal Fare System (UFS), now referred to as the Transit Access Pass (TAP). The integration of the TAP Card will occur in two phases. Phase I includes the issuance of TAP-enabled ASI rider ID cards, which will allow for an accurate accounting of Free Fare Program trips. Some ASI riders are currently testing TAP-enabled ASI ID cards. Funding for this phase has already been secured, and it is anticipated this phase will be implemented by the end of FY 2008. Phase 2 involves the use of TAP cards as an alternate fare medium in the ASI paratransit system. ASI staff will work with us to identify the type of card reader options that will be most effective and efficient. ASI was successful in securing a federal appropriation of \$735,000 to begin funding this project. Implementation of this phase is tentatively scheduled for FY 2009.

Medicaid Reimbursement for Medicaid Eligible Trips

ASI is collaborating with California Association for Coordinated Transportation (CalACT), California Transit Association (CTA), Caltrans, and a coalition of local interest groups to

enable State Department of Health and Human Services administered Medicaid transportation funds to be used for public transportation services. This requires a change in state regulations that would allow for the purchase of bus passes for Medicaid clients with Medicaid funds and would also allow for cost reimbursements to public fixed-route and paratransit service providers (including dial-a-ride and other subsidized taxi-based services) for MediCal related trips.

If the Medicaid transit pass coordination is accomplished, it will generate new revenues for fixed-route and paratransit service in the state.

Mobility Resource Center

It is proposed in this Strategic and Short-Term Business Plan that ASI explore the possibility of locating and purchasing its own eligibility facility (ideally near a Metro rail line). If ASI owned the facility rather than relying on contractors' resources, it would be possible to develop a more modern, welcoming environment in general, while providing a more customer-friendly and effective approach to the eligibility process.

The Mobility Resource Center, if developed, could possibly be used as a "one-stop" center that combines several mobility initiatives, such as ASI eligibility, travel training and orientation, Los Angeles County Transit Operations Association Card (LACTOA) ID card and new rider orientation, in one location.

Quality ADA Paratransit Service

The FY2009-2013 Strategic & Short Term Business Plan identifies initiatives being considered in order to enhance the overall effectiveness of service.

Centralized Reservation and Scheduling System

The FY 2005-2009 Strategic & Short Term Business Plan identified the need to move towards a different model for delivering trips. A decentralized model is currently used that divides the County into distinct geographical areas. Within each of these areas, a separate service contractor is responsible for reservations, scheduling, dispatching and reporting of trips.

A needs analysis was conducted in FY 2007 to determine the effectiveness of the existing model. The analysis resulted in recommendations for a centralized reservation and scheduling system.

It is expected that a centralized approach would lead to the reduction in redundant staffing at contractor sites, improved flexibility with geographic service areas to reduce deadhead miles and improved productivity through optimization of trip routing. It will also eliminate the need for ASI riders to contact different providers to schedule their trips (especially when traveling from one geographical area to another).

Compliant Complementary ADA Paratransit Service

ASI's service model follows the minimum requirements outlined in the Americans with Disabilities Act. Specifically, ASI's service model features next-day, curb-to-curb service. However, pending regulatory actions by the United States Department of Transportation (USDOT) could force ASI to make changes to its service model in the future, which could result in higher costs.

Origin to Destination

The USDOT issued its Origin to Destination "Guidance" in September 2005. This new guidance purports to establish a new requirement by interpreting the meaning of the term "origin to destination" in the existing regulations. In essence, the guidance states that paratransit providers must take passengers door-to-door instead of curb-to-curb upon passenger request.

Reasonable Accommodation

On February 27, 2006, the USDOT issued a Notice of Proposed Rulemaking (NPRM) proposing that when a passenger is incapable of accessing the paratransit system, even if the service meets the minimum ADA requirements, the system would have a legal obligation to modify its service if requested.

ASI, as part of a coalition of 40 transit agencies (including us), wrote a letter to the USDOT urging the DOT to rescind these proposals in their entirety as it would impose a legal obligation to modify service on passenger demand without regard to passenger safety, potential costs, effects on reliability, operational and administrative complexities and local community needs.

ASI currently makes modifications of its ADA services on a discretionary basis as a matter of customer service in cases where doing so does not create significant additional costs, safety risks, or inconvenience to other passengers.

Addition of Premium Services

Since ADA paratransit was not meant to meet all of the transportation needs of an eligible rider, ASI may consider offering ancillary services such as door-to-door, limited day service, agency service (adult day care services, regional centers, etc.) and service outside the service boundary that would be considered premium services in relation to the minimum ADA service requirements. However, these services are incremental to the service already provided and could be offered at cost to the rider if the cost is found to be reasonable. During the next five years, ASI will work on identifying premium services that are needed the most and work with the community to identify the funds and revenue sources to operate them.

Financial Projections

During FY 2003 ASI implemented the FY 2003-2004 Paratransit Plan which restructured the service model to lower the cost of providing ADA paratransit services. The same-day service model was replaced by the next-day service model, which is more efficient and provides dispatchers time to route trips more effectively.

The FY 2009-2013 Strategic & Short Term Business Plan identifies factors which are outside ASI's control that could increase the cost of providing ADA paratransit service in the future.

Relocation of ASI Offices

ASI is currently in year three of a five-year lease of its administrative facility. Although the lease allows for an additional five years, staff is concerned as lease costs in the downtown core have increased within the last two years. Over the next two years ASI staff will explore a number of different options in identifying the location of an administrative facility, including working with member agencies to potentially identify underutilized properties that may serve as an effective facility for ASI.

Impact of Minimum Wage on Operating Cost

ASI's Paratransit expense budget consists of purchased transportation, which consists of payments to the six contractors for the operation of the paratransit service. The largest single line item expense for paratransit service contractors is labor.

In January 2008, the California minimum wage increased to \$8.00 per hour. It is anticipated that contractor's prices in future contracts will reflect higher wage costs as a result of the impact of minimum wage increases.

Increase of Fuel Prices/Use of Alternative Fuel Vehicles

Currently ASI transportation contracts establish a baseline cost of gasoline for each contract. If the state average cost of gasoline varies from the baseline contract cost by 15% for a three month period, ASI pays the difference to the provider if the state average cost is higher or deducts the difference from the provider reimbursements if the state average cost is lower.

With oil prices rising and alternative fuel vehicles becoming more prevalent and affordable, ASI will conduct a study to determine the costs and benefits of integrating alternative fuel and hybrid vehicles into their fleet.

Capital Plan

The FY2009-2013 Strategic & Short Term Business Plan also includes a five-year capital to examine future capital needs and possible funding sources to meet these capital needs. This plan enables ASI to take a longer-term view of its capital priorities beyond annual purchases of replacement vehicles of its fleet. The Capital Plan includes projects such as: a Mobility

Resource Center (including eligibility, travel training, mobility management); a facility for ASI administrative headquarters; and information systems development.

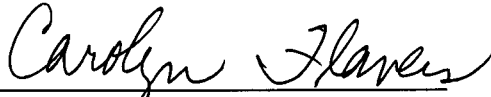
NEXT STEPS

Staff will continue collaboration with ASI to support completion and implementation of the FY 2009- 2013 Strategic & Short Term Business Plan.

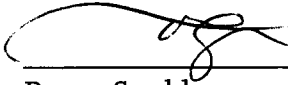
ATTACHMENT

A. DRAFT FY 2009 -2013 Strategic & Short Term Business Plan

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BUSINESS PLAN
FY 2009-2013

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DRAFT

EXECUTIVE SUMMARY

ACCESS SERVICES (ASI) Strategic & Short Term Business Plan 2009 – 2013 contains five year demand and cost projections. This is the third plan since Access Services developed the Strategic & Short Term Business Plan in Year 2000.

