



**Finance, Administration and Oversight Committee**

**Action Item III-D**

**June 11, 2009**

**Review of MetroAccess Ridership, Cost, and  
Policy and Extension of Contracting Authority**

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

|   |                        |  |
|---|------------------------|--|
| <input checked="" type="radio"/> Action <input type="radio"/> Information | MEAD Number:<br>100378 | Resolution:<br><input type="radio"/> Yes <input checked="" type="radio"/> No |
|---|------------------------|--|

**TITLE:**

MetroAccess Financial Overview, Contract Extension

**PURPOSE:**

(1) To provide the Board of Directors with a detailed briefing on the source and nature of growing ridership and cost associated with the MetroAccess paratransit service; and (2) to request \$200M in contracting authority to continue the paratransit service contract through FY 2011.

**DESCRIPTION:**

The detailed briefing will include data on the sources of paratransit ridership growth by jurisdiction as well as a treatment of the evolution of the service from a policy perspective and its corresponding impact on growth. Data will be provided on the effectiveness of the MetroAccess Free Ride Program that allows paratransit customers to use fixed-route services at no charge. The results of the recent APTA Peer Review will also be included, showing how MetroAccess compares to other selected paratransit systems in terms of exceeding baseline ADA requirements. The peer review recommendations will be highlighted, identifying areas where potential policy changes could be made to address growth factors.

The request for \$190M in contracting authority is applied as follows: \$90M in FY 2010 and \$100M for FY 2011, with the latter subject to Board approval of the FY 2011 budget.

**FUNDING IMPACT:**

Budget: **Operating Budget, Fiscal 2010-2011**

Office: **MetroAccess Service (MACS)**

Account: **Paratransit Services**

This Action: **\$190,000,000**

Remarks: \$90M applied to FY 2010 (already included in FY

2010 budget) and \$100M applied to FY 2011, subject to Board approval of FY 2011 budget.

**RECOMMENDATION:**

Approval of the requested additional contracting authority in the amount of \$190M for the period from July 1, 2009 through June 30, 2011, with \$90M applied to FY 2010 and \$100M applied to FY 2011 subject to Board approval of the FY 2011 budget.



# **Review of MetroAccess Ridership, Cost, and Policy and Extension of Contracting Authority**

*Presented to the Board of Directors:*

**Finance, Administration, and  
Oversight Committee**

June 11, 2009





# Origin of MetroAccess

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- Service began on **May 16, 1994**
  - Established in response to ADA requirement
  - Has always been outsourced, including eligibility
  - At inception, some ADA paratransit service was being provided by the jurisdictions (aka, “core carriers”)
  - Original operating plan did not define service area by ADA  $\frac{3}{4}$ -mile corridor but by Compact “Transit Zone”



## 1998-2006: Service Evolution

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- Jurisdictions transferred most of their remaining ADA paratransit trips to MetroAccess, making MACS the largest provider of demand response service, representing approximately 1/3 of the market share
- To cut costs, some jurisdictions increasingly discontinued similar services in favor of subsidizing the customers' paratransit fares
- Eligibility certification, overseen by the same entity operating the paratransit service until 2005, yielded a low denial rate (< 1%)
- Since 2006, contract transition and numerous service improvements, ridership drove costs upward



