**Massachusetts Bay Transportation Authority**

# Paratransit Update

December 5, 2016

# Paratransit Update: Agenda

Today, we will be reviewing year-to-date expenditures for the MBTA's paratransit service and discussing three of its cost saving initiatives
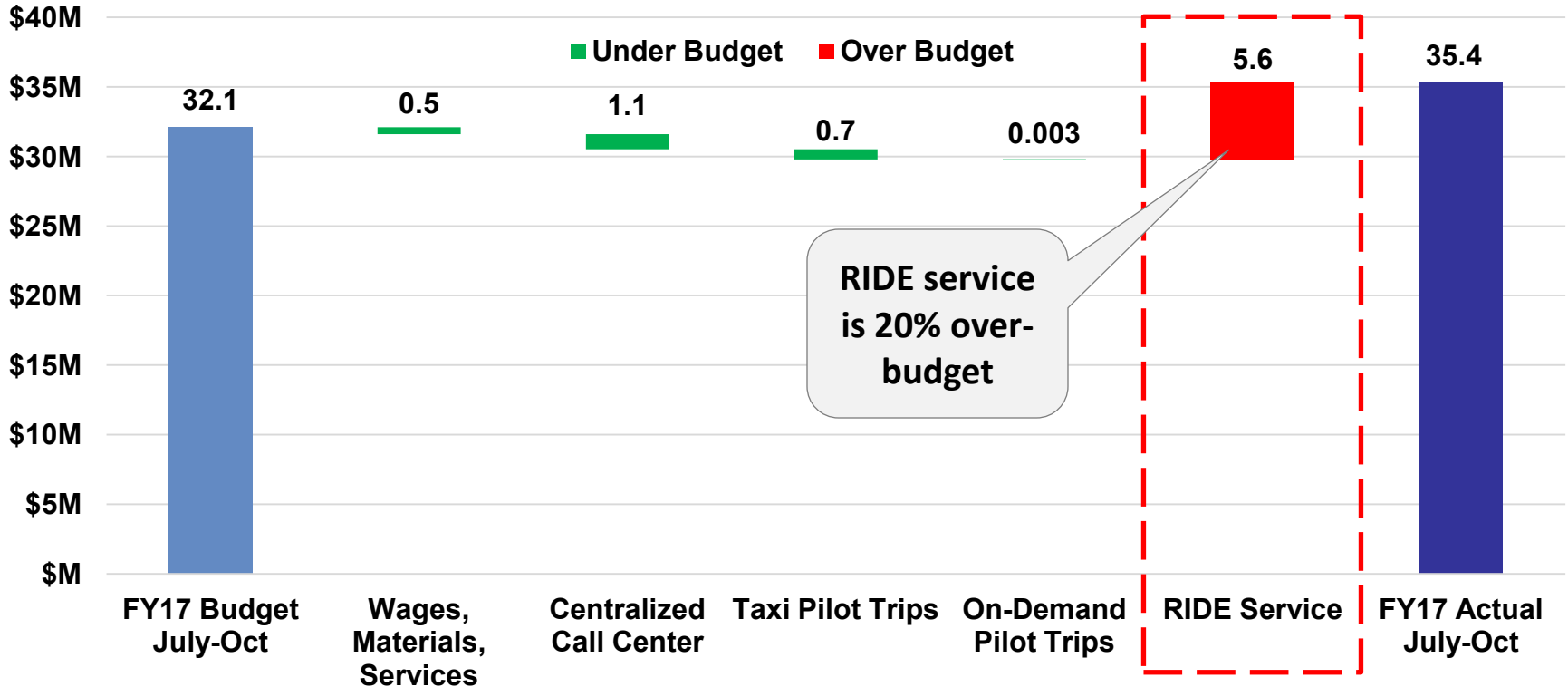
- The RIDE Performance Review

- Taxi Subsidy Pilot Update

- On-Demand Paratransit Pilot Preliminary Review

- Pilot Integration into The RIDE Access Center (TRAC)

# Paratransit Update: Performance Review

## Paratransit is 10.3% over budget with the cost of RIDE service as a key contributor

### FY17 Budget vs. Actual



Legend: ■ Under Budget  ■ Over Budget

Chart values:
- FY17 Budget July-Oct: 32.1
- Wages, Materials, Services: 0.5 (Under Budget)
- Centralized Call Center: 1.1 (Under Budget)
- Taxi Pilot Trips: 0.7 (Under Budget)
- On-Demand Pilot Trips: 0.003 (Under Budget)
- RIDE Service: 5.6 (Over Budget)
- FY17 Actual July-Oct: 35.4