The Plan provides the cost estimates for programming funds for ASI and the regional Transportation Improvement Program (TIP) for the next five years. The cost estimates for FY 2009-2013 have been adjusted using very conservative CPI estimates incrementally. The demand forecasts for out years (2010 and beyond) will be adjusted annually to accommodate more recent service trends and improve the confidence level of the projections. The Business Plan cost projections will be updated accordingly.

HLB Decision Economics, a leader in paratransit demand forecasting, developed the FY 2008-2012 demand projections which form the basis for this plan. Econometric analysis of ridership, population growth, the state of the economy, and inflation were studied to estimate demand. The final year FY 2013 cost projections are based on estimates by Access Services.

The Plan also introduces several new services, capital, equipment, technology and legislative initiatives that are being considered to enhance the overall effectiveness of service. Some of these may require additional programming of funds through new grants or revenues. Some premium services that are proposed to be studied including services not required by ADA law, like door-to-door service, direct service between the Los Angeles Basin and Santa Clarita, limited same day service, service outside the existing boundary, and contracted services with agencies utilizing large volumes of trips, where agencies pay a negotiated rate for customized services, would provide additional options to serve additional needs by leveraging existing resources.

The introduction of TAP smart cards in Access Paratransit service will make the transportation system more accessible to paratransit riders, and improve the tracking and accounting of the free fare trips. Rider 360 will give riders unprecedented access to their trip records, customer service and other information. Access Services will be looking at some alternatively fueled vehicles to improve fuel efficiency and reduce emissions. The implementation of centralized scheduling and reservations will reduce deadhead miles, optimize routing and ride sharing and reduce the cost of contracted services.

The MediCaid-transit pass coordination, if accomplished, will generate new revenues for fixed-route and paratransit service in the state.

This Business Plan has 4 overall objectives that were derived from the revised Mission and Vision of Access Services:

- Objective 1 – Mobility Management
- Objective 2 – Quality and Compliant Complementary ADA Paratransit
- Objective 3 – Coordination with Regional Service Providers
- Objective 4 – Leadership Role at National, State and Local Levels

PART 1 – PURPOSE OF THE BUSINESS PLAN

Legally ADA paratransit providers must “design, fund, and implement a next-day service to meet the foreseeable needs of all ADA-eligible individuals”. Americans with Disabilities Act (ADA) paratransit service demand must be projected as accurately as possible because the provider is under a Civil Rights mandate to meet *all* foreseeable demand. As in the past, HLB Decision Economics, a leader in paratransit demand forecasting, was hired to develop the demand projections. Econometric analysis of ridership, population growth, the state of the economy, and inflation were studied to estimate demand. HLB’s five-year forecast is the basis for this plan.

The Access Services Business Plan 2009-2013 is third in a series; it follows the year 2000-05 and the year 2005-09 plans.

The original (2000) business plan recognized the fact that public fixed-route and ADA paratransit funding in Los Angeles was a zero-sum exercise where inordinate growth in one sector inversely affected the other. To illustrate the point, the 2000 plan laid out 3 potential ADA paratransit demand scenarios, showing the growth trends with no mitigation strategies in place, some mitigation, and full mitigation through integration with all other transit services.

While a number of coordination strategies remain elusive, there have been remarkable successes, including the free fare program. More significantly, a regional awareness has formed over the last few years, encompassing not only transit, but social services transportation providers, to serve the needs of the transportation disadvantaged in the best manner possible, rather than segregate the needs by mode. Thus, it is no longer assumed that a person with a disability would only use Access Paratransit or a dial-a-ride. If that individual needs to travel long distance, Metrolink is available as an option, or if the transportation need is spontaneous, fixed-route is an option for the individual. If the individual is unable to negotiate bus or rail travel alone, there is an option to bring an assistant at no additional cost, thus expanding the universe of choices.

PART 2 – ORGANIZATION OF ACCESS SERVICES

2.1 Functional Organization

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 coordinated ADA 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 submitted a joint Los Angeles County Coordinated Paratransit Plan to the Federal Transit Administration (FTA) in 1992. The 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 corporation and designated as the LA County CTSA to ensure continued implementation of the coordinated paratransit plan and coordination of specialized 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).

Currently there are 44 public transit operators serving Los Angeles County that are the member agencies and formal stockholders of Access Services Inc. The members are listed under **Appendix A - Access Services Member Agencies**.

2.2 Governance

2.2.1 BOARD OF DIRECTORS

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

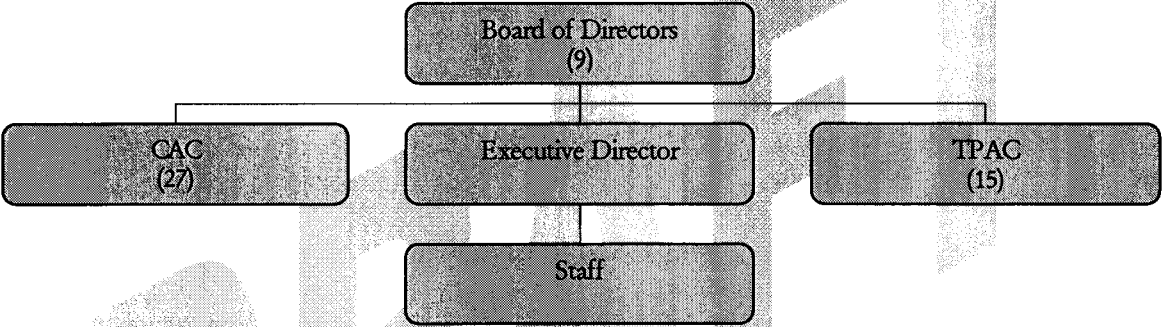
- The County of Los Angeles Board of Supervisors
- City Selection Committee's Corridor Transportation Representatives representing LA Metro
- Mayor of the City of Los Angeles
- Governing boards of the municipal fixed-route operators
- Governing boards of the local fixed-route operators
- Los Angeles County Commission on Disabilities
- Los Angeles County Independent Living Centers
- Board of Directors of LA Metro
- Local fixed-route operators and 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; TPAC has 15 members. The Chairs of CAC and TPAC serve as ex-officio members of the Board of Directors.

ASI GOVERNANCE AND ORGANIZATION



2.3 Staff

Access Services executive management team is comprised of the Executive Director, Deputy Executive Director and the directors or managers of the following departments: Strategic Planning, Governmental Services, Contract Services, Customer Support, Finance and Information Technology and Administration. The agency employs 80 individuals. Access Paratransit is operated by several contractors (service providers) and eligibility determination services are provided by one contractor. Access Services staff manage the paratransit and eligibility contracts.

2.4 Funding

LA Metro, as the Regional Transportation Planning Agency (RTPA), programs federal and local funds for Access Services. Access Services is a direct FTA grantee and receives additional funds from LA Metro as per an annual Funding Agreement. 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.

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

For FY 2008, ASI's funding sources comprise:

- FTA 5310(a)(1) and (2) funds 58%
- Local Proposition C (40% discretionary) sales tax funds 31%
- Fare revenue 4.2%
- Interest and other sources 6.2%

PART 3 - SERVICES

3.1 Consolidated Transportation Services Agency (CTSA)

In 1994 Access Services was designated the CTSA for LA County by Metro under a State mandate (Section 15975 of the CA Government Code). The CTSA program is funded with the local funds programmed by Metro for ASI. The estimated CTSA expenses for FY 2009-2013 are shown in Table 2.