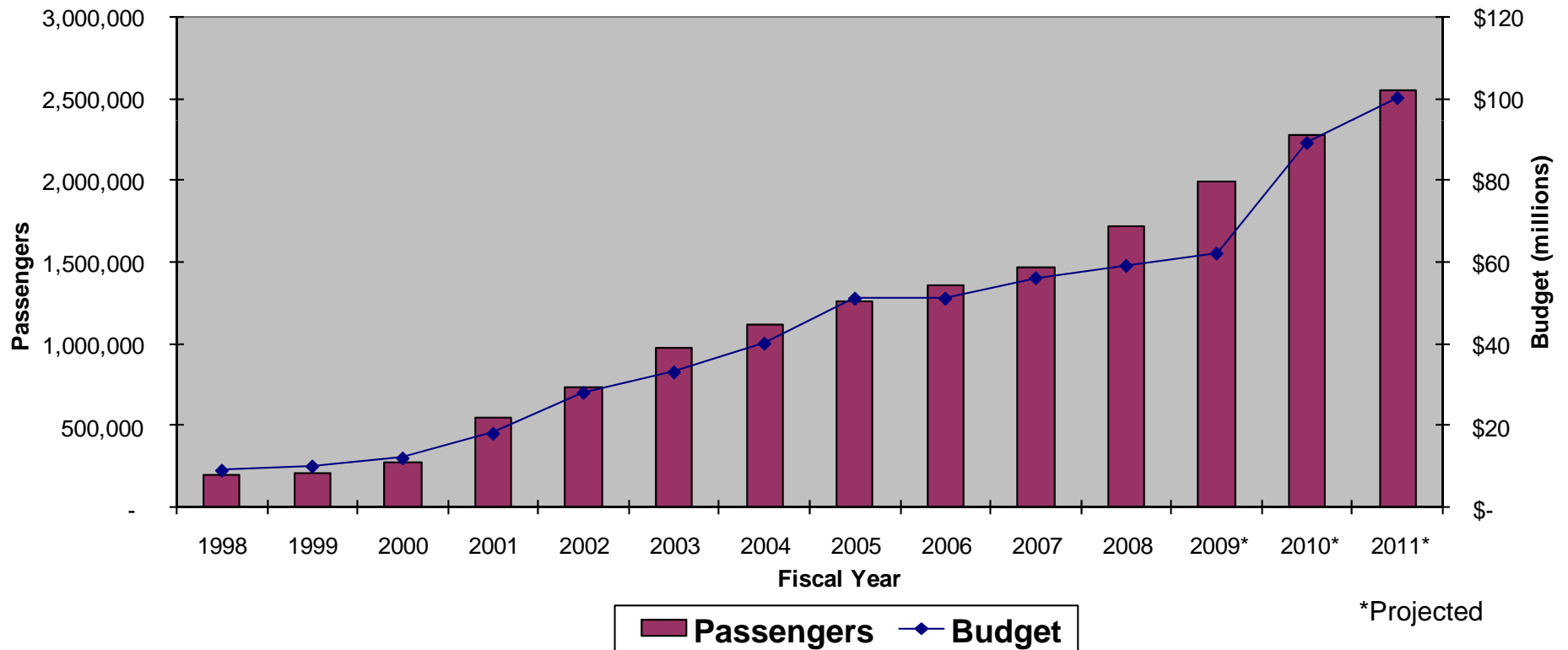
## 2007 and Beyond: Managing the Growth Effectively

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- Ridership growth required automation of scheduling and dispatch—GPS system implemented successfully—now supports greater data reliability
- 200 new vehicles—reduced fleet age
- Technology improvements, contract oversight resulted in improved efficiency, performance, greater ridership
- Improved service led to favorable settlement of class-action lawsuit in which majority of financial investment went to infrastructure improvements and service enhancements



