

Memorandum



Date: AUG 28 2008

September 2, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Supplement #3 to
Agenda Item No. 11(A)4

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", written over the printed name of the County Manager.

Subject: Resolution Directing the Mayor to Submit a Plan to Implement Distance-Based Fare Structure for Special Transportation Services (STS)

This report responds to Resolution No. R-771-08, sponsored by Commissioner Heyman, which requested the submission of an implementation plan for distance-based fares for Special Transportation Service (STS); as well as various other requests from Board members to explore possible alternative fare structures for STS. As you are aware, STS is Miami-Dade County's complimentary paratransit service provided in accordance with the Americans with Disabilities Act (ADA). STS provides transit style shared-ride service for eligible riders who have been certified and whose functional disability prevents them from using conventional transit modes. On average, Miami-Dade County, through Miami-Dade Transit (MDT), provides 6,000 daily trips to eligible riders.

The ADA mandates that STS fares be no more than twice the fare for a comparable trip if taken on conventional transit. With that restriction in mind, two distance based methodologies were considered: a trip-by-trip fare structure (where each trip would have to be entered into MDT's Trip Planner to determine the required fare based on the fixed-route service) and a tiered fare structure (where the length of each trip would fall into a pre-determined fare level based on the mileage of the trip in 5 mile increments). However, after an analysis of both fare structures, an STS tiered fare structure based on 5 mile and \$0.25 incremental increases within the ADA Corridor is now being recommended as the most appropriate for application to Miami-Dade County. This distance-based tiered recommendation is tied to the proposed \$0.50 fare increase for fixed route service and would begin at the current \$3.00 for up to 5 miles of travel and escalate in \$0.25 increments to reach a maximum of \$4.00 for a 20+ mile trip within the ADA corridor. Please note that the \$4.00 maximum rate can only happen if the base MDT fare for transit is increased from \$1.50 to \$2.00. With respect to service outside the ADA Corridor, there are two viable options: service can be discontinued altogether; or service can continue with the implementation of an additional \$6 surcharge.

Staff also explored a zone-based fare model. However, as detailed below, due to the geography of the MDT service region, a zone-based methodology was determined not feasible for Miami-Dade County.

Implementation of this STS distance based fare structure would require public noticing and Board action outside of the scope of the \$0.50 proposal currently before the Board, and would have an approximate 4-6 month start-up time for full implementation.

REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT (ADA)

The ADA mandates that complimentary parallel transportation be provided to eligible riders whose disability prevents them from using conventional transit modes. The minimum required elements of ADA paratransit service are:

- Service available in the area $\frac{3}{4}$ miles on either side of fixed (conventional) routes available to the general public.
- STS service hours must match the service hours for conventional transit.
- No trip denials.
- No restriction of trip purpose, or prioritization by trip purpose.
- Eligible riders may be accompanied by a companion who pays the same fare as the rider and/or a Personal Care Attendant (PCA) who travels free of charge.
- Reservations can be made at least one day, and as much as 7 days in advance.

- Fares cannot be more than twice the fare for an equivalent conventional transit trip.

Miami-Dade's STS program was not implemented in response to Federal law. In fact, paratransit service was provided locally to the elderly and disabled nearly 20 years before the Federal mandate. Initially unrestricted by ADA guidelines, Miami-Dade's STS program has provided a far superior level of service to a far broader spectrum of riders than federally mandated. In other words, our STS service not only responds to, but far exceeds, federal mandates.

For example, door-to-door service is not an ADA mandate and is not provided by many other transit properties. Rather, the regulations call for "point-of-origin to point-of-destination" and has traditionally been interpreted as curb-to-curb. However, in Miami-Dade County the driver has always assisted the passenger from the main door of the point-of-origin to the vehicle and from the vehicle to the main door of the point-of-destination. Much more typical in other large metropolitan areas is the level of service provided in Los Angeles County and Orange County, CA, where there is either an additional fee (\$5.00 per door) or the door-to-door service is simply not offered.