3.1.1 Designation

The CTSA designation authorizes Access Services to operate as a public transportation agency independently of the Cities' and Public Utilities Commission (PUC) regulations. The designation also enables ASI to set fares and qualify as a grantee for FTA funds. State CTSA statutes and the related Transportation Development Act (TDA) statutes specifically give CTSA's independent transit operating authorities, allowing them to set fares.

3.1.2 Mandated Services

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 Inventory and Action Plan was completed in August 2007 and adopted by ASI's Board in October 2007. Metro may adopt and use the plan as a framework to prioritize need and identify opportunities to fund coordinated specialized transportation services in the County. The Metro plan is a prerequisite for disbursement of some SAFETEA-LU (Job Access and Reverse Commute (JARC) and New Freedom) grants as of federal fiscal year 2007, beginning in October 2007.

3.1.3 Professional Development

During FY 2007 Access Services offered seven specialized training programs including the Transit/Paratransit Management Program presented by the University of Pacific.

In September ASI, California Association of Coordinated Transportation (CalACT) and University of the Pacific convened a focus group with past Transit/Paratransit Management graduates to discuss changes and updates to the curriculum. Access Services is working with UCLA to offer additional programs for managerial development; during FY 2008 new courses on leadership and public speaking will be offered as part of the Transit/Paratransit Management Program and stand alone workshops.

3.2 Access Paratransit

3.2.1 SERVICE PARAMETERS

Los Angeles County has a population of 9.8 million and covers a 4,061 square mile area. Access Paratransit operates on behalf of fixed-route operators (44 member agencies) that serve the metropolitan area, a 1,550 square mile area, to comply with their

complementary ADA paratransit obligation.

Access Paratransit serves a 3/4 mile corridor on either side of all fixed-route bus or rail services in the County (effectively the entire inhabited portion of the County and portions of San Bernardino, Ventura and Orange Counties).

Access Paratransit is a next day, shared-ride and curb-to-curb service. Reservations are accepted between 6:00 a.m. and 10:00 p.m. every day. Trips may be booked for any time during the next calendar day, and the pick-up time is subject to negotiation – up to an hour before or after the requested pick up time. The current fare is \$1.80 for trips under 20 miles and \$2.70 for 20 miles and longer trips.

The design conforms to the six defining criteria prescribed by USDOT's ADA regulations¹ (Appendix C). The regulations also mandate comparable fares, service areas and days and hours of service to the fixed-route services. The ADA regulations on complementary paratransit preclude any restrictions on the number of trips or prioritization of trips by purpose.

Similar to fixed-route bus and rail services, Access Paratransit is available 24 hours a day, seven days a week (some areas have limited or no service if they are not served by bus or rail between 12:00 .am. – 4:00 a.m.).

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

Service is provided with 592 dedicated vehicles, including vans, minivans and sedans (550 of which are owned by Access Services) and operated by 6 contractors. In addition, 816 pre-certified taxicabs are used to supplement the dedicated vehicles.

3.2.2 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 Transportation
Eastern region	San Gabriel Transit
West/Central region	Southland Transit
Southern region	Global Paratransit
Santa Clarita Valley	City of Santa Clarita
Antelope Valley	Southland Transit

3.2.3 SERVICE STATISTICS

Access Paratransit currently provides 6,000 – 6,500 one-way passenger trips per typical weekday, to a population of over 67,000 certified riders². During the last completed fiscal year 2007, over 2.4 million passenger trips were provided, a 1% increase over the previous year.

The Eastern region accounted for 30% of all passenger trips completed in FY 2007. About 25% of all passenger trips completed emanated from the Southern region and 22% from West/Central region. The Northern region accounted for 18% of the total passenger trips. Santa Clarita and Antelope Valleys accounted for 1% each.

Over the past five years, about 21% of the passenger trips were taken by persons using wheelchairs. About 58% of the passenger trips were used by riders who were ambulatory, and 16% by personal care assistants. Companions, children and certification trips comprised the remaining 5%.

3.2.4 SERVICE DEMAND

Access Services ridership has been increasing slightly every year since FY 2004. In FY 2007, 2.4 million passenger-trips were provided; in FY 2008 the projection is for 2.5 million passenger-trips. While demand has grown during this period (2.44 million passenger trips were provided in FY 2003), the rate of growth has been as low as 1.3% (FY 1999-2000), and as high as 25.1% (FY 2001-2002).

Table 1

PROJECTED PROGRAM EXPENSES FY 2009-2013

Program/FY	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
CTSA Program	\$ 470,000	490,000	510,000	530,000	550,000
Access Paratransit	\$ 78,854,282	82,268,394	86,087,540	89,995,494	94,093,608
Administration	\$ 4,932,702	5,056,019	5,182,420	5,311,980	5,444,780
Capital	\$ 6,500,000	6,000,000	6,000,000	6,000,000	6,000,000
Total Expenses	\$ 90,756,984	93,814,413	97,779,960	101,837,475	106,088,388

² As of June 30, 2007, there were 67,272 individuals certified to use Access Paratransit.

PART 4 - DEMAND FORECASTS FY 2009-2013

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 and budget adequately for resources. Any trips denied due to inadequate or unreliable planning can be construed as non-compliance with the regulations.

In order to forecast the demand for ADA paratransit in LA County, Access Services has been working with HLB Decision Economics, recognized as experts in the specialized field of paratransit demand for a number of years. 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.

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.

HLB's five-year forecast for FY 2008-2012 is the basis for this plan (FY 2013 demand and cost projections are based on estimates by Access Services).

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 2007 to FY 2012. HLB's report titled "ADA Paratransit Demand Analysis and Projections" is available upon request.

Table 2
ADA PARATRANSIT DEMAND PROJECTIONS FY 2008-2012

Passenger Trips/ FY	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Requested	2,772,881	2,839,263	2,906,160	2,977,116	3,049,360
% Change	2.7%	2.4%	2.4%	2.4%	2.4%
Denied	0	0	0	0	0
Cancelled	174,139	178,308	182,509	186,965	191,502
No-showed	103,149	105,618	108,107	110,746	113,434
Completed	2,495,593	2,555,337	2,615,544	2,679,405	2,744,424

PART 5 - BUSINESS PLAN OBJECTIVES

In the year 2005, the Board, staff and Advisory Committees (TPAC and CAC) began a series of meetings facilitated by Peter Barron & Stark (PBS) Associates, to review Access Services strategic and long term issues and objectives.

The workshops provided the four groups with an opportunity as well as a conducive off-site environment to review the long term and strategic issues and resolutions within the framework of the Agency's mission, role, legal mandates and financial resources.

Between August 2005 and June 2006, five workshops were held for the TPAC, CAC, Board and ASI staff. The discussions led to the development and eventually the adoption of the new vision and mission statements for the agency.

It was clear from the strategic plan discussions that the perception of ASI's role had evolved considerably; the emphasis had moved from providing ADA paratransit to a much broader role of a mobility manager. The Board also felt given its size and needs, the agency needed to raise its national profile through a legislative services program taking a leadership role at the national level.

In Los Angeles the need for transportation services in the senior and disability communities and lack of regional alternatives has brought greater attention to Access Services other, lesser known role – of the state mandated specialized services coordinator (CTSA). Federal initiatives like United We Ride and SAFETEA-LU also emphasize increased and substantive coordination between human services transportation and transit, something CTSA's have practiced for nearly three decades in California. There is a growing awareness in the transit industry of the demographic shift leading to greater need for transportation for seniors and persons with disabilities and an awareness that the increasing needs for transportation will have to be met through innovative and effective services rather than new funds.

