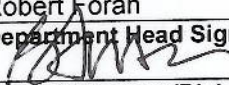





Staff Summary

Subject Paratransit Cost Savings Initiative
Department Chief Financial Officer
Department Head Name Robert Foran
Department Head Signature 
Project Manager/Division Head

Date June 25, 2012
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/25	x		
2	Board	6/27	x		

Internal Approvals			
Order	Approval	Order	Approval
1	Chief Operating Officer 		Civil Rights
3	Chief of Staff 	2	Legal 
	Chief Financial Officer		Administration
	Procurement		Other

Purpose:

To approve the annexed resolution adopting tariff changes necessary to implement a Paratransit cost savings initiative expected to achieve substantial recurring savings in the MTA's Paratransit program. Under this initiative, special Zero Fare MetroCards would be provided to Paratransit-eligible customers, enabling these customers free passage on fixed route services operated by NYCT, MaBSTOA, MTA Bus and SIRTOA. Paratransit-eligible customers would continue to have access to Paratransit services upon demand, just as at present, but also would be issued Zero Fare MetroCards granting them the privilege of access to fixed route services at no cost for a specified number of trips. Projected reductions in the number of trips taken using the more expensive Paratransit service are anticipated to result in Paratransit program savings in excess of \$90 million per year by 2015 and beyond.

Discussion:

At present, MTA's Paratransit program provides 6.6 million trips to eligible participants, with an additional 1.9 million trips to personal care attendants and 500,000 to guests accompanying the ADA Paratransit-eligible customers, for a total annual ridership of nine million. From 2005 to 2010, MTA's Paratransit costs grew approximately 20 percent per year. MTA has already implemented cost-saving measures to try to slow the growth in Paratransit program expenses, including by creating a feeder service for ambulatory riders to the fixed route system, requiring trip-by-trip eligibility for some riders to discourage misuse, using more car services and taxis, which are cheaper than our Access-A-Ride vans, and increasing enforcement of our no-show and late policies. However, even after implementation of these measures, program costs are still forecast to increase 50 percent by 2015 because of demographic factors and the high costs of operating the Access-A-Ride service.

The proposed tariff changes (set forth at Attachment A to the annexed resolution) would permit the Paratransit program to offer Zero Fare MetroCards to Paratransit registrants for optional use on fixed route services offered by NYCT, MaBSTOA, MTA Bus and SIRTOA (other than Express bus service). Based on experiences in other cities, such zero-fare cards can be expected to promote the use of fixed route services by those Paratransit riders who, while eligible to participate in the Paratransit program, are physically able to use the fixed route system for some portion of their travel needs over the course of a year. It is estimated that the increased flexibility and free cost associated with a free fixed-route option for Paratransit registrants will result in use of fixed-route options for more than 15% of the trips currently provided by Paratransit carriers. In total, our analysis estimates that approximately 1.47 million Paratransit trips would move to a fixed route service by 2015. An analysis performed by the MTA Audit Division estimates that this program would reduce the Paratransit budget by approximately 14.25% (based upon an anticipated \$677 million budget in 2015, with estimated savings of \$96.5 million). Similar Paratransit incentive programs have been successfully implemented in Washington, D.C. and Los Angeles. NYCT has analyzed the impact of this diversion of Paratransit customers to fixed route service and has determined that the impact upon dwell times will be negligible.

Pursuant to the Board's authorization and publicly advertised notice, a hearing on the Zero Fare MetroCard proposal was held on June 12, 2012, at which Board members heard testimony from interested members of the public. In addition, by public notice MTA invited written comments on the proposed changes. Copies of the transcript of the hearing and of written comments received have been distributed to all Board members in advance of the June Board meeting for their review.

Testimony and written comments were received from a variety of individuals, including from persons affiliated with organizations representing disabled persons. A number of persons voiced support for adoption of the zero-fare program; others expressed concerns regarding the continued availability of Access-a-Ride services and continued barriers to accessibility of fixed route services. Negative comment was received on the proposed charge of \$20 for replacement of lost cards. In addition, questions were asked concerning the number of fixed route trips per day that would be permitted using the Zero Fare MetroCard.