As an unfunded Federal mandate, ADA (37 CFR Title III) also requires that funding for local paratransit programs come from the funding available for conventional transit provided to the general public. However, if funding is limited, conventional transit must be reduced to meet the funding needs of the ADA service, in this case STS.¹ The total operating budget for MDT is approximately \$388 million for the current Fiscal Year. The amount budgeted for STS trips is \$47 million, representing 12.11% of the Department's total operating budget. By contrast, the STS ridership represents 1.66% of MDT's total boardings. Therefore, more than 12% of the budget is being dedicated to serve less than 2% of all riders. This disparity will grow as operating costs continue to increase and service is reduced to the general riding public. For the week ending July 19, 2008, the total invoiced STS billing was \$863,961.59. The STS fares totaled \$80,750.00 and represents less than 10% of the total trip costs. While MDT does receive some State assistance for this service, MDT shoulders most of the remaining 90%.

As you are aware, under the law, all requested trips must be provided as long as the rider meets eligibility requirements. However, as other State and social transportation programs are cut or reduced, the demand and costs to transport STS-eligible riders grows. While this County has pioneered and historically embraced STS as a worthy service, recent budget challenges require that we scrutinize every dollar spent on transit service, particularly service beyond that which is required by law. Service beyond that required by law ultimately affects MDT's bottom line. MDT must find ways to live within its budgetary means and that includes both reducing existing traditional transit service as well as restructuring STS.

With revenues and resources already strained, maintaining door-to-door paratransit service at current levels, by far the most expensive transit mode, inevitably consumes an increasing portion of the funds available for the provision of conventional transit service to the general riding public. MDT's average cost for Metrobus is \$3.81 per passenger. For Metrorail, the average cost is \$4.72 per passenger. MDT's cost for STS service is \$24.91 per ambulatory passenger and \$34.18 per wheelchair rider (for a blended rate of \$25.00). These figures are only actual trip cost and do not include the administrative and oversight functions MDT must perform. Additionally the STS trip costs are scheduled to increase again in March 2009 – the final year of the current contract – and will undoubtedly increase when the next contract is awarded in 2010.

DISTANCE-BASED FARE MARKET RESEARCH

MDT conducted a study of the STS type fares in 17 urban areas around the country to determine how fares are structured and the extent of service provided outside the ADA-mandated Transit Corridor. Though the ADA requires service up to three quarters ($\frac{3}{4}$) of a mile from a fixed route, and this is the

¹ Americans with Disabilities Act, 37 CFR Title III; 37, 37.21; 37.121; 37.131 and 37.151.

policy stated in the County's STS Rider's Guide, Miami-Dade County has never strictly enforced this rule. As development in the County has spread further west and south, riders who live many miles outside the ADA Transit Corridor have been allowed to use the service. However, as part of the department's efficiency initiatives, it should be noted that MDT has recently begun enforcing the ADA rule with regard to new program applicants by advising them that service outside the Transit Corridor is not provided. STS has also ceased providing service to, from, through or within any point in Broward County outside of MDT's Broward corridor (East of I-95 and South of Hallandale Beach Blvd).

As illustrated in Attachment 1, the following transit properties were used as the basis for this report: Lynx (Orange, Osceola, and Seminole Counties, Florida); Jacksonville, Florida; Rochester, New York; San Diego, California; New Jersey; and WMATA (Washington Metropolitan Area Transit Authority, covering Washington, DC., Northern Virginia, and Prince Georges and Montgomery Counties in Maryland). These properties were selected for comparison because most utilize the same technology (Trapeze trip software) for their paratransit systems. Their make-up is also similar to Miami-Dade County's with regard to either configuration of the service area, number of trips provided, and/or mix of urban/rural settings. The selected programs are also similar to Miami-Dade County's with regard to scope of service (advance reservation, demand response service, door-to-door, etc.). It should be underscored, however, that Miami-Dade County's STS is the largest such program in the nation (based on ridership numbers) and, as previously discussed, far exceeds the service standards of other transit properties around the country.