The following Mission and Vision adopted by the Board reflect the environment described above, and drive Access Services objectives for the duration of the Plan:

Mission

Access Services promotes access to all modes of transportation and provides quality ADA paratransit service on behalf of public transit agencies in Los Angeles County.

Vision

Access Services serves the community as the leader in promoting accessible and innovative transportation solutions.

We accomplish this vision by:

- Providing quality, efficient and dependable ADA paratransit service.
- Leading the national dialogue as an advocate for universal access to transportation.
- Partnering with other entities to secure alternate funding sources and legislation that expands transportation options.

5.1 Objective 1 - Mobility Management

In the context of LA County, the idea of mobility management is at least as old as ASI. The coordinated paratransit plan adopted by LA County itself was a step towards managing regional mobility effectively. The coordinated approach laid the ground work for a seamless system, which was also cost effective, a win win. The *maintenance of effort* component of the coordination agreements promoted continuance and growth of the local dial-a-rides and paratransit service - ensured that the community did not lose in the creation of Access Services, but had a net gain through the increase in regional mobility at a relatively low incremental cost.

Funding transit continues to be a zero-sum game in LA County, where in order to provide additional services without impacting other systems, it is important to be efficient. Mobility Management, through Free Fare, Travel Orientation and Travel Training and other programs, has the potential for increasing mobility with relatively low investments. The Free Fare program allowing free intermodal transfers for Access Paratransit has demonstrated that existing capacity in many modes can be marketed to individuals with disabilities resulting in expanded mobility.

Unless potential demand can be mitigated through options to ADA paratransit, ADA paratransit funding will present challenges similar to those projected by federal Medicaid and Social Security programs where a mandate for services exists without viable long term funding commitments.

The success of mobility management ultimately depends on how providers as well as riders perceive the benefits. If coordinated transit and paratransit services are considered desirable, it would make it easier for this region to extend the concept to the next tier of coordinated services involving human services providers. It is generally accepted that in LA as well as most other regions in the nation, Medicaid and other human services programs together spend much more than fixed-route systems on specialized transportation services; thus offering greater opportunities for coordination.

Many of the recommendations of the past (2000-2005 and 2005-2009) business plans and State mandated (coordinated) Action Plans have tended to position Access Services as a mobility manager but as yet there has not been a commitment in LA County to look at a brokerage model that would effectively route all specialized transportation trip requests to the most appropriate modes by providing incentives and options, including ADA paratransit. Brokerages have been successfully implemented in many states and have consistently led to improved mobility and reduced expenses. Currently, Access Services role can be best described as an information brokerage or clearinghouse.

Access Services is exploring options that have potential in the near and somewhat long term. Access Services is engaged in outreach and education to regional entities that may be able to qualify for New Freedom and JARC funded grants administered by Metro.

5.1.1 GROWTH AND EXPANSION OF FREE FARE

The Free Fare program was implemented in Year 2000 as a partnership with LA Metro, where Metro provided fare free access to Access Paratransit riders who wished to ride fixed-route bus (or rail). Since then the number of agencies offering free fare has grown to 20:

Beach Cities Transit, Carson Transit, Culver CityBus, DowneyLINK, El Monte Trolley Company, Foothill Transit, Glendale Beeline, Huntington Park COMBI, LADOT

DASH & Commuter Express, Montebello Bus Lines, Monterey Park Spirit Bus, Metro Bus and Rail, Metrolink, Norwalk Transit, Palos Verdes Peninsula Transit Authority, Pasadena ARTS, Santa Monica's Big Blue Bus, Santa Clarita Transit, Torrance Transit and West Hollywood Transit.

Recently Caltrans expressed interest in partnering with Access Services to test free fare on some of the Amtrak lines; the proposal is in the early stages.

During FY 2007, 1.38 million free fare trips were reported to ASI by participating agencies³. During the same period, 2.42 million trips were provided on Access Paratransit. The last 7 years have proved beyond any doubt that fixed-route is a viable alternative for many trip needs for persons with disabilities who are certified to use Access Paratransit. The incentives of same day service and free fare (for rider and assistant) have very low incremental cost to Access Services - \$690,140 for FY 2007. The estimated savings for the County during the last fiscal year were \$26 million (at the rate of \$18.90, the variable cost of providing a trip, net of average per trip fare, \$1.60).

5.1.2 NEW RIDER ORIENTATION

In October 2007, Access Services introduced New Rider Orientation, a continuing series of workshops with newly certified riders. The workshops will train small groups of new riders the basics of using ADA Paratransit service.

10,451 new applicants were certified to use Access Paratransit during FY 2007 (about 870 persons each month). Workshops will show riders how to make reservations, identify Access vehicles and a few other basic concepts.

It has been observed that a large proportion of complaints and issues reported to customer service are attributable to the "new" riders, who find it difficult to navigate through service procedures. The training is expected to assist with those problems and make the initial experience friendly and positive.

5.1.3 TRAVEL TRAINING

Travel training⁴ is short term, comprehensive, intensive instruction designed to teach people with disabilities how to travel safely and independently throughout the fixed-route system. The training is offered to individuals who go through the Access Paratransit eligibility process and are considered potentially capable of using bus and/or rail with adequate training. The program was implemented in FY 2005 and has been contracted to CARE from the beginning.

³ Metro, Foothill Transit and several other agencies do not report/invoice free fare trips to Access Services.

⁴ Project Action "Individualized Travel Instruction/Training" 2001

In FY 2007, 358 individuals successfully completed travel training; most of those individuals had some level of eligibility for Access Paratransit.

5.1.4 TRAVEL ORIENTATION

In FY 2007 Access Services hired a Mobility Coordinator, and implemented Travel Orientation to provide mobility counseling and referrals to individuals who are found not eligible or partially eligible for Access Paratransit, as well as other individuals with disabilities and seniors.

The program staff conducts outreach, develop the databases and other infrastructure, and assist individuals who need transportation services.

During FY 2007 there were 3,380 individuals who did not qualify for ADA paratransit as a result of the in-person assessment. Access Services began including a travel orientation flyer with the notification letter, offering assistance to those individuals. The Mobility Coordinator followed up with some of those individuals by telephone, and the initial reaction has been positive.

It is anticipated that additional personnel will be needed to fully implement this program. Additional funds for this have been included in the FY 2008 Access Services budget.

5.1.5 INTEGRATION WITH REGIONAL TAP CARD

Access Services has been working with METRO to allow for participation in the Universal Fare System (UFS) program now referred to as TAP. The integration will occur in two phases. Phase 1 includes the issuance of TAP-enabled Access Services Rider ID cards. These cards would be recognized by UFS equipment on METRO and other fixed-route systems. This will allow for an accurate accounting of the Free Fare program data. Funding for this phase has already been secured and it is anticipated that the phase will be implemented by the end of fiscal year 2008. Phase 2 involves the use of the TAP cards as an alternate fare medium in the Access Paratransit system. This will involve exploration of inexpensive TAP card readers and their use either through integration with the existing communication system on Access Services' vehicles or potentially a wireless reader that would transmit TAP data. Access Services staff will be working with METRO to identify the reader options. Funding for the readers and their integration will need to be identified. Implementation for this phase is tentatively slated for FY 2009.

5.1.6 MEDICAID REIMBURSEMENT FOR MEDICAID ELIGIBLE TRIPS

Access Services is collaborating with CalACT, CTA and Caltrans and a coalition of local interest groups to enable State Department of Health and Human Services administered Medicaid transportation funds to be utilized by public transportation providers. The

proposed coordination could be effected through change in state regulations, which would require negotiations with the State Health and Human Services Department, or through a change in law. Access Services is looking for administrative options while generating support for a legal mandate.