# Ridership and Budget Growth

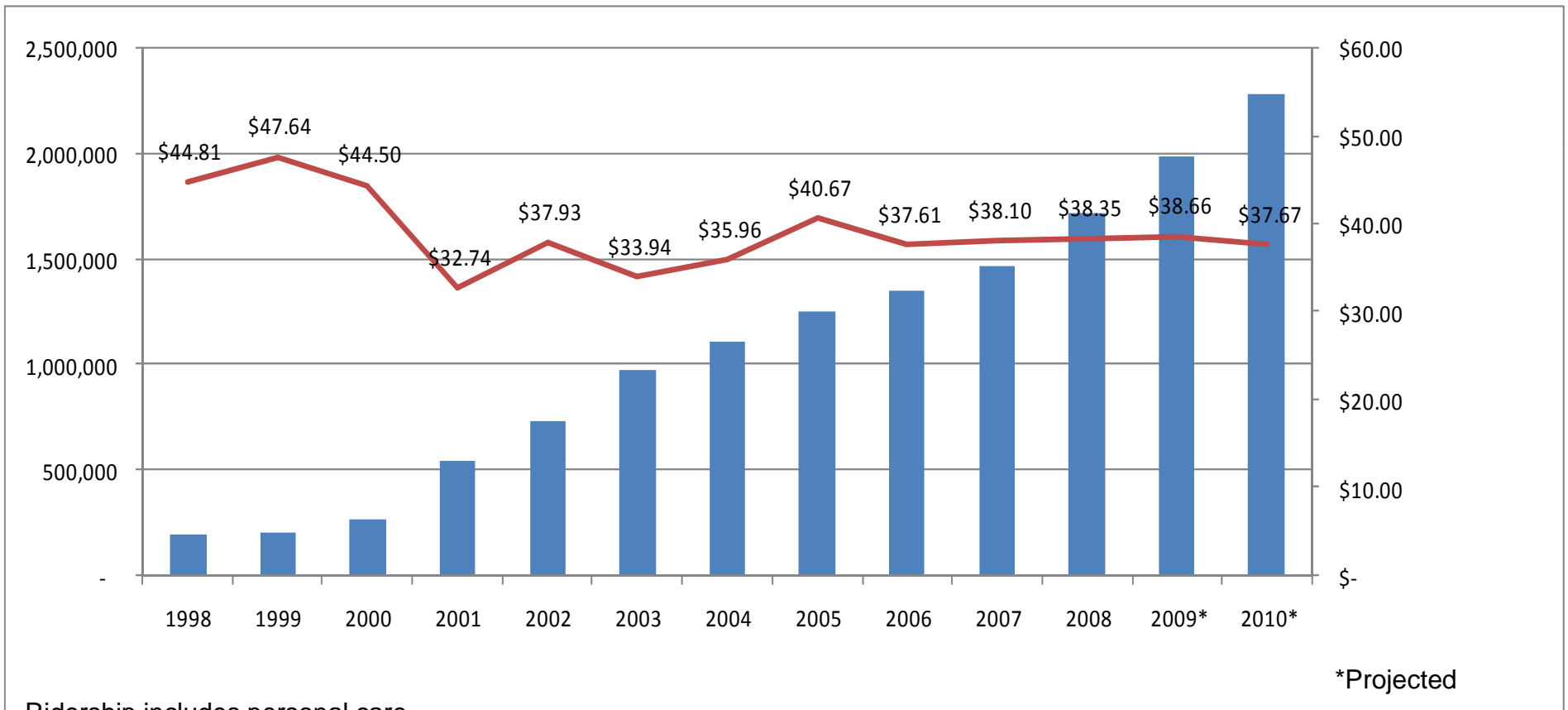


Ridership includes personal care assistants (PCA's) and companions; constitutes approximately 15% of total