After taking into consideration these public comments, staff recommends that the Board adopt the tariff changes set forth as Attachment A to the resolution which accompanies this Staff Summary, enabling the Paratransit program to proceed with implementation of the zero-fare cost savings initiative. In connection with Zero Fare MetroCard replacements, the proposed tariff changes have been modified in response to public comment to provide for a replacement charge of no greater than \$10.00, rather than \$20.00 as originally contemplated. Charging a replacement fee serves both to absorb costs NYCT incurs associated with card replacement and to minimize instances of lost or misplaced cards. With respect to the number of free trips per day that would be permitted through use of the Zero Fare MetroCard, it is planned at its inception that the Zero Fare MetroCards issued to Paratransit registrants would provide for four daily trips at no cost to the registrant. (In the case of Paratransit registrants certified as requiring the assistance of personal care attendant, the same Zero Fare MetroCard issued to the registrant would provide simultaneous free passage for his or her attendant for the four daily trips.) The tariff would provide the Paratransit program administrators the flexibility to make future adjustments in the cap on daily trips. It is anticipated that the cap will be periodically reviewed as experience with the new program accumulates.

Recommendation:

It is recommended that the Board approve the annexed resolution, adopting the tariff changes set forth as Attachment A hereto, which will enable staff to initiate implementation of this Paratransit cost savings initiative. The \$90 million plus in savings projected from implementation of this initiative are a significant component of MTA's cost saving measures necessary to achieve a balanced budget.

RESOLUTION
TARIFF CHANGES
PERTAINING TO NYCTA, MaBSTOA, SIRTOA and MTA BUS

WHEREAS, pursuant to Board action on April 25, 2012, staff was authorized to undertake necessary steps, including publishing required notices and conducting a public hearing, in connection with consideration of proposed tariff changes to allow the issuance to Paratransit-eligible customers of a Zero Fare MetroCard that would provide free passage on fixed route services operated by New York City Transit Authority ("NYCTA"); the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"); Staten Island Rapid Transit Operating Authority ("SIRTOA") and MTA Bus Company ("MTA Bus") (collectively, the "MTA Agencies"), other than Express bus service;

WHEREAS, the Zero Fare MetroCard proposal is a Paratransit cost savings initiative projected to achieve recurring savings in the MTA's Paratransit program in excess of \$90 million per year by 2015 and beyond;

WHEREAS, adoption of the proposal would not curtail the right of Paratransit-eligible customers to use Paratransit services, with Paratransit-eligible customers receiving Zero Fare MetroCards that offer free passage on fixed route services continuing to have access to Paratransit services upon demand, as at present;

WHEREAS, issuance of Zero Fare MetroCards is expected to promote the use of fixed route services by those Paratransit riders who, while eligible to participate in the Paratransit program, are physically able to use the fixed route system for some portion of their travel needs over the course of a year; and based on experiences in other cities, it is anticipated that the increased flexibility and free cost associated with a free fixed-route option for Paratransit registrants will result in use of fixed-route options for more than 15% of the trips currently provided by Paratransit carriers, thereby reducing the number of trips that otherwise would be taken by Paratransit-eligible customers using more expensive Paratransit services;

WHEREAS, notices of public hearing on proposed tariff changes needed to implement Zero Fare MetroCards were prepared and posted by the MTA Agencies at transportation facilities of these agencies; and advertisements of said public hearing were contemporaneously published by the MTA Agencies, appearing on May 17, 2012, in *The New York Post*, *El Diario* and in *The Amsterdam News*; and on May 25, 2012 in *Matilda Ziegler Magazine for the Blind*.