The resulting changes in state regulations would allow purchase of bus passes for Medicaid clients with Medicaid funds and allow cost reimbursements to public paratransit services (including dial-a-ride and other subsidized taxi based services) for MediCal related trips.

In order to implement this model, the County would need to identify a broker who would need to review eligibility for Medicaid transportation and direct the individual to the service mode that is compatible with that individual's ability and medical need.

5.1.7 MOBILITY RESOURCE CENTER

Over the next six months, Access Services will be investigating the possibility of locating and owning its own eligibility facility (ideally near a Metro rail line). By owning the facility rather than relying on contractors' resources, Access believes that it would be possible to develop a more modern, welcoming environment in general, while providing a number of transit elements that would enhance the functional testing in the eligibility process.

Further, Access wants to investigate the possibility of having a "one-stop" Mobility Resource Center that combines a number of mobility initiatives under one roof. In addition to eligibility, Access would look at providing travel training and orientation, LACTOA ID card, new rider orientation, and other functions for transit customers. This Resource Center concept is consistent with the Agency's mission to be a mobility manager.

5.2 Objective 2 – Quality and Compliant Complementary ADA Paratransit Service

5.2.1 CENTRALIZED RESERVATIONS AND SCHEDULING

Within the previous five year business plan, Access Services identified the possibility of moving towards a different model of delivering trips. Currently a decentralized model is used where there is a separation of the County into distinct geographical areas. Within each of these areas a separate service Contractor is responsible for reservations, scheduling, dispatch, and reporting of trips.

In FY 2007 a needs analysis was conducted to explore the effectiveness of the existing model; the resulting recommendations included a functional redesign of the service. The most significant recommendation was to establish a centralized reservations and scheduling system. It was expected that the centralized approach would lead to a reduction in currently redundant staffing at contractor sites, flexible service areas allowing for reduced deadhead, increased productivity and other service quality improvements.

In order to evaluate this approach Access Services has begun the procurement process for centralized reservations and scheduling.

Funding for the software procurement has already been secured and is anticipated to be fully implemented in FY 2009.

5.2.2 THREE NEW MEMBER AGENCIES JOIN the COORDINATED PARATRANSIT PLAN

Three new agencies joined the Coordinated Complementary ADA Paratransit Plan during FY 2007 – the Cities of Baldwin Park, Huntington Park and Monrovia (City of Whittier withdrew after they discontinued the fixed route service, in early FY 2008).

Fixed route operators have an obligation to provide complementary ADA paratransit service (directly or through delegation as in case of most LA county operators). Access Services encourages fixed-routes operators that are not providing complementary ADA paratransit, to sign on to the coordinated plan in order to comply with the legal obligation without incurring additional expenses.

5.2.3 FEDERAL REGULATIONS/ISSUES - ORIGIN TO DESTINATION and REASONABLE MODIFICATION

Access Services' service model for Access Paratransit follows the minimum requirements outlined in the Americans with Disabilities Act. Specifically, ASI's system design features a next-day, curb-to-curb system. Some pending regulatory actions by the United States Department of Transportation (USDOT) could force Access Services to make dramatic changes to its service model.

Origin to Destination:

The DOT issued its **Origin-to Destination "Guidance"** in September, 2005. This new "guidance" purports to establish a new requirement by reinterpreting the meaning of the terms "origin to destination" in existing regulations. The DOT states that: "*... it is not appropriate for a paratransit provider to establish an inflexible policy that refuses to provide service to eligible passengers beyond the curb in all circumstances. On an individual, case-by-case basis, paratransit providers are obligated to provide an enhancement to service when it is needed and appropriate to meet the origin-to-destination service requirement.*" In essence, the guidance states that paratransit providers must take passengers door to door instead of curb to curb upon passenger request.

Reasonable Modification:

On February 27, 2006, the USDOT issued a Notice of Proposed Rulemaking (NPRM) proposing that when a passenger is incapable of accessing the paratransit system -- even if it meets the minimum ADA requirements -- the system would have a legal obligation to modify its service if requested.

Access Services, as part of a coalition of 40 transit agencies (including METRO), wrote a letter on April 28, 2006, urging the DOT to rescind these proposals in their entirety..."We

support the concept of accessibility of public transit and voluntarily modify our practices and procedures when it is safe and practical to do so. However, we oppose the NPRM's "reasonable modification" rule because it would impose a legal obligation to modify service on passenger demand without regard to passenger safety, potential costs, effects on reliability, operational and administrative complexities and local community needs."

ASI currently makes modifications of its ADA services on a voluntary basis as a matter of customer service when to do so does not incur significant additional expense, disrupt the service or other passengers and the safety of the rider, the driver and the other passengers is not compromised.

In terms of cost, if the result were to effectively eliminate the shared ride nature of the system (given the various operational changes needed to implement a door-to-door system), Access Services estimates it would end up providing an additional 494,000 trips annually at a cost of \$10.7 million. Given the uncertainty of what constitutes a "reasonable modification," costs are likely to be higher than the estimate.

5.2.4 ESTABLISHING ADA PARATRANSIT FARES CONSISTENT WITH GUIDELINES

Triennial reviews of some member agencies in FY 2006 found that Access Paratransit fares were not consistent with guidelines. Access Services is a seamless regional service covering 44 fixed-route service areas, and it is not possible to set a fare that conforms to each member agency's fare per ADA paratransit guidelines) in particular where the fixed route service is free).

Given FTA's direction to set complementary ADA paratransit fares that are directly related to local fares, Access Services used an average weighted fare approach in an attempt to derive a proportionate fare in lieu of calculating the fare for each trip.

This methodology was used in order to proportionately represent the service characteristics of all member agencies - including fares and trip distances (using available FY 2005 NTD data), in the determination of the coordinated complementary ADA paratransit fare.

It is debatable whether a close correspondence exists between the trips provided by fixed-route services (that are limited by city and other sub-regional boundaries) and those provided by Access Services, which provides direct service throughout most of LA County. As such, many trips taken on Access Services would not be possible on one fixed route operator due to the need for one or more transfers between systems; on average Access Services trips are much longer (over 10 miles) compared to the average fixed route trips in the region. Therefore *all* reported fixed route trips were used in the analysis. It was assumed that all fares were regular base fares.

The resulting weighted fixed route average fare collected by all ASI member agencies was \$1.12. The complementary ADA paratransit fare could be set at \$2.24 (twice the average weighted fare). *In a written response to the Triennial review findings, Access Services suggested a rounded \$2.00 fare for all trips to make it simple and practical.*

The flat \$2.00 fare has not been factored in the cost projections or service planning discussed in this business plan.

5.2.5 ADDING PREMIUM SERVICES USING NEW GRANTS AND/OR REVENUES

ADA paratransit was not meant to meet all of the transportation needs of an eligible rider (DOT ADA Regulations 49 C.F.R. 37.123). Access Services may offer ancillary services like door-to-door service and limited same day services that would be considered premium services in relation to the minimum ADA service requirements; however these services are incremental to the service already provided and could be offered at cost to the rider if the cost is found to be reasonable. There is also a possibility of funding the premium services through New Freedom and JARC program funds over the next few years since those funds are available expressly for new and premium services.

In keeping with the mobility management idea, where possible, it is an overall benefit to maximize the potential of existing services than to use new services to meet the needs in the community. While there may be other ways to provide services like door-to-door transportation and same day paratransit in Los Angeles County, it is unlikely that other providers could offer the infrastructure or generate the economies of scale afforded by ASI.