Callout: RIDE service is 20% over-budget

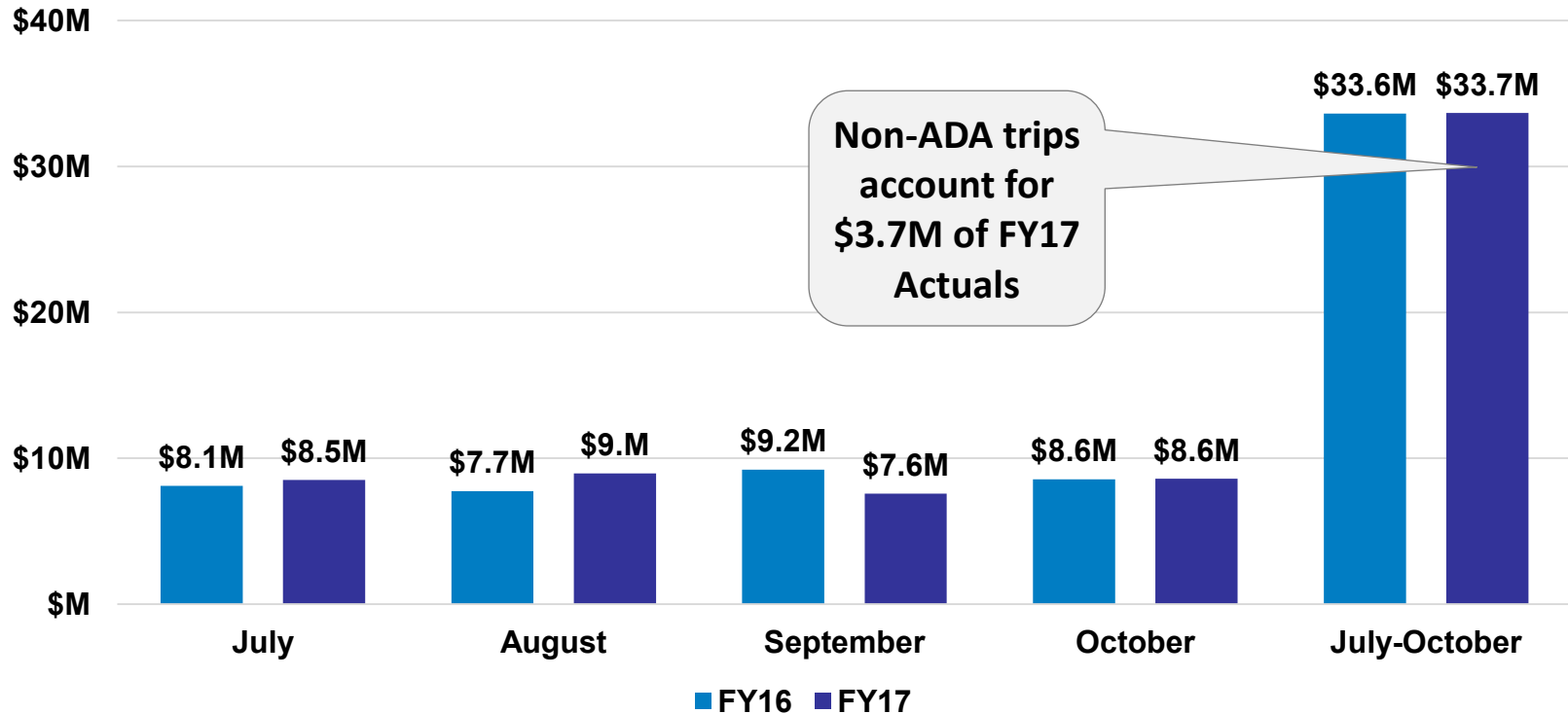| FY17 Budget by Category July-Oct | Wages, Materials, Services | Centralized Call Center | Taxi Pilot Trips | On-Demand Pilot Trips | RIDE Service |
|---|---|---|---|---|---|
| | $1.4M | $1.9M | $0.75M | $0M[1] | $28.1M |

[1]The On-Demand Paratransit Pilot did not exist at the initial time of budgeting.  Under/Over budget for this pilot is based on comparison to a customer's baseline cost to provide trips.  Currently, pilot is saving the MBTA $3K.