# Ridership and Cost Per Trip

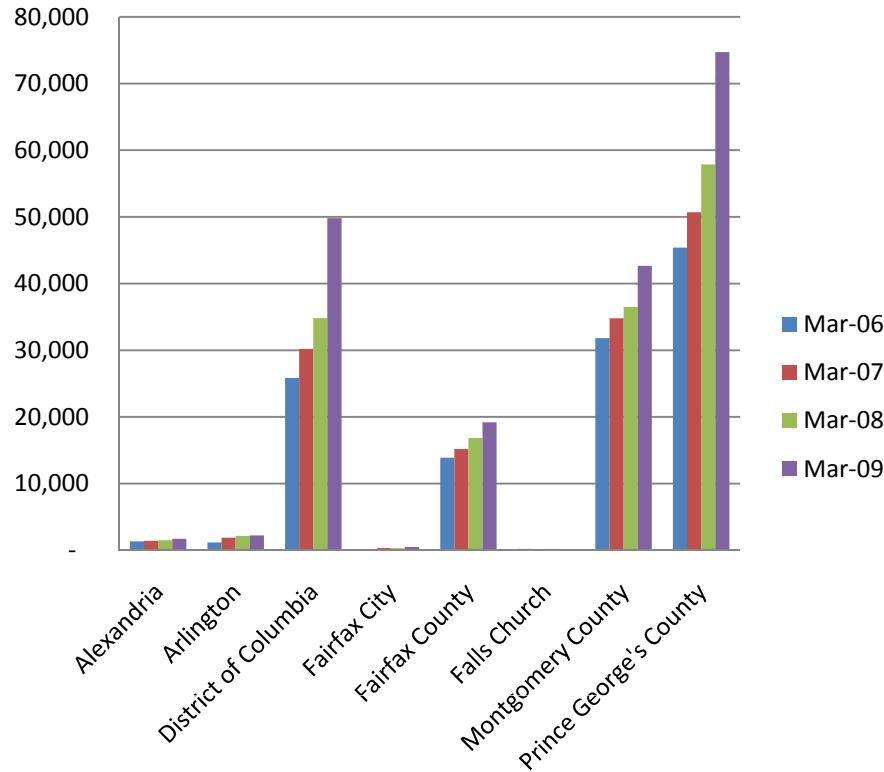


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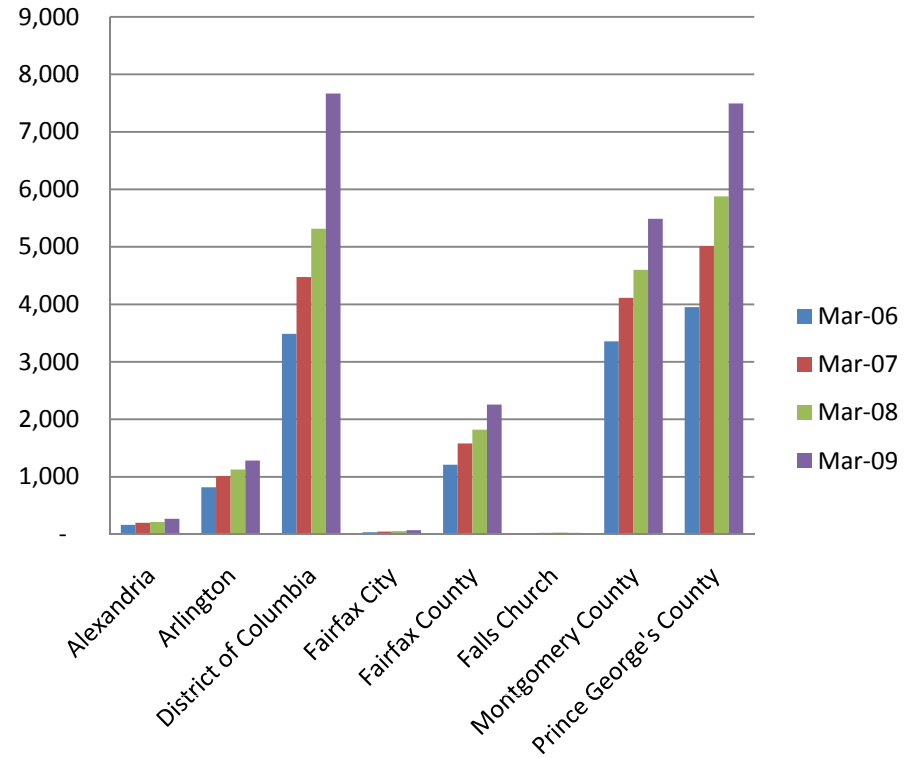


# Growth Trends

**MetroAccess Growth  
(Passengers), March YOY, 2006-2009**



**MetroAccess Growth  
(Registrants), March YOY, 2006-2009**





# District of Columbia Trends

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- **Largest increase in enrollment (120%)**
- **MACS ridership increased after downsizing of DC's Medicaid Program**
- **Second largest increase in passenger trips (93% over last four years)**
- **Ample Metrobus service but limited demand response alternatives**



# Maryland Trends

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- Largest number of passenger trips, Prince George's County (+29K)
- Prince George's County is second largest increase in enrollment (+3,500)
- Limited alternatives in Prince George's County
- Montgomery County Ride-On offsets trend, but is third largest increase in both metrics



# Virginia Trends

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- **Virginia jurisdictions are the smallest market share**
- **86% increased enrollment in Fairfax Co.; 89% more rides, Arlington**
- **Greater use of alternate demand response services**
- **Budget challenges for other services can be a risk**



# Regional Trends

## Disabled Populations in the Metro Compact Area

| Jurisdiction         | Population 5 to 20 years | Total (%) of Population with a disability (Ages 5 to 20 years) | Population 21 to 64 years | % of Population with a disability (Age 21 to 64 years) | Population 65 years and over | % of Population with a disability (Ages 65 years and over) |
|----------------------|--------------------------|--|---------------------------|--|------------------------------|--|
| District of Columbia | 112,797                  | 10.0%  | 349,658                   | 21.9%  | 66,478                       | 42.5%  |
| Maryland Suburbs     | 425,831                  | 7.2%   | 1,135,033                 | 15.4%  | 165,844                      | 35.7%  |
| Northern Virginia    | 252,704                  | 6.9%   | 549,850                   | 13.3%  | 104,146                      | 34.0%  |
| Metro Compact Area   | 791,332                  | 59,000 (7.5%)  | 2,034,541                 | 303,000 (14.9%)  | 336,468                      | > 122,000 (36.4%)  |