The research found that most urban areas studied either provide no service outside the ¾ mile ADA Transit Corridor, or charge an additional fare for any trip going to or coming from an area outside the ADA Transit Corridor. In fact, two of the transit properties, Lynx and WMATA, have a single rate (flat fare) for travel within the service area, but charge additional fees for travel outside the Corridor. Lynx charges \$3.50 for trips inside the Corridor and \$6.00 for trips outside the Corridor; while WMATA's fare is \$2.50 for travel inside the Transit Corridor and up to \$6.50 for travel outside the Corridor (based on distance). All other urban programs studied have an ADA fare structure based on the trip length or trip zones for all available service.

CURRENT MIAMI-DADE COUNTY STATUS

STS services approximately 24,000 active eligible riders and provides over 6,000 daily trips. Advanced Transportation Solutions (ATS) provides the service on behalf of MDT, utilizing 365 sedans, passenger vans, and lift-equipped vans.

The current base fare for Metrobus and Metrorail is \$1.50. Transfers are an additional 50 cents. Per ADA guidelines, the STS fare cannot exceed twice the cost of the equivalent fixed-route fare. The STS fare was increased from \$2.50 to \$3.00 at the June 17, 2008 Board meeting. In accordance with the Board's instruction, the \$0.50 fare increase is a fuel surcharge and is credited wholly to the service provider. Therefore, the proposed distance-based tiered recommendation below assumes that the \$0.50 increase in the fixed-route fare to \$2.00, currently before the Board, is approved. This would, in turn, provide for a maximum allowable STS flat fare of \$4.00. If the Board does not act on the proposed fare increase, the STS fare inside the ADA corridor would be limited to the current \$3.00. However, there are no restrictions on STS fares for trips outside the Transit Corridor and the Department proposes to charge an additional premium for this.

There are currently 244 certified riders living outside the ADA Transit Corridor in Miami-Dade County. However, this represents only approximately one percent (1%) of MDT's total eligible riders. The vast majority of the trips outside the ADA Corridor are between 10 and 20 miles in length. By contrast, trips for the program as a whole average a distance of 9.23 miles. Since most STS travel occurs within the ADA Transit Corridor, there are few opportunities to efficiently multi-load passengers far removed from the Service Corridor. The contractor's vehicles must often travel empty an additional 15 miles to pick up

or drop off a passenger. It should be noted that future reductions of Metrobus and/or Metrorail service would result in further reductions to the existing ADA Transit Corridor since the Corridor is defined by fixed routes available to the general public.

ANALYSIS OF FARE ALTERNATIVES

As requested by the Board, staff considered several fare options/models for a revised STS fare calculation: zone-based, distance-based trip-by-trip and distance-based tiered. As mentioned previously, the zone-based method is more suited to areas that have equitable distribution of density and are square, rectangular or circular in their overall shape. Since our service corridor is long and narrow, it would be difficult to avoid crossing zone boundaries. This method would unduly penalize some short-distance riders as they could be charged a higher fare than a rider taking a longer trip wholly within a zone.

MDT also evaluated the feasibility of a trip-by-trip fare structure where the fare for each trip would be determined by the equivalent fare on the fixed-route system. For example, if a 30-mile trip by fixed route would involve one base fare plus 1 transfer (\$1.50 + 1 transfer @ \$0.50) totaling \$2.00, the STS fare would be \$4.00, as allowed by the ADA. This differs from the current STS fare structure in that MDT charges only a flat fee of \$3.00, with no consideration of the equivalent of the transfer fee that is used on the fixed route system.