# Paratransit Update: Performance Review

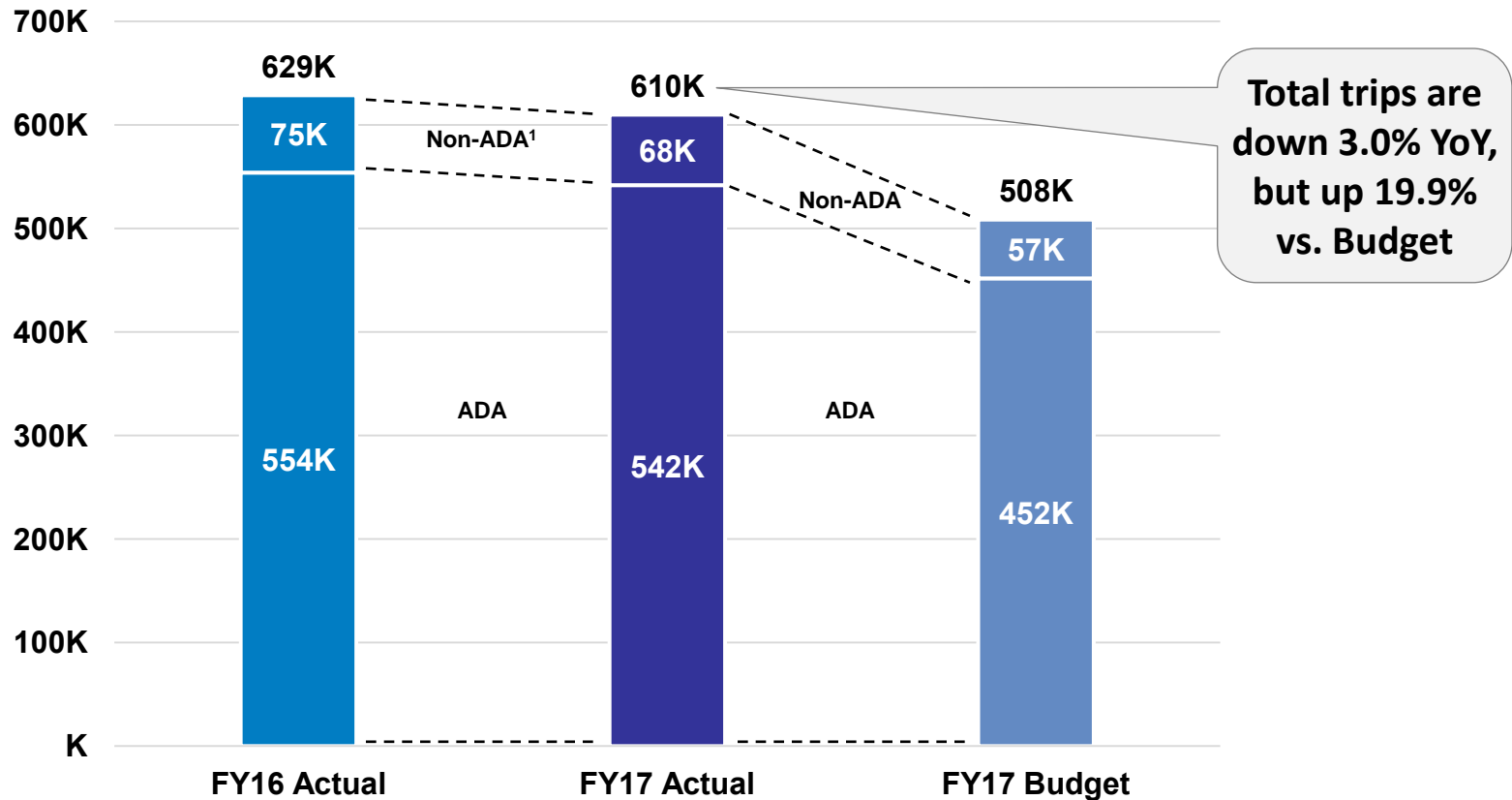## The total cost of RIDE service is flat, even with contractual cost increases

### FY16 vs. FY17 Actuals

Non-ADA trips account for $3.7M of FY17 Actuals

| Month | FY16 | FY17 |
|---|---|---|
| July | $8.1M | $8.5M |
| August | $7.7M | $9.M |
| September | $9.2M | $7.6M |
| October | $8.6M | $8.6M |
| July-October | $33.6M | $33.7M |

■ FY16  ■ FY17

# Paratransit Update: Performance Review

## Trips are down compared to FY16, but reductions are not in line with budget goals



**629K**

**75K** — Non-ADA[1]

**554K** — ADA

**610K**

**68K** — Non-ADA

**542K** — ADA

**508K**

**57K**

**452K**

FY16 Actual    FY17 Actual    FY17 Budget

> **Total trips are down 3.0% YoY, but up 19.9% vs. Budget**

> **To achieve budget goals, current cost saving initiatives and non-ADA service policies are being re-evaluated**

[1]Non-ADA = Trips that are not required by ADA guidelines (trips >3/4 mile from fixed route and same day reservations). Also referred to as "Premium Service".