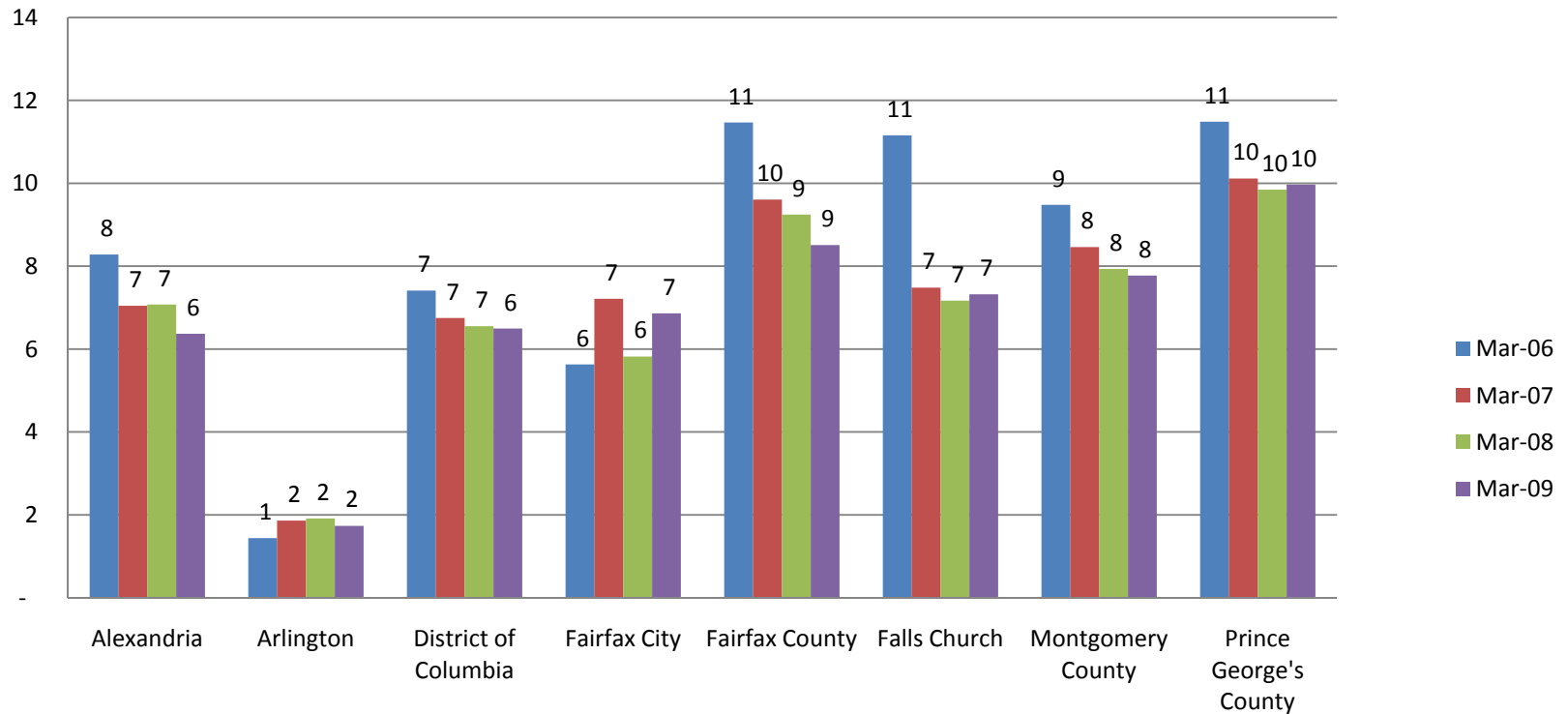
\*Percentage of population with a disability for Frederick, Loudoun and Prince William County are included in the percentage totals.