WHEREAS, a public hearing was conducted by the MTA Agencies on June 12, 2012, at Reeves Great Hall of the Fashion Institute of Technology, located at the northwest corner of 27th Street & Seventh Avenue, Manhattan, at the time set forth in the aforesaid notice of public hearing, at which all persons appearing who wished to

comment on the proposed tariff changes were permitted to speak and written comments for inclusion in the record of the proceeding were invited;

WHEREAS, the Boards of MTA, NYCTA, MaBSTOA, SIRTOA and MTA Bus, have considered the testimony of the public at the public hearings and the written comments that were submitted;

WHEREAS, the Boards of MTA, NYCTA, MaBSTOA, SIRTOA and MTA Bus have considered the financial circumstances of the MTA Agencies and the impacts of proposed fare changes upon riders of mass transportation services, including minority and low-income users of such services;

NOW, THEREFORE, upon motion duly made and seconded, the following resolution was adopted by the Boards of MTA, NYCTA, MaBSTOA, SIRTOA and MTA Bus:

RESOLVED, that consistent with the requirements of section 1205 and 1266 of the Public Authorities Law that fares be established as may in the judgment of the MTA be required to maintain the combined operations of the MTA and its subsidiary corporations on a self-sustaining basis, and as may in the judgment of the NYCTA be necessary to maintain the operations of NYCTA and its subsidiary corporation MaBSTOA on a self-sustaining basis, the Boards of MTA, NYCTA, MaBSTOA, SIRTOA and MTA Bus hereby approve the tariff changes set forth in Attachment A hereto for NYCTA, MaBSTOA, SIRTOA and MTA Bus; and the Presidents of each of NYCTA, MaBSTOA, SIRTOA and MTA Bus, and their designees are hereby authorized and directed to take such steps as may be necessary or desirable to implement such tariff changes on the vehicles and facilities of their respective agencies.

June 27, 2012
New York, New York

ATTACHMENT A

I. INTRODUCTION

1. This Tariff delineates the fares charged for regular scheduled bus and subway service operated in the City of New York by the New York City Transit Authority (NYCTA), the MTA Bus Company (MTABC), the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) and the Staten Island Rapid Transit Operating Authority (SIRTOA) and for Paratransit service operated under contract for the NYCTA.
2. Basic fares charged by the NYCTA, MTABC and NYCTA Affiliates may be paid by SingleRide Ticket, value-based MetroCard (also referred to as Regular MetroCard), time-based MetroCard, or cash (on buses only).

Regular Fare Services (Subway, Local Bus, and SIRTOA)

<u>Fare Category</u>	<u>Fare/Fare Medium</u>
Basic Fare	<ul style="list-style-type: none"> -- A valid SingleRide Ticket (sold for \$2.50) or the deduction of \$2.25 from a valid value-based MetroCard. --Payment of \$2.25 with combination of MetroCard then coin on buses only. --Payment of \$2.25 in exact change on buses only. --Swipe or dip of valid time-based MetroCard*
Senior Citizen/Disabled—Subway	<ul style="list-style-type: none"> --\$2.25 Round Trip or the deduction of \$1.10 per trip from a valid Reduced Fare MetroCard. --Swipe of valid time-based Reduced Fare MetroCard.*
Senior Citizen/Disabled--Local Bus	<ul style="list-style-type: none"> --\$1.10 in exact change or one NYCTA Return-Trip Coupon or the deduction of \$1.10 from a valid Reduced Fare MetroCard or the payment of \$1.10 with a combination of Reduced Fare MetroCard then coin. --Dip of valid time-based Reduced Fare MetroCard.*
Senior Citizen/Disabled—SIRTOA	<ul style="list-style-type: none"> --\$1.10 or the deduction of \$1.10 from a valid Reduced Fare MetroCard. --Swipe of valid time-based Reduced Fare MetroCard.*
<u>ADA Paratransit-eligible person approved for Paratransit services</u>	<u>--Swipe of valid Zero Fare MetroCard</u>
Students with Bus Half-Fare School Pass	\$1.10
Children 44" & Under Accompanied by Adult	Free

*See Section I.7, page 3, for complete list of time-based MetroCards (unlimited ride passes).