Due to the demand from the consumers, and the convenience offered by the premium services, it is expected that the users will find value in them and will be willing to pay for at least part of the incremental cost. During the next five years, Access Services will work on identifying premium services that are needed the most and work with the community to identify the funds and revenues sources to operate them.

a. Limited Same Day Service

Since Access Services discontinued same day paratransit service in FY 2005, there has been a continuing demand for some level of same day service to meet unforeseen travel needs. Access Paratransit riders feel that if a same day travel need should arise, there should be a reasonably priced alternative to commercial services to make the trip. Access Services will look at the additional cost of providing a limited number of same day trips and identify the appropriate fare and/or new grants to pay for it.

b. Door-to-door Service

In many complementary ADA paratransit service designs, a door-to-door element is included, often at a premium cost. In Orange County where it is offered by OCTA at a \$5 premium, the demand is marginal (less than 1% of trip requests). Some individuals who use Access Paratransit have indicated they would prefer this type of service.

c. Agency Services

Agencies that provide organized group activities to Access Paratransit eligible populations (adult day care services, regional centers, etc.) often desire transportation services that are more customized than Access policies allow for. Being a public transportation service, Access

Paratransit is geared for individual trips and is sometimes not suitable for activities involving a large number of individuals arriving or departing en masse on strict schedules. Those specialized transportation needs could be met through customized services for which a price could be negotiated with individual agencies in those circumstances where to do so would not violate regulatory restrictions. Agency services would be premium and would only be provided by mutual agreement at a premium price. However, considering the fact that the same service is already delivered by Access Paratransit under a different set of policies, the additional expenses should not be great.

d. Other Premium Services

For people living a few miles outside the service area, the current policy is to drop them or pick them up at the service boundary. The ability to charge the rider for the additional 5 miles (assuming a 5 mile extension of the service area) would make it possible for people in areas outside of the required service area to use ADA paratransit.

The same concept could be applied to night-owl services where some people are not able to use ADA paratransit during late night hours due to lack of comparable fixed-route services. Those individuals could choose to pay a premium fare to get a paratransit ride during hours when Access Paratransit is normally not available.

5.3 Objective 3 – Coordination with Regional Service Providers

In August 2007 Access Services completed the development of a coordinated Action Plan, in response to the CTSA regulations under state law, and SAFETEA-LU requirements for future JARC and New Freedom grants implementation. The State mandated plan is required periodically and the term is determined locally. Similarly the SAFETEA-LU plan term is set at the local level.

During (federal) FY 2006, Access Services proposed two projects under New Freedom – funding for expanding the Travel Orientation program and for transfer-free paratransit service between Santa Clarita and LA Basin.

During the Action Plan development process Access Services did considerable outreach regarding the New Freedom and JARC grants and encouraged agencies that became involved in the development of the plan to develop proposals that met the eligibility requirements of the grants. Access Services will continue to offer technical assistance and assistance with coordination between agencies, to ensure the proposals meet the grant requirements.

As one of the many required stakeholders in the SAFETEA-LU coordinated planning process, Access Services will continue to be involved in promoting greater mobility through coordination.

5.4 Objective 4 – Leadership Role at National, State and Local Level

Access Services has taken the lead in several initiatives in keeping with the Vision of the agency.

Federal

When USDOT issued proposed rules in FY 2006 which would mandate door to door service and reasonable modifications Access Services, worked with a coalition of 40 transit agencies urging the DOT to consider the impacts.

Access Services implemented and developed state and federal legislative services programs in FY 2006, which have been instrumental in creating awareness of Access Services' needs and obligations. In 2006, Access Services received a \$250,000 earmark in the FY 2007 Transportation-Treasury-Housing and Urban Development (TTHUD) bill for Centralized Reservation and Related Technology Enhancements. Unfortunately, this earmark was lost when the newly-elected Democratic Congress decided to eliminate all FY 2007 earmarks and allocate all discretionary funding to the Federal Transit Administration. In 2007, Access Services received a \$500,000 earmark in the FY 2008 TTHUD bill for its TAP Card program. The earmark's fate will be decided by a House-Senate Conference Committee in the fall of 2007.

State

At the state level Access Services is continuing to generate awareness and support for Medicaid funds to become available for transit passes and other services to get reimbursement for Medicaid mandated medical service trips performed on public transit. Access Services is participating in Caltrans' Mobility Action Plan, a statewide effort that aims to look at legislative, administrative and other local barriers to coordination and develop a plan to address the issues.

Local / Regional

Locally, Access Services has been successful in engaging the aging and health and human services departments and numerous specialized service providers in the coordinated planning process and plans to leverage the relationships into meaningful coordinated services. Due to the outreach efforts, a strong coalition is emerging around the Medicaid non-emergency medical transportation coordination.

Capital Plan

The capital projects discussed in this section involve facilities or projects other than vehicles; revenue vehicles are included in the cost projections as a separate line.

In March 2008 ASI will be 14 years old. Over the years ASI has matured into a large agency, with 80 full time employees and a budget of \$89 million in the current year, FY 2008. The paratransit service model has matured too, to accommodate the volume, complex mandates and quality of ADA paratransit service.

As a CTSA, the agency has assumed the mantle of a de facto countywide mobility manager due to the need for information and services, and the resources that have been developed over the years. Through the social services transportation provider inventories and coordinated planning required by the state CTSA mandate, ASI has accumulated considerable data and know how that can be utilized for mobility management.

Alongside ASI, the ADA paratransit industry which is only 17 years old, has been maturing as well, and the supporting industries like scheduling and dispatch software, fleet maintenance software, GPS based services, fare payment technology (smart card based and credit card based services) as well as security and risk management equipment and practices are being advanced to keep the services efficient and safe. All of these developments create opportunities for service enhancement. However initial capital investments in the new services are difficult to fund, and challenge service providers to find creative ways to finance them.

As one of the major paratransit providers and a national leader in this industry, ASI has often been in the role of a pioneer in deploying new systems, beginning with electronic dispatching via mobile data terminals, back office repository/data storage, electronic trip sheets Rider 360 data and information systems integration, GPS verification of on street service, and so on. TAP/smart card fare payment/processing system is another example of ASI leading the industry in implementing a new technology. The next possible application will be the low emissions paratransit vehicles.

Some of the abovementioned projects were relatively inexpensive due to the collaborative process ASI employed with the vendors and the relatively inexpensive hardware. Some of the capital projects on the horizon require investment in facilities that will be impossible to fund through existing funding streams.

One of the outcomes of the evolution of ASI into a large regional service provider is that the transportation contracts have become very large in terms of start up costs including initial capital investments. The cost prohibitive nature of these contracts deters competition in the market and limits ASI's options. Facilities large enough to accommodate an average size ASI contractor continue to grow scarce and more expensive due to the tightening commercial real estate market in the LA metropolitan area. ASI administration is carried out of a rented facility and the current lease expires in 2009. It would be more effective in the long run if ASI had greater control over a centrally located facility or facilities that could house its administration and

operations.

The funding agreement that ASI has with Metro covers contracted ADA paratransit services and administration expenses. Travel training, CTSA and some other mobility management expenses, comprising a small proportion of the overall budget, are included as well. It is anticipated that the funding for the projects described in this section will be from new sources that may include SAFE TEA-Lu grants, other cooperative agreements or federal appropriations. Where possible the potential funding sources and the expense estimates have been provided:

6.1 Alternately Fueled Paratransit Vehicles

ASI has begun research into the technical, operational and financial viability of introducing alternately fueled vehicles in the paratransit fleet in order to reduce greenhouse gas emissions. From discussions with Caltrans and other providers, it appears that currently there is very little information on low emissions vehicles being utilized in paratransit service.