- **Ridership trend is due to increased enrollment**
- **Growth of population of older adults and people with disabilities**



# Regional Trends

### MetroAccess Growth (Trips per Registrant) March YOY, 2006-2009





# National Trends

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|                       | 2008<br>Ridership | 2008<br>Budget | 2008<br>Cost/Psgr |
|-----------------------|-------------------|----------------|-------------------|
| New York City MTA     | 4.4M              | \$284M         | \$64              |
| Los Angeles MTA       | 1.9M              | \$83M          | \$44              |
| WMATA                 | 1.7M              | \$67M*         | \$38              |
| Boston MBTA           | 1.5M              | \$50M          | \$33              |
| Seattle (King County) | 1.1M              | \$42M          | \$38              |

**\*2008 Actual**





# Free Ride Program

- Metro continues to promote free rides through:
  - Direct mail
  - Internet
  - Customer service
  - Community outreach
  - Eligibility

|                                    | Bus     | Rail*   | System Total |
|------------------------------------|---------|---------|--------------|
| Trips                              | 200,000 | 100,000 | 300,000      |
| Cost Avoidance (Through 4/09)      | \$8M    | \$6M    | \$14M        |
| Cost Avoidance (Projected FY 2009) | \$10M   | \$7M    | \$17M**      |

\*July-October 2008 data is estimated based on YTD usage

**\*\* Cost avoidance of \$17M—would otherwise be part of MetroAccess operating expense**



## Current Operational Status

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- **191,018 passengers transported (March 2009)**
- **Approaching 2M passengers for FY 2009**
- **92.5% on-time performance (March 2009)**
- **Sustained reductions in vehicle collisions and passenger injuries**
- **Fleet size increased by 105 vehicles and 75 existing vehicles replaced (2008-2009)**
- **Successful implementation of door-to-door service and MetroAccess EZ-Pay will contribute to faster boarding and more efficient service delivery**



## Recap of TPB Independent Review

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- In November 2008, Metro received high marks for substantial improvements in MetroAccess since the previous review in 2006:
  - Praised successful implementation of door-to-door service and information campaign
  - Recognized improved on-time performance
  - Validated methodology for ridership projections
  - Supported planned implementation of conditional eligibility
  - Recommended review of contract structure, employee turnover, and travel time



# Metro vs. ADA Baseline Requirements

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|                       | ADA Baseline Requirement   | Metro   |
|-----------------------|--|---|
| <b>Service Area</b>   | <b>¾-mile corridor of existing fixed-route services with corresponding hours</b> | <b>All locations serviced within boundaries of each Compact jurisdiction; some extended hours</b> |
| <b>Fare Structure</b> | <b>Up to twice corresponding fixed-route fare</b>                                | <b>Flat fare (twice the base fare for Metrobus) with supplemental charge for out of corridor</b>  |
| <b>Eligibility</b>    | <b>Can include conditional</b>   | <b>Conditional not yet implemented</b>  |



## 2009 APTA Peer Review: Findings

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- **Metro is delivering quality service that exceeds ADA requirements:**
  - **Since Metro can precisely measure the ADA  $\frac{3}{4}$ -mile corridor, limiting service to the corridor is recommended**
  - **When Metro can precisely quantify the comparable fixed-route fare for a given paratransit trip, other fare options could be considered**
  - **Recommends conditional eligibility**



# Service Area Comparison

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|                             | Service Area  |
|-----------------------------|---|
| <b>New York City MTA</b>    | <b>Beyond corridor to all five boroughs; corridor observed in suburban counties</b> |
| <b>WMATA</b>                | <b>Beyond corridor to county limits of all Compact jurisdictions</b>                |
| <b>Chicago (PACE)</b>       | <b>Beyond corridor but requires regional transferring</b>                           |
| <b>Philadelphia (SEPTA)</b> | <b>Beyond corridor, but will pilot a corridor limitation later this year</b>        |



# Fare Structure Comparison

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|                      | Fare Structure  |
|----------------------|---|
| New York City MTA    | \$2.25 flat fare  |
| WMATA                | \$2.50 flat fare plus \$1 surcharge for every 3 miles beyond corridor up to \$6.50 maximum fare |
| Chicago (PACE)       | \$2.25 to \$3 flat fare based on jurisdiction   |
| Philadelphia (SEPTA) | \$4 plus zone and inter-county charges for suburban travel                                      |