However, this fare structure has significant customer service, administrative, and operational drawbacks. In order to calculate the fixed route fare equivalent, STS trips would have to be entered into MDT's Trip Planner on a trip-by-trip basis to determine the required fare based on the fixed-route service. A significant level of rider education would be required for passengers to understand the new methodology for calculating fares, as trips with seemingly equal mileage lengths could carry differing fares depending on the imposition of the transfer fee. As a result of this and the data entry into the trip planning system, this fare structure would also increase the time needed to take and confirm a reservation. In-bound calls for reservations number approximately 1,500 per day. Even if MDT elected to check trips over the average 9.23 mile distance, the reservation process would be lengthened by at least 5 minutes per call as compared to the 1 minute currently required to book a trip. This would create a backlog to the phone service, inconvenience our riders, and create delays in resolving late vehicle issues. Given the volume of service requests in this County, the sheer number of reservation requests which would have to be individually booked on the trip planner would make this structure untenable and unmanageable. It would lead to a deteriorated level of service to the STS riders, and would force the Contractor to hire additional staff to handle the back-log of calls due to the need for manual entry of trip origin and destination points. Hence, the increase in operating costs (estimated at approximately \$60,000 monthly) would outweigh the benefits of the revenue gained from this fare structure. Therefore, a trip-by-trip fare model is not recommended for a demand response program the size of Miami-Dade's, as it would unduly burden the contractor with additional costs and jeopardize the quality of service to our riders.

The preferred recommendation below is for a distance-based tiered STS fare structure both within and outside the ADA Transit Corridor, and tied to a fare increase for fixed route.

ADA Trips Within the ADA Transit Corridor – Distance-Based Tiered Fare Recommendation

For trips within the Corridor, the proposed distance-based fare for STS would have a first tier fee of \$3.00 for one-way trips up to 5 miles long. Assuming an increase in the base conventional transit fare of \$0.50, and responding to a Board request for small incremental increases, subsequent fare tier recommendations are based on \$0.25 per 5-mile increments, up to \$4.00 for trips exceeding 20 miles as detailed in Attachment 2. Currently, the average Miami-Dade County STS trip length for an STS trip is 9.23 miles. Therefore, well over half of all trips would fall within the first two tiers, with a corresponding fare of \$3.00 for trips up to 5 miles and \$3.25 for trips between 5 and 10 miles. The

maximum \$4.00 STS fare would be only for trips within the ADA corridor, with \$4.00 representing twice the fixed route flat fare (again, this is under a scenario where the fixed-route flat fare is increased from \$1.50 to \$2.00). The fare would be set at the time a reservation is made, as calculated by the Trapeze software, and confirmed with the rider at the time of booking. The total projected additional annual fare revenue for STS under the tiered distance-based fare structure would be \$521,957. This would reduce the MDT's cost to \$24.00 per passenger from the current \$25.00 per passenger subsidy (blended rate).

Trips Outside the ADA Transit Corridor– Distance-Based Tiered Fare Recommendation

Research found that most transit properties do not provide service outside the ADA Transit Corridor—at any price. The ADA does not require service outside the Corridor, and therefore has no maximum charge. As referenced above, though it is MDT's stated and written policy to limit service to the ¾ mile ADA Transit Corridor, there are 244 certified riders currently living outside the Corridor who utilize the service. Because these trips are not Federally-mandated, the County may elect to discontinue this service. The Department would issue notice to eligible and active STS riders living outside the ADA Transit Corridor and advising them that service to or from those areas would end within a reasonable time frame. Staff would also provide a listing of alternative transportation providers servicing their area. As the Department understands these riders have come to rely on STS service to access work, school, shopping, and medical appointments, MDT would endeavor to work with other agencies, such as the Commission for the Transportation Disadvantaged and the Local Coordinating Board, to identify any existing supplemental programs. Discontinuing service outside the ADA Transit Corridor generates a savings of approximately \$802,000 annually. This figure does not include savings from discontinuing service from inside the Transit Corridor going outside the Corridor. Of course, the number of eligible STS riders who will fall outside the ADA Transit Corridor will inevitably increase as MDT continues to make adjustments to the fixed route system.

However, should the Board elect to continue trips outside the Transit Corridor, the recommended STS fare is \$6.00, plus the distance-based fare (as detailed above for trips within the ADA Transit Corridor). This structure would be in line with other urban areas which provide paratransit service outside their ADA Transit Corridor and charge comparable additional fares. Though the amount is far less expensive than the cost of a taxi, most of the trips going to, through, within or coming from areas outside the Transit Corridor usually are single-ride trips rather than multi-loaded trips due to the lack of multi-load opportunities beyond the ADA Transit Corridor. This means that vehicles must often travel in excess of 15 miles before picking up or dropping off any riders. Although MDT would still be heavily subsidizing the cost of such trips, this fare structure would allow MDT to recover an additional \$238,871 annually.