# Paratransit Update: Cost Savings Initiative Overview

The RIDE has focused this fiscal year on implementing cost saving initiatives to achieve its budget with the help of The RIDE Taskforce

**1. Subsidizing trips on lower-cost alternatives**

- Subsidized Taxis (Taxi Subsidy Pilot)
- Subsidized TNCs (On-Demand Paratransit Pilot)

**2. Reducing overall costs and increasing efficiencies**

- The Ride Access Center (TRAC)

> **Today, we will focus on the Taxi Pilot, On-Demand Pilot, and The RIDE Access Center**

**3. Shifting trips to lower-cost alternatives**

- Mass Health (HST)
- Non Profit Organizations / Municipalities
- Regional Transit Authorities (RTAs)
- Fixed Routes
  - via Reduced Fare Charlie Cards
  - via Travel Training

# Paratransit Update: Taxi Subsidy Pilot 1.0

The pilot ran from January 2016 through November 2016 and provided alternative service to The RIDE by subsidizing trips for customers with area taxi providers

**137**

Customers Who
Took a Trip

**2,600**

Trips Taken

**35%**

Percent of RIDE
Area Covered

**0**

Issues or Incidents
Reported

**400**

Maximum Number
of Trips in a Month

**6**

Taxi Companies in
Pilot

**$13**

Average Cost per
Trip to MBTA

**0**

Total Cost or
(Savings) to MBTA

**Customers who took trips valued the pilot, and The RIDE was able to gather important feedback and lessons during its administration**

# Paratransit Update: Taxi Subsidy Pilot 1.0

The initial pilot that ended November 30th did not meet all the goals of customers, The RIDE Taskforce, or the FMCB

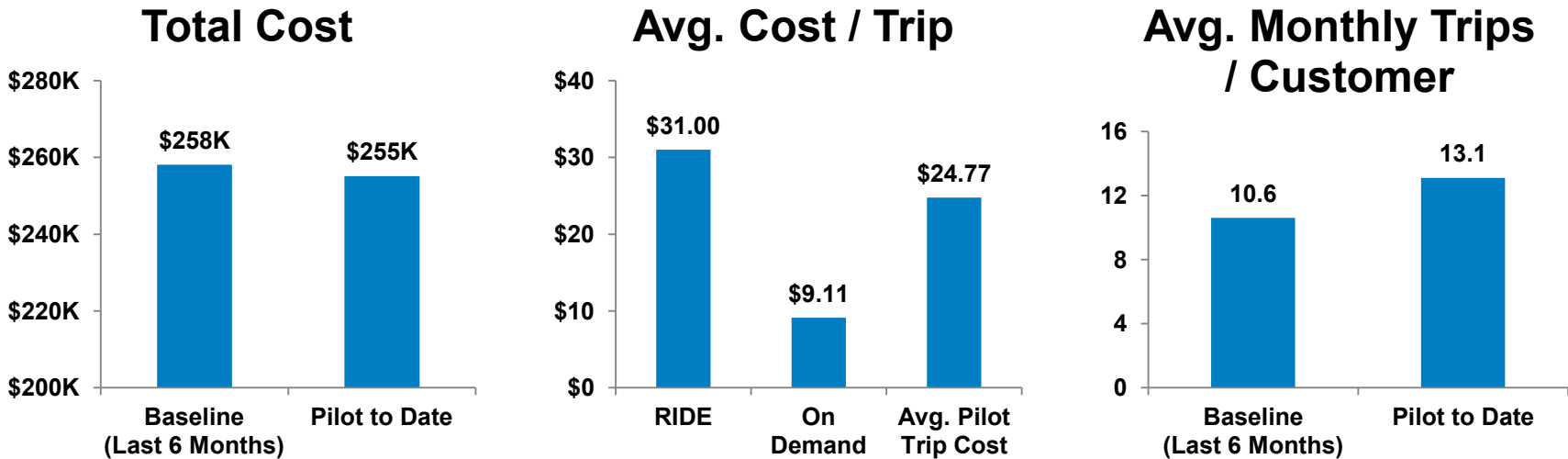| Stakeholder | Goal | Aligned | Notes |
|---|---|---|---|
| **All** | Safe transportation | ✔ | - No incidents or issues reported |
| **Customers** | Full coverage across the RIDE service area | ✗ | - Only 35% of communities served<br>- 0% of Boston served (>30% of all RIDE trips) |
| | Ability to select any taxi | ✗ | - Limited number of taxis allowed into pilot |
| | Same-Day Booking | ✔ | |
| | Faster Trips | ✔ | - ~ 8 min / trip saved |
| | No need to share rides | ✔ | |
| **FMCB and The RIDE Taskforce** | Efficient, customer-centric design | ✗ | - Can only book via dispatcher<br>- Technology doesn't allow travel beyond $15 |
| | $10M in savings to help preserve non-ADA service | ✗ | - Labor intensive administration<br>- Inconsistently available data<br>- Low conversion of trips<br>- Limited to no savings / individual |
| | Lower cost per trip | ✔ | - Average per trip cost of $13 |

