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PART
Plan of Action for Regional Transit
Northeastern Illinois

C2: Funding ADA paratransit in northeastern Illinois

September 26, 2023

Executive summary

- Due to demographic change, providing paratransit service has become increasingly expensive in the region and nationwide. For this reason, federal-required paratransit services are now taking up a significant and growing portion of RTA sales tax, limiting revenues available to support fixed-route transit service.
- The state should fully fund paratransit operating costs.

The problem: Paratransit service is a critical but unfunded and increasingly expensive federal mandate.

In 1990, the Americans with Disabilities Act (ADA) mandated the provision of comparable transportation services for individuals who are unable to access a fixed-route transit service because of their disability. Deemed "paratransit services," these essential operations remain unfunded by the federal government and have proven to be increasingly costly over time.

By design, ADA paratransit services must be heavily subsidized. U.S. law requires that the fare cost of a paratransit ride cannot exceed twice the cost of a full-fare, similar fixed-route trip.[1] In some places and circumstances, riders pay no fare at all, meaning the paratransit ride is completely subsidized. ADA guidelines also prohibit placing limits on the number of rides

someone can take. Geographically, the service must be provided within a three-quarter buffer around any fixed-route bus or rail transit during the operating hours. Commuter rail is not included in this requirement, so paratransit does not apply to Metra's service coverage.

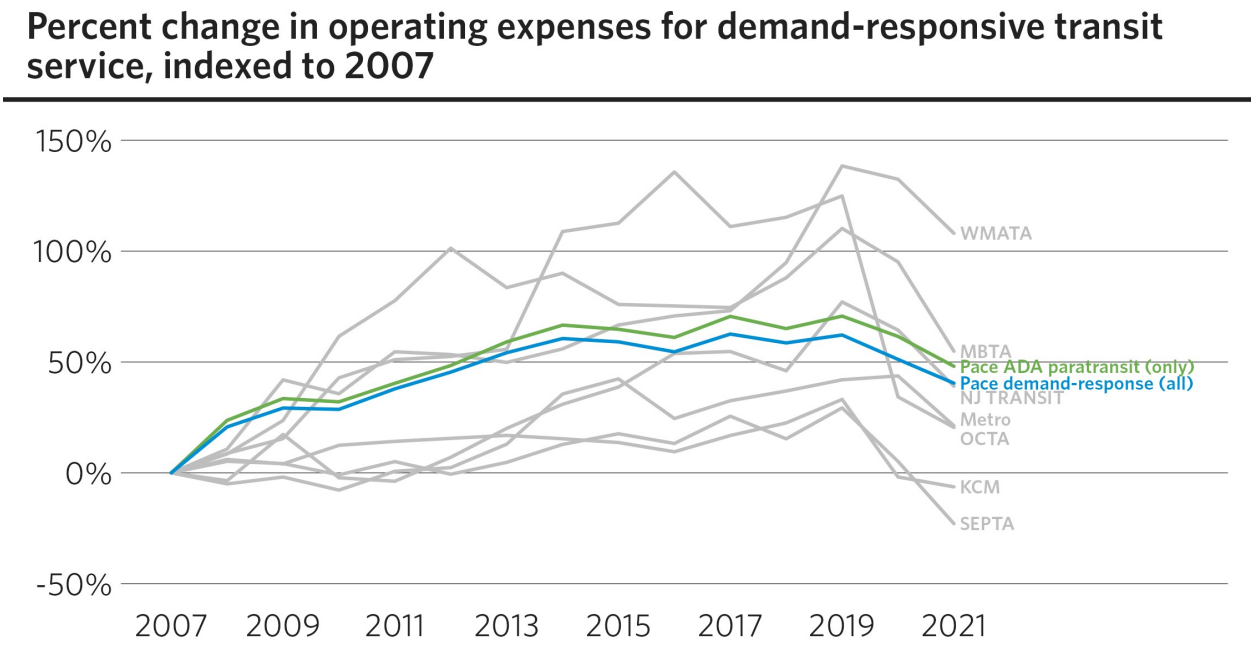
> "Key trends that may drive ADA paratransit demand in the Greater Chicago area include a shift in population from the urban areas of Cook County to Suburban Cook County region and the collar counties; ageing population; and an increase in the population with disabilities and chronic illness. Current demand alone is resulting in unsustainable operational and fiscal burdens, particularly in terms of increasing cost to deliver ADA trips."
>
> – RTA Paratransit Innovation Study[5]

Given paratransit requirements and both the nature and need for the service, paratransit is considerably more expensive than fixed-route transit service. A 2012 report from the U.S. Government Accountability Office (GAO) found that the average cost of an ADA paratransit trip was $29.30, which was about 3.5 times more expensive than the average cost of a fixed-route trip ($8.15).[2] **Figure 1** (below) shows that the percent change in operating expenditures for demand-responsive services[a] have increased markedly between 2007 and 2019 across several transportation agencies. Cost growth trends shifted in 2020 for most agencies in response to the COVID-19 pandemic which resulted in ridership declines. However, despite the temporary dip in cost growth, paratransit ridership is rebounding quicker than other transit modes and providers are expecting to return to high cost growth.

Although paratransit services across the nation have experienced significant cost growth, not all systems have the same level of operating efficiency, which is determined by measuring cost per passenger trip and cost per passenger mile. The Regional Transportation Authority (RTA) periodically performs benchmarking that compares each transit mode in the RTA region to peers, including comparing Pace ADA to other national paratransit providers (**Appendix 3**: Selecting peer paratransit providers.). These comparisons show Pace ADA performed well in operational efficiency compared to peers prior to the pandemic ranking below the peer average in both cost per passenger trip and passenger mile.[3] During the pandemic, from 2020 to 2021, Pace ADA operating cost per passenger trip and passenger mile fell by 12 percent and 17 percent, respectively.[4]

[a] Demand-responsive service is a transit service that responds to requests from passengers and does not follow a fixed route or schedule. Demand-responsive services typically use cars or vans rather than larger buses. ADA paratransit is an example of a federally required demand-responsive service, but there are many other non-mandated services, like dial-a-ride programs.