CONCLUSION

The Department is faced with the challenge of meeting an ever increasing demand for ADA-required STS service – an unfunded Federal mandate. Unlike fixed route, the County does not have the option to eliminate STS routes or reduce service -- except to the degree that it mirrors conventional transit available to the general public.

There are two viable pricing models that can be implemented: Distance-Based with strict adherence to service within the ADA Corridor; or Distance-Based with a \$6 surcharge for service outside the ADA Corridor. Either of these models provide significant savings.

In addition to decreasing the per passenger subsidy provided by MDT to the STS program, the distance-based fare structure would further encourage our riders to use the Metrobus and Metrorail whenever possible and may incentivize users to keep trip lengths within five miles, contributing greatly to the program's efficiency. STS eligible riders can ride traditional transit modes free of charge by showing their County issued STS identification card. Strict adherence to service within the ADA

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Corridor would offer the greatest reduction in subsidy if the Board decides to pursue either of these reforms,

As noted above, full implementation of these recommendations would require approximately 4-6 months. Attached is an implementation plan identifying several critical elements for implementation (Attachment 3) if a distance-based fare structure is approved by the Board.

Attachments

c: Honorable Carlos Alvarez, Mayor
Denis Morales, Chief of Staff, Office of the Mayor
Ysela Llor, Assistant County Manager
Jennifer Glazer-Moon, Special Assistant/Director Office of Strategic Business Management
Harpal Kapoor, Director, Miami-Dade Transit
Nan Markowitz, Director, Office of the Citizens' Independent Transportation Trust

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Attachment 1

Table 1: Comparison Transit Property Data¹

Trips Inside the ADA Transit Corridor						
Trip Length	MDT STS	NJ Transit	Rochester	Jacksonville	Lynx	WMATA
5 miles	\$3.00	\$4.80	\$2.50	\$5.65	\$3.50	\$2.50
10 miles	\$3.25	\$12.15	\$2.50	\$5.65	\$3.50	\$2.50
15 miles	\$3.50	\$28.15	\$2.50	\$5.65	\$3.50	\$2.50
20 miles	\$3.75	\$24.15	\$5.00	\$5.65	\$3.50	\$2.50
20+ miles	\$4.00	\$24.15 ²	\$5.00	\$5.65	\$3.50	\$2.50
Trips Outside the ADA Transit Corridor ³						
Trip Length	MDT STS	NJ Transit	Rochester	Jacksonville	Lynx	WMATA
5 miles	\$3.00+ \$6.00=\$9	N/A	\$8.50	N/A	\$6.00	\$4.50
10 miles	\$3.2+\$6.00 = \$9.25	N/A	\$8.50	N/A	\$6.00	\$6.50
15 miles	\$3.50+ \$6.00 =\$9.50	N/A	\$8.50	N/A	\$6.00	\$6.50
20 miles	\$3.75 + \$6.00 = \$9.75	N/A	\$11.00	N/A	\$6.00	\$6.50
20+ miles	\$4.00 + \$6.00=\$10	N/A	\$11.00	N/A	\$6.00	\$6.50

¹San Diego, CA is structured by zone and cannot be calculated by the per mile system. San Diego has 3 zones. Travel within Zone 1 is \$4.50. Travel within Zones 2-4 is \$3.50. Travel which crosses zone boundaries is an additional \$4.50 per zone crossed, per one-way trip.