# Paratransit Update: Taxi Subsidy Pilot 2.0

## The taxi subsidy pilot will relaunch in 2017 with a clearer alignment to goals

| Stakeholder | Goal | Aligned | Notes |
|---|---|:---:|---|
| **All** | Safe transportation | ✔ | |
| **Customers** | Full coverage across the RIDE service area | ✔ | - 100% of communities served<br>- 100% of Boston served (>30% of all trips) |
| | Ability to select any taxi | ✔ | - 10x increase in taxis by matching insurance requirements to state and municipal levels |
| | Same-Day Booking | ✔ | |
| | Faster Trips | ✔ | |
| | No need to share rides | ✔ | |
| **FMCB and The RIDE Taskforce** | Efficient, customer-centric design | ✔ | - All customers can call or street hail any taxi<br>- Technology seamlessly subsidizes all trips<br>- Reduced complexity for who/when to pay |
| | $10M in savings to help preserve non-ADA service | ? | - Redesign administrative processes<br>- 950K more trips avail. to convert to lower cost |
| | Lower cost per trip | ✔ | - Reduce below current fixed $13/trip |

# Paratransit Update: On-Demand Paratransit Pilot

With two months of preliminary data, costs have slightly decreased with significantly higher overall usage

**Total Cost**

- $280K
- $260K — $258K (Baseline Last 6 Months), $255K (Pilot to Date)
- $240K
- $220K
- $200K

Baseline (Last 6 Months) | Pilot to Date

**Avg. Cost / Trip**

- $40
- $30 — $31.00 (RIDE)
- $20 — $24.77 (Avg. Pilot Trip Cost)
- $10 — $9.11 (On Demand)
- $0

RIDE | On Demand | Avg. Pilot Trip Cost

**Avg. Monthly Trips / Customer**

- 16
- 12 — 10.6 (Baseline), 13.1 (Pilot to Date)
- 8
- 4
- 0

Baseline (Last 6 Months) | Pilot to Date

- Customers took 24% more trips due to improved customer experience and latent demand

- Costs decreased by 1% over baseline due to on-demand trips being 70% cheaper

**Customers must convert at least 1 RIDE trip for every 3 On-Demand trips taken to produce cost savings**

# Paratransit Update: On-Demand Paratransit Pilot

If pilot cost savings do not increase, the MBTA will test new options

**Potential Pilot Improvement Ideas**

**Reduce Cost / Trip**

- **Allow use of UberPOOL (currently utilize LyftLine)**
- Adjust subsidy per trip (decrease from current maximum of $13)
- Increase co-payment per trip (increase from current $2)

**Increase Trip Conversion**

- **Improve customer service / customer experience**
- **Modify trip limits to better match customer's demonstrated need**
- Modify eligibility requirements for entry into pilot
- Create additional pilot for high-volume, high-conversion customers

**Increase Customer Activations**

- **Create re-engagement campaigns to encourage inactive customers**
- Enforce account creation, trip minimum, and smartphone use policies

# Paratransit Update: Pilot Integration into TRAC

**Pilot savings can be increased through coordination with TRAC implementation**

**Options to accelerate savings**

| **Mobility Management** | <ul><li>Inform customers about other transportation options</li><li>Connect customers to other agencies and organizations</li><li>Integrate fixed route options into paratransit service</li></ul> |
|---|---|
| **Non-ADA Trip Offer** | <ul><li>Offer customers trip on a taxi at time of reservation (utilized by NYCT)</li><li>Provide a low-cost alternative for many of the RIDE's 250K annual premium trips</li></ul> |
| **ADA Trip Offer** | <ul><li>Select lowest cost option at time of reservation (MBTA to work with taxi and ride sharing companies and FTA to ensure ADA compliance)</li><li>Represents most significant level of savings</li></ul> |