In Los Angeles, due to the long average ADA paratransit trip distance (approximately 10 miles) the service is provided by small minivans or sedans that transport an average of 2.86 passengers an hour (FY 2007).

ASI owned vehicles include minivans which are made in a low floor configuration to allow easy access. The low floor design precludes certain types of alternate fuels, while the feasibility of using ethanol, hybrid electric and propane fueled paratransit minivans is not known at this time. Caltrans, the largest buyer of paratransit vehicles in the state, concurs with this assessment.

In FY 2008 ASI staff plans to convene meetings and workshops with industry experts including manufacturers, service providers, funding agencies like FTA and Caltrans, and consultants in orders to get complete and current information on the state of the paratransit vehicle industry. Caltrans and CalACT, the statewide association of paratransit providers and small transit operators, have expressed interest in joining in the research effort.

6.2 Implementation of MediCaid NEMT Brokerage

For a number of years ASI has promoted the idea of the State Department of Health and Human Services, which funds non emergency medical transportation (NEMT) for Medicaid eligible clients, utilizing transit systems where possible. In addition to bus and rail that would include public dial-a-ride and ADA paratransit services. For those individuals who are qualified for Medicaid, and whose health and abilities allow them to use bus or a dial-a-ride to get to routine and preventive medical appointments, the public transportation would be a benefit. Using public transit doesn't involve pre-approval of trips and the related bureaucracy and delays involved in approval for private Medicaid van transportation. In most states that utilize public transit for Medicaid trips, the administering agencies have chosen to issue monthly bus passes to eligible individuals to reduce the administrative burden. For the consumer it is a win because the pass allows unlimited travel.

The establishment of a pass distribution process would involve confirmation of Medicaid eligibility, developing a process for issuing a pass to the consumer, and getting reimbursement of the pass from the state to the transit provider. In Los Angeles County that would be

a major undertaking, involving upfront investment in the infrastructure. In the long run other states' experience has shown that this system could lead to huge savings in NEMT expenses.

Currently State laws prevent the implementation of this process. ASI is working with several transit and related interests across the state for a legislative remedy to the issue. Once the legal impediments are removed, ASI will work with Metro and other member agencies to identify an existing entity to play the broker role, or establish a new one. Given the resources, ASI could extend its CTSA program and role to cover the Medicaid brokerage function, which coincides with the Mobility Resource Center that is also proposed under this plan.

The study of the brokerage model could begin in FY 2009 contingent upon progress in the legislative area.

6.3 Facilities Analysis

Access Services will be looking to hire a consultant to conduct a facilities analysis for the agency which, aside from revenue vehicles, does not own any major capital assets. The analysis is estimated to cost \$400,000. It will scope out preliminary designs, locations and cost/benefit analyses for the following:

Mobility Resource Center:

This facility would provide "one-stop shopping" for a number of essential mobility functions. First and foremost, this building would house our eligibility center where prospective customers are evaluated to see if they are eligible for Access Services. The building would also house personnel to provide travel training, mobility management and other functions that would improve mobility for persons with disabilities in Los Angeles County.

Contractor Yards:

Access Services currently has four main contracts which cover the majority of Los Angeles County. Each of those contracts requires that the contractors have a suitable maintenance and operations facility to house their vehicles and administrative staff. Since it is becoming more difficult to locate and develop suitable facilities for transit operations, Access would like to investigate whether it would be more cost effective for the agency to own its own contractor yards.

Administrative Facility:

Access Services currently rents a floor in the AON Building in downtown Los Angeles. The study would look at the costs and benefits of the agency developing and owning its own administrative building.

6.4 Transit Access Pass (TAP) Project

Access Services participation in the regional TAP program has been structured to occur in two phases.

Phase 1 will migrate the existing Access Rider ID card to the TAP smartcard. This will allow for more accurate regional Free Fare reporting with participating

transit properties and reduce fraudulent use of the ASI rider ID. This process will begin in spring 2008 with production being coordinated through the regional clearinghouse and has been fully funded through an Agreement between Metrolink and ASI.

Phase 2 involves integration of smartcard readers with mobile data terminal (MDT) equipped fleets to allow for cashless fare collection. This phase will require specific MDT functionality to be present to allow for ASI provided smartcard readers to be installed. Approximately 350 existing ASI-owned vehicles are currently equipped with the required MDT and it is anticipated that all ASI-owned vehicles will be compliant by September 2008. Taxi participation will also be necessary in terms of migrating to an appropriate MDT terminal. Anticipated costs for this program (hardware – smartcard readers, software & implementation but does not include taxi MDT upgrades) is estimated at \$2,000,000. A \$735,000 federal earmark has been secured for this phase for federal fiscal year 2008. Estimated time frame for full implementation is 3-4 years.

6.5 Information Systems Development

ASI's service model includes several contractors that provide transportation and other services. In order to make information generated by different contracts consistent a number of comprehensive tracking programs have been identified that will address the reporting shortfalls. Many of the shortfalls arise due to manual data tracking.

The application areas include driver training and certification records, and federal Drug & Alcohol program compliance. The cost of developing the information systems is estimated to be between \$750,000 to \$900,000.

6.6 Reservation/Scheduling Software

This project will provide a centrally managed platform for reservations and scheduling for use by ASI contractors. This project will begin in April 2008 and be phased in over a 2-3 year period. The cost for this project is estimated at \$3,600,000 over a five year period, of which \$2,000,000 has been budgeted for FY 2008.

PART 7 - FINANCIAL PROJECTIONS FY 2008-2013

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. Since FY 2003, Access Services has limited discretionary services 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.

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 under 6% of the total expenses and are projected to decrease between 2008 and 2013.

The expenses by category, total agency expenses by fiscal year, and sources of funding are shown in Table 4.

7.1 Relocation of ASI Offices

Access Services is in year 3 of a 5 year lease of its administrative facility located at 707 Wilshire Boulevard, Los Angeles, CA. Although the lease allows for an additional 5 years staff is concerned as lease costs in the downtown core have increased dramatically in the last two years. Similar sized spaces within the building where Access Services is located have seen the cost per square foot increase almost 30%. Over the next two years staff will explore a number of different options in identifying the location of the administrative facility. This will include working with some of its member agencies to potentially identify underutilized properties they may serve as an effective facility for Access Services.

The lease at the current location ends in March 2009. The base rent for each year is \$370,000. If we centralized the reservation and scheduling functions those costs may be contained in a new contract but should be offset by corresponding reductions at contractor sites.

7.2 Impact of Minimum Wage on Operating Cost

Access Paratransit comprises the vast majority of Access Services' expense budget (over 92% of the FY 2007 budget). Of these expenses, purchased transportation, which consists of payments to the contractors for the operation of the paratransit service, amounted to \$61 million, or nearly 74% of the total ASI expense budget.

The largest single line item expense for the paratransit service operation contractors is the cost of labor. On average, labor amounts to approximately ½ of the contractors' total expenses. Many of the paratransit contractor personnel - drivers and reservationists in particular, are typically paid only a little above the minimum wage. Historically ASI contracts had mandated those employees' salaries at a minimum of \$8.50 per hour.

In January 2007, the California minimum wage increased to \$7.50 per hour and it will increase again in January 2008 to \$8.00 per hour. What had been a \$1.75 differential between the ASI mandated minimum wage and the pre 2007 California minimum wage (26% difference) will,

by 2008 become a \$0.50 differential (6% difference). The contractors will undoubtedly be forced to increase the costs for their services in order to accommodate higher wages.