# Conditional Eligibility Comparison

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|                             | Conditional Eligibility       |
|-----------------------------|-------------------------------|
| <b>New York City MTA</b>    | <b>Yes</b>                    |
| <b>WMATA</b>                | <b>Pending implementation</b> |
| <b>Chicago (PACE)</b>       | <b>Yes</b>                    |
| <b>Philadelphia (SEPTA)</b> | <b>Yes</b>                    |





# Impact of Changing Service Area/Hours

- At least \$2.8M annual savings projected by reducing service to ADA corridor
- Savings will increase proportionally with ridership growth
- Trapeze paratransit scheduling software is now capable of defining the ADA corridor

OUT-OF-CORRIDOR TRAVEL ON METROACCESS, JANUARY 2009

| <u>JURISDICTION</u>  | <u>OUT OF CORRIDOR</u> | <u>TOTAL TRIPS</u> | <u>PCT OF TOTAL</u> |
|----------------------|------------------------|--------------------|---------------------|
| ALEXANDRIA           | 12                     | 1267               | .95                 |
| ARLINGTON            | 69                     | 1473               | 4.68                |
| DISTRICT OF COLUMBIA | 254                    | 33888              | .75                 |
| FAIRFAX CITY         | 11                     | 329                | 3.34                |
| FAIRFAX COUNTY       | 596                    | 14441              | 4.13                |
| FALLS CHURCH         | 1                      | 156                | .64                 |
| MONTGOMERY           | 819                    | 30886              | 2.65                |
| PRINCE GEORGE'S      | 2447                   | 53964              | 4.53                |
| <b>*TOTAL</b>        | <b>4209</b>            |                    |                     |

**Number of unique customers = 394**

\*Trip count does not include Personal Care Assistants and Companions



# Impact of Changing Fare Structure

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- **MetroAccess is at 6% farebox recovery; increasing the flat fare will not have a significant impact**
- **ADA permits setting the fare at twice the comparable fixed-route fare, and for Metro, that would include the distance-based fares offered on Metrorail**
- **Some customization of the Trapeze fare calculation software required to accomplish this; supplemental fares would still apply under current Board policy and amounts could also be adjusted**
- **Impact can be estimated from recent paratransit elasticity study**



# 2007 Paratransit Elasticity Study

- TCRP Report 119 outlines factors for paratransit demand elasticity
- High elasticity in use of conditional eligibility (48%)
- Fare elasticity is significantly higher than bus and rail

Figure 9 Elasticities and Different Factors

| Variable                       | Elasticity           | Factor | Interpretation  |
|--------------------------------|----------------------|--------|---|
| Base Factor                    | -0.77                |        | A 1% higher base fare (e.g., \$2.02 vs. \$2.00) corresponds to 0.77% less demand.   |
| Percent Conditionally Eligible | -0.29<br>at the mean |        | A 1% higher percent found conditionally eligible compared to the mean value of 21% (21.21% vs. 21%) corresponds to 0.29% less demand. |
|                                |                      | 1.39   | A 1% greater percentage of applicants found conditionally eligible (e.g., 31% vs. 30%) corresponds to 1.39% less demand.              |
| Conditional Trip Screening     |                      | 48%    | Systems that use conditional trip screening have 48% lower demand than other systems.   |
| Percent below Poverty          | -0.90<br>at the mean |        | A 1% higher poverty rate compared to the mean value of 13% (13.13% vs. 13%) corresponds to 0.90% less demand.                         |
|                                |                      | -6.6   | A 1% higher percentage of the population below the poverty level (e.g., 16% vs. 15%) corresponds to 6.6% less demand.                 |
| Effective Window               | -0.72                |        | A 1% wider effective window (e.g., 30.3 minutes vs. 30 minutes) corresponds to 0.72% less demand.                                     |



## Paratransit Contract Status

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- **Contract base period is four years with two renewable options at two years each; total contract authority is \$540M; base period (\$209M) ends 1/14/10**
- **Contracting authority extended by \$6.5M through June 30, 2009 (totaling \$216M)**
- **Requires \$45M in contracting authority to continue through end of base period (1/14/10), and an additional \$45M to continue through 6/30/10; total of \$90M for FY 2010**
- **Exercising option period through 6/30/11; will require \$100M in contracting authority for FY 2011**