²For New Jersey, \$0.60 per half mile increments with no maximum charge

³MDT Fixed route-N/A

ATTACHMENT 2: FARE DATA INSIDE ADA TRANSIT CORRIDOR

1. Tiered Fare Structure		FARES					DIFFERENCE
Trips INSIDE ADA Transit Corridor (One-way Trip Distance)		REVENUE FROM EXISTING \$3.00		GROSS REVENUE FROM PROPOSED TIERED FARES			
MILES	STS FARE	ANNUAL TRIPS	Fares	Fuel Surcharge	TOTAL		
0-5	\$ 3.00	702,260	\$ 1,755,650	\$ 351,130	\$ 2,106,780	\$ 2,106,780	\$ -
5.01-10	\$ 3.25	565,311	\$ 1,413,278	\$ 282,656	\$ 1,695,933	\$ 1,837,261	\$ 141,328
10.01 to 15	\$ 3.50	312,459	\$ 781,148	\$ 156,230	\$ 937,377	\$ 1,093,607	\$ 156,230
15.01 to 20	\$ 3.75	156,263	\$ 390,658	\$ 78,132	\$ 468,789	\$ 585,986	\$ 117,197
20.01 +	\$ 4.00	107,202	\$ 268,005	\$ 53,601	\$ 321,606	\$ 428,808	\$ 107,202
TOTAL		1,843,495	\$ 4,608,738	\$ 921,748	\$ 5,530,485	\$ 6,052,442	\$ 521,957

ATTACHMENT 2: FARE DATA OUTSIDE ADA TRANSIT CORRIDOR

Outside Transit Corridor		FARES					DIFFERENCE
Trips OUTSIDE ADA Transit Corridor (One-way Trip Distance)		REVENUE FROM EXISTING \$3.00		GROSS REVENUE FROM PROPOSED OUT-OF-AREA FARES			
MILES	STS FARE +	ANNUAL TRIPS	Fares	Fuel Surcharge	TOTAL		
0-5	\$ 3.00 + \$ 6.00 = \$ 9.00	7,528	\$ 18,820	\$ 3,764	\$ 22,584	\$ 67,752	\$ 45,168
5.01-10	\$ 3.25 + \$ 6.00 = \$ 9.25	10,141	\$ 25,353	\$ 5,071	\$ 30,423	\$ 93,804	\$ 63,381
10.01 to 15	\$ 3.50 + \$ 6.00 = \$ 9.50	5,569	\$ 13,923	\$ 2,785	\$ 16,707	\$ 52,906	\$ 36,199
15.01 to 20	\$ 3.75 + \$ 6.00 = \$ 9.75	9,293	\$ 23,233	\$ 4,647	\$ 27,879	\$ 90,607	\$ 62,728
20.01 +	\$ 4.00 + \$ 6.00 = \$ 10.00	4,485	\$ 11,213	\$ 2,243	\$ 13,455	\$ 44,850	\$ 31,395
TOTAL		37,016	\$ 92,540	\$ 18,508	\$ 111,048	\$ 349,919	\$ 238,871

*Fuel Surcharge goes directly to contract provider.

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Attachment 3

Distance Based Fares for Special Transportation Service (STS) Proposed Implementation Schedule

Listing of Implementation Tasks and Activities
Prepare and publish public hearing notice.
Engage interest groups to request their participation at Public Hearing
Hold public hearing at Transit Committee.
Board of County Commissioners (Board) approves selected option and establishes implementation date.
Forward formal notification to all centers and interest groups of fare structure change and implementation date.
Prepare and distribute written notice of fare structure change and effective date to all STS riders through STS vehicles.
Add fare information to Contractor and MDT phone system recording.
Prepare press releases for general public notification and public information campaign.
Outbound calls to all subscription riders providing information of fare change and implementation date.
Prepare Trapeze software to calculate new fares depending on the Board- selected option (e.g., if trip-by-trip fares are approved, software needs to calculate fare while caller is making reservation; and fares need to be shown on manifests).
Have STS vouchers printed in additional denominations to complete payment for fare option. Current vouchers are \$2.50 and \$0.50 denominations made available for the newly approved \$3.00 fare.
Training of Contractor and MDT staff in new fare calculation.
Advise 311 and Team Metro of fare change and effective date. Prepare frequently asked questions (FAQs) for Call Center.
Finalize Trapeze testing.
Finalize staff training.
Update STS portion of the Miami-Dade County/MDT website.
Implement fare structure change.
MDT staff stationed at ATS to assist in resolving rider issues and monitor impact.

The above tasks associated with implementing a distance-based fare structure for STS would take between four and six months to complete.