II. REGULAR FARE SERVICES
(continued)

D. Transfers (continued)

14. Transfers from NYCTA Paratransit Service for Individuals with Disabilities. Transfers from NYCTA Paratransit service are honored on all NYCTA/MaBSTOA/MTABC local bus routes at locations indicated on the Paratransit transfer, subject to the following conditions:
 - a. Individuals with disabilities presenting NYCTA Paratransit transfers must present a valid Paratransit Identification Card, as outlined in Chapter IV, Section B, Paragraph 5 of the "NYCTA & Affiliates, MTABC Tariff."
 - b. Guests who are accompanying individuals with disabilities transferring from NYCTA Paratransit may also present NYCTA Paratransit transfers for travel on NYCTA/MaBSTOA/MTABC local bus routes. No more than one guest is permitted per certified Paratransit rider.
15. Transfer of Express Bus Passengers to Subways or Local Buses or SIRTOA. NYCTA/MaBSTOA/MTABC express bus passengers may transfer free to any subway line or NYCTA/MaBSTOA/MTABC local bus route or SIRTOA train subject to the following conditions:
 - a. Regular and reduced-fare NYCTA/MaBSTOA/MTABC express bus passengers using value-based MetroCards and having the appropriate fare deducted on the express bus may transfer free to any NYCTA subway line upon swiping the MetroCard at any station entry turnstile; or to any NYCTA/MaBSTOA/MTABC local bus route by dipping the MetroCard in the local bus farebox; or to SIRTOA by swiping the MetroCard through the turnstile to enter or exit SIRTOA at St George or Tompkinsville if entering or exiting SIRTOA at either station. The transfer must be used within two hours of the initial fare deduction.
16. Mutilated Transfers. Mutilated transfers of any kind will not be accepted. A passenger presenting a mutilated transfer must pay the appropriate fare.
17. An electronic paper transfer may only be used by the passenger to whom it was issued.

II. REGULAR FARE SERVICES
(continued)

F. Free Transportation (continued)

- g. MTABC managers and non-represented employees, and other employees to the extent provided in collective bargaining agreements, with proper identification pass, may ride free on MTABC local and express buses. Employees of NYCTA & affiliates are not entitled to ride free on MTABC.
- 2. NYCTA/MaBSTOA/MTABC Only. The following persons will be carried at no charge on regular scheduled NYCTA subway and NYCTA/MaBSTOA/MTABC local bus service:
 - a. Individuals using an NYCTA Temporary Transportation Pass or a Mobility Instructor Pass when accompanied by a disabled person being trained to travel on NYCTA/MaBSTOA/MTABC trains and buses.
- 3. NYCTA Subway/SIRTOA Only. The following persons will be carried at no charge on regular scheduled NYCTA subway and SIRTOA train service:
 - a. New York City Youth Services and Board of Education groups presenting Certificates of Free Transportation, during the following off-peak hours only:
 - NYC Youth Services: Monday to Friday: 9:00am to 4:00pm/7:00pm to 11:30pm; Weekends/Holidays: 9:00am to 11:30pm.
 - Board of Education: Monday to Friday: 9:30am to 3:00pm.
- 4. NYCTA Subway Only. The following persons will be carried at no charge on regular scheduled NYCTA subway service:
 - a. Individuals entitled to free entry to the subway system only when a Transit System Entrance Voucher is submitted for that individual by a Police Officer to a station agent.
 - b. Authorized student groups from Nassau County presenting LIRR Group Transportation Voucher.
- 5. NYCTA Subway/SIRTOA and NYCTA/MaBSTOA/MTABC Local Bus. The following persons will be carried at no charge on regular scheduled NYCTA Subway and NYCTA/MaBSTOA/MTABC local bus service.
 - a. An ADA Paratransit-eligible person presenting a Zero Fare MetroCard, provided the maximum number of free trips per day authorized by the Zero Fare MetroCard issued to such person has not been exceeded at the time of presentation.
 - b. Personal Care Attendants accompanying ADA Paratransit-eligible persons who are certified on their Paratransit Identification Cards or Zero Fare MetroCards as requiring the assistance of a Personal Care Attendant.

6. SIRTOA Only. The following persons will be carried at no charge on regular scheduled SIRTOA train service:
 - a. Individuals displaying SIRTOA Visitor or SIRTOA Summer Youth Program Pass.