## Recommendation

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- **Approval of \$190M in contracting authority<sup>1</sup> for the paratransit service to be applied to remainder of contract base period and first option period<sup>2</sup>**

**<sup>1</sup>\$90M for FY 2010 and \$100M for FY 2011; FY 2011 allocation is subject to Board approval of FY 2011 budget**

**<sup>2</sup>Two-year option period to be reduced by 6 months to adjust performance period to Metro's fiscal year cycle (July 1, 2009 through June 30, 2011)**



# Appendix



**MetroAccess Ridership Growth by Jurisdiction (total passengers)**

|                        | <b>Mar-06</b>  | <b>Mar-07</b>  | <b>Mar-08</b>  | <b>Mar-09</b>  | <b>% Increase</b> | <b>Increase</b> |
|------------------------|----------------|----------------|----------------|----------------|-------------------|-----------------|
| Alexandria             | 1,350          | 1,409          | 1,514          | 1,726          | 28%               | 376             |
| Arlington              | 1,175          | 1,886          | 2,156          | 2,224          | 89%               | 1,049           |
| District of Columbia   | 25,842         | 30,199         | 34,822         | 49,820         | 93%               | 23,978          |
| Fairfax City           | 197            | 339            | 320            | 494            | 151%              | 297             |
| Fairfax County         | 13,886         | 15,199         | 16,838         | 19,194         | 38%               | 5,308           |
| Falls Church           | 212            | 187            | 215            | 183            | -14%              | (29)            |
| Montgomery County      | 31,806         | 34,797         | 36,495         | 42,655         | 34%               | 10,849          |
| Prince George's County | 45,387         | 50,711         | 57,869         | 74,722         | 65%               | 29,335          |
| <b>TOTAL</b>           | <b>119,855</b> | <b>134,727</b> | <b>150,229</b> | <b>191,018</b> |                   |                 |

**MetroAccess Ridership Growth by Jurisdiction (total registrants)**

|                        | <b>Mar-06</b> | <b>Mar-07</b> | <b>Mar-08</b> | <b>Mar-09</b> |      |       |
|------------------------|---------------|---------------|---------------|---------------|------|-------|
| Alexandria             | 163           | 200           | 214           | 271           | 66%  | 108   |
| Arlington              | 817           | 1,013         | 1,127         | 1,284         | 57%  | 467   |
| District of Columbia   | 3,487         | 4,475         | 5,315         | 7,668         | 120% | 4,181 |
| Fairfax City           | 35            | 47            | 55            | 72            | 106% | 37    |
| Fairfax County         | 1,211         | 1,582         | 1,821         | 2,256         | 86%  | 1,045 |
| Falls Church           | 19            | 25            | 30            | 25            | 32%  | 6     |
| Montgomery County      | 3,355         | 4,113         | 4,601         | 5,487         | 64%  | 2,132 |
| Prince George's County | 3,951         | 5,014         | 5,878         | 7,495         | 90%  | 3,544 |
| <b>TOTAL</b>           | <b>13,038</b> | <b>16,469</b> | <b>19,041</b> | <b>24,558</b> |      |       |

**MetroAccess Ridership Growth by Jurisdiction (passenger trips per registrant)**

|                        | <b>Mar-06</b> | <b>Mar-07</b> | <b>Mar-08</b> | <b>Mar-09</b> |
|------------------------|---------------|---------------|---------------|---------------|
| Alexandria             | 8             | 7             | 7             | 6             |
| Arlington              | 1             | 2             | 2             | 2             |
| District of Columbia   | 7             | 7             | 7             | 6             |
| Fairfax City           | 6             | 7             | 6             | 7             |
| Fairfax County         | 11            | 10            | 9             | 9             |
| Falls Church           | 11            | 7             | 7             | 7             |
| Montgomery County      | 9             | 8             | 8             | 8             |
| Prince George's County | 11            | 10            | 10            | 10            |
| <b>TOTAL</b>           | <b>8</b>      | <b>7</b>      | <b>7</b>      | <b>7</b>      |