The latest procurements issued by ASI have not included a minimum wage but, rather, have added additional emphasis to the wages proposed by the respondents, with higher scoring being awarded to providers who propose higher and more appropriate employee compensation packages.

Assuming that driver and order taker labor accounts for approximately 35% of the providers costs, the 18% increase in the California minimum wage can be expected to increase the providers overall operating costs by roughly 6.2%, or \$3.8 million based upon the FY 2007 expense.

7.3 Impact of Fuel Price Increase and Use of Alternative Fuel Vehicles

Access Services transportation provider contracts establish a baseline cost of gasoline for each contract. If the state average cost of gasoline varies from the baseline contract cost by 15% for a three month period, ASI will pay the difference to the provider if the state average cost is higher, or deduct the difference from the provider reimbursements if the state average cost is lower.

As the price of oil hits record highs and alternative vehicle technology becomes more prevalent and affordable, Access Services will be undertaking a study to determine the costs and benefits of including alternative fuel and hybrid vehicles in the agency's fleet. Access Services owned minivans, which form the backbone of the agency's fleet, are flex fuel vehicles, which can use E85 when available (E85 is the term for motor fuel blends of 85 percent ethanol and just 15 percent gasoline). All of the current mini vans also have LEV2 (low emission vehicle) engines.

7.4 Five-Year Capital Plan

In response to its growing capital needs as well as the growing operational complexity of its service, Access Services will be implementing a five-year capital planning process that will examine the future capital needs of the agency and also examine possible funding sources to meet these capital needs. This process, which will be done in conjunction with the Annual budget, will enable the agency to take a longer-term view of its capital priorities that goes beyond annual purchases of replacement vehicles for its fleet. Potential capital projects include: a Mobility Resource Center that includes eligibility, travel training, mobility management and other functions in one facility; a facility for the Access Services administrative headquarters; and full integration of Access Services into the countywide Universal Fare System (UFS) among other projects.

In the meantime the planned capital expenses include mainly service vehicles; the vehicles are expected to be replaced at a steady rate, and due to the current and projected state of the automobile market, vehicle prices are not expected to rise.

Table 3 - Projected Expenses for FY 2008 to 2013

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total Completed Pax Trips	2,495,593	2,555,336	2,615,544	2,679,405	2,744,423	2,810,289
Passengers /Trip	1.26	1.28	1.3	1.31	1.31	1.31
Total Vehicle Trips	1,975,750	1,996,356	2,011,957	2,045,347	2,094,979	2,145,259
% Change in Completed Pax Trips	2.90%	1.00%	0.80%	1.70%	2.40%	2.40%
Purchase Transportation Cost	64,626,783	69,218,862	73,945,364	79,682,914	86,513,476	93,905,187
Purchase Transportation Cost per Pax Trip	\$32.71	\$34.67	\$36.75	\$38.96	\$41.30	\$43.77
% of Total Expenses	80%	82%	82%	83%	84%	85%
Total Expenses	\$80,878,576	\$84,879,462	\$89,795,425	\$95,963,082	\$103,139,889	\$110,886,637
Purchase Transp. - Reg Trip	\$63,646,879	\$67,451,701	\$72,151,696	\$77,862,341	\$84,665,594	\$92,029,587
Other Expenses	4,935,345	5,083,405	5,235,908	5,392,985	5,554,774	5,721,418
ADA - Direct Cost	\$68,582,224	\$72,535,106	\$77,387,604	\$83,255,326	\$90,220,368	\$97,751,005
ADA - Indirect Cost	\$1,644,130	\$1,677,013	\$1,710,553	\$1,744,764	\$1,779,659	\$1,815,252
Purchase Transp. - Cert Trips	\$1,741,045	\$1,767,161	\$1,793,668	\$1,820,573	\$1,847,882	\$1,875,600
Other Expenses	3,643,209	3,497,481	3,357,581	3,450,000	3,450,000	3,450,000
Eligibility. Determination	\$5,384,254	\$5,264,641	\$5,151,249	\$5,270,573	\$5,297,882	\$5,325,600
Other CTSA	\$455,576	\$470,000	\$490,000	\$510,000	\$530,000	\$550,000
Administrative	\$4,812,392	\$4,932,702	\$5,056,019	\$5,182,420	\$5,311,980	\$5,444,780
	5.95%	5.81%	5.63%	5.40%	5.15%	4.91%
Total Expenses	\$80,878,576	\$84,879,462	\$89,795,425	\$95,963,082	\$103,139,889	\$110,886,637
CAPITAL EXPENSES						
Vehicle Replacement	6,263,000	5,250,000	5,250,000	5,500,000	5,500,000	5,500,000
Misc. Capital Projects	2,655,000	1,250,000	750,000	500,000	500,000	500,000
Total Capital	\$8,918,000	\$6,500,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total FY Expenses	\$89,796,576	\$91,379,462	\$95,795,425	\$101,963,082	\$109,139,889	\$116,886,637
FUNDING SOURCES						
Rev of Ins Res.&Carryf/d	\$ 4,100,000	1,200,000				
Grants	\$ 889,000	750,000	750,000	750,000	1,000,000	1,000,000
Fares	\$ 3,761,575	3,793,077	4,828,697	4,908,834	5,027,951	5,148,621
Sale of Vehicles	\$ 350,000	300,000	350,000	375,000	450,000	450,000
Miscellaneous	\$ 255,000	204,418	197,120	176,151	176,598	81,607
Section 5310 Caltrans	\$ 560,000	560,000	560,000	560,000	750,000	750,000
Section 5310 FTA	\$ 51,811,000	53,000,000	54,400,000	55,500,000	58,500,000	61,000,000
Prop C	\$ 28,070,001	31,571,967	34,709,609	39,693,098	43,235,341	48,456,408
Total FY Funding Sources	\$ 89,796,576	91,379,462	95,795,426	101,963,083	109,139,890	116,886,636
% of Increase total costs	11.3%	1.8%	30 4.8%	6.4%	7.0%	7.1%
MTA MOU % increase in funding	12.02%	12.48%	9.94%	14.36%	8.92%	12.08%

ASSUMPTIONS

- Passengers Projections by HLB - 01/07
- New transportation contracts FY 2007
- New transportation contracts in FY 2009 increase by 4%
- Fare increase FY 2010, 2012
- Gas increases 10%/year

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Appendix A - Access Services Member Agencies, June 30, 2007

1. Antelope Valley Transit Authority	23. City of Monterey Park
2. Beach Cities Transit	24. City of Paramount
3. City of Alhambra	25. City of Pasadena
4. City of Baldwin Park	26. City of Rosemead
5. City of Bell Gardens	27. City of Santa Fe Springs
6. City of Bellflower	28. City of Sierra Madre
7. City of Burbank	29. City of West Covina
8. City of Calabasas	30. City of West Hollywood
9. City of Carson	31. City of Westlake Village
10. City of Cerritos	32. City of Whittier
11. City of Commerce	33. Culver City Bus
12. City of Compton	34. Foothill Transit
13. City of Cudahy	35. Gardena Municipal Bus Lines
14. City of Downey	36. Long Beach Transit
15. City of Duarte	37. Los Angeles City Department of Transportation
16. City of El Monte	38. Los Angeles County Department of Public Works
17. City of Glendale	39. LA Metro
18. City of Huntington Park	40. Montebello Bus Lines
19. City of Inglewood	41. Norwalk Transit
20. City of La Cañada Flintridge	42. Santa Clarita Transit
21. City of Lawndale	43. Santa Monica's Big Blue Bus
22. City of Lynwood	44. Torrance Transit