IV. PARATRANSIT SERVICES

A. Covered Services

1. This section delineates the fares governing Paratransit services provided by the NYCTA **and also addresses issuance by NYCTA of revocable Zero Fare MetroCards.**
2. NYCTA Paratransit service may be provided either by the NYCTA or via contracted private services.
3. **NYCTA has the discretion to issue revocable Zero Fare MetroCards to ADA Paratransit-eligible persons who have been approved to receive Paratransit services.**
4. **The Zero Fare MetroCard shall permit one or more free trips per day within New York City on subway and bus services (other than Express bus services) provided by NYCTA, MaBSTOA, MTABC, and SIRTOA.**
5. **The maximum number of free trips per day permitted by the Zero Fare MetroCards is subject to determination by NYCTA.**

B. Regular Fares

1. A Paratransit passenger paying \$2.25 in exact fare or presenting a TransitChek Access-A-Ride Coupon or presenting a valid NYCTA/MaBSTOA/MTABC local bus transfer (provided the local bus trip was part of a prearranged trip), is entitled to make a prearranged one-way trip on Paratransit services provided by the NYCTA, subject to the conditions below.
2. A Paratransit passenger whose prearranged one-way Paratransit trip entails a transfer to a NYCTA/MaBSTOA/MTABC local bus is entitled to receive a Paratransit transfer at no additional charge.
3. **A Paratransit passenger is entitled to use Paratransit services in conjunction with his or her use of the Zero Fare MetroCard on subway and bus services (other than Express bus services) provided by NYCTA, MaBSTOA, MTABC, and SIRTOA.**
4. **An ADA Paratransit-eligible person presenting a Zero Fare MetroCard is permitted to ride on subway and bus services (other than Express bus services) provided by NYCTA, MaBSTOA, MTABC, and SIRTOA without payment of fare, provided the maximum number of free trips per day authorized by the Zero Fare MetroCard issued to such person has not been exceeded.**
5. **An ADA Paratransit-eligible person** must present valid identification indicating that he or she is eligible for Paratransit service. The following identification is acceptable:
 - a. A Paratransit Identification Card issued by the NYCTA or the City of New York.
 - b. **A Zero Fare MetroCard issued by the NYCTA.**

IV. PARATRANSIT SERVICES
(continued)

B. Regular Fares (continued)

- c. Visitors are persons with disabilities who do not reside in New York City.
 - (1) A visitor may present documentation that he or she is eligible for Paratransit service under the criteria of U.S. DOT's regulation at 49 C.F.R. §37.125 (implementing the Americans with Disabilities Act) in the jurisdiction in which he or she resides.
 - (2) A visitor who does not have documentation that he or she is eligible for Paratransit service in the jurisdiction in which he or she resides may qualify for service by presenting documentation of his or her place of residence and, if the visitor's disability is not apparent, of his or her disability.
 - (3) Paratransit service for visitors with disabilities will not be provided for more than 21 days in any calendar year without NYCTA Paratransit certification. A visitor with disabilities who requires Paratransit services for more than 21 days must apply for a Paratransit Identification Card issued by the NYCTA.
- 6. Individuals not eligible for Paratransit services will not be permitted to ride a paratransit vehicle, except as follows:
 - a. A Personal Care Attendant accompanying an ADA Paratransit-eligible person who is certified on his or her Paratransit Identification Card as requiring the assistance of a Personal Care Attendant is entitled to make a pre-arranged one-way trip without charge on Paratransit services provided by the NYCTA.
 - b. A single guest accompanying an ADA Paratransit-eligible person who is eligible for Paratransit services is entitled to make a prearranged one-way trip on Paratransit services provided by the NYCTA. Additional guests per certified Paratransit rider are permitted subject to availability of seating as determined by NYCTA. All guests are subject to the same fare as certified Paratransit riders.
- 7. Personal Care Attendants accompanying ADA Paratransit-eligible persons who are certified on their Paratransit Identification Cards or Zero Fare MetroCards as requiring the assistance of a Personal Care Attendant are permitted to ride on subway and bus services (other than Express bus services) provided by NYCTA, MaBSTOA, MTABC, and SIRTGA without payment of fare only when accompanying an ADA Paratransit-eligible person.
- 8. A fee in an amount not to exceed \$10.00 will be assessed for the replacement of lost, stolen or damaged Zero Fare MetroCards.
- 9. Zero Fare MetroCards are for the exclusive use of the person issued the card. Use by any other person will result in confiscation of the card and the elimination of the zero fare privileges.