Figure 1. Demand-responsive service expenses across the US have grown increasingly over time until the onset of the COVID-19 pandemic.



Notes:
1. Pace demand-response (all) includes paratransit and other demand-responsive service, whereas Pace ADA paratransit (only) includes expenses from providing paratransit service. All peer data represents their full demand-responsive service portfolio, including more than just paratransit service costs.
2. The peer agencies are King County Department of Metro Transit (KCM), Massachusetts Bay Transportation Authority (MBTA), New Jersey Transit Corporation (NJ TRANSIT), Southeastern Pennsylvania Transportation Authority (SEPTA), Washington Metropolitan Area Transit Authority (WMATA), Metropolitan Transit Authority of Harris County, Texas (Metro), and Orange County Transportation Authority (OCTA).

Source: CMAP analysis of National Transit Database expense data, based on 2022 constant dollars.

This memo presents options for meeting growing paratransit service costs in the RTA region. Separately, there are alternative service models that might prove to be more cost efficient for paratransit operations over the long-run, such as relying more heavily on other demand-responsive services, like county dial-a-ride services or partnerships with taxis and transportation network companies (e.g., Uber, Lyft). The RTA conducted a paratransit action plan that starts to explore innovations that introduce cost efficiencies, while improving service options for riders.[5] For recommendations related to demand-responsive service provision, including realizing cost efficiencies by altering service provision models, see the companion memo on the PART webpage.[6]

Regional context

In compliance with the ADA, the Chicago Transit Authority (CTA) and Pace began providing paratransit services in 1992. Originally, the CTA operated paratransit within Chicago and Pace was responsible for suburban areas. In 2005, the CTA faced a budget deficit roughly equivalent to the cost of providing its paratransit service.[7,8] In response, the Illinois state legislature amended the Regional Transportation Authority Act in 2005, requiring Pace to operate all regional paratransit service.[9] In addition, the state legislature appropriated $54 million annually from 2005-2007 to help subsidize paratransit operations.[10]

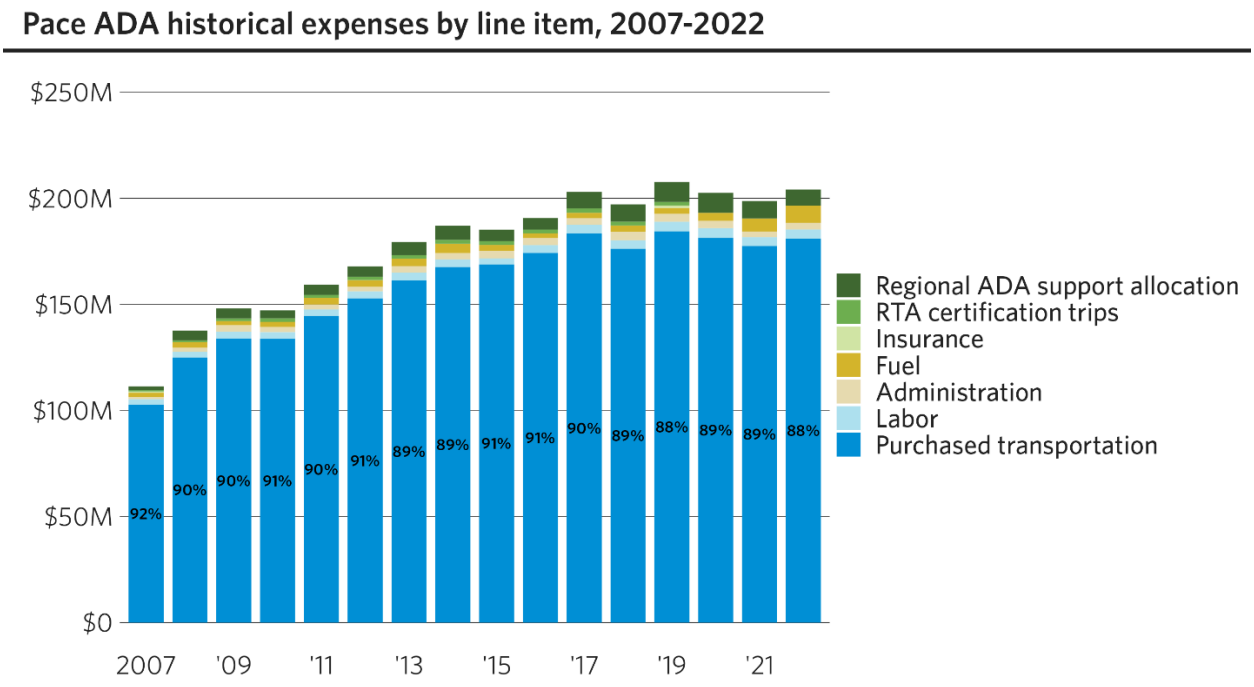
The 2005 RTA Act amendments also made the RTA fully responsible for the funding, financial review, and oversight of the region's paratransit services.[11] However, even after the 2008 transit funding reforms, which dedicated locally-generated sales tax revenues to cover the costs of paratransit services, significant debate remained over how to cover the cost of paratransit without overly drawing down revenues for traditional, fixed bus and train routes.[12]

> "Paratransit is a critical service and a lifeline for people in the disabled community. But the math speaks for itself." - CTA President Forrest Claypool[11]
>
> "RTA Chairman John Gates Jr. sparked controversy recently when he pronounced paratransit 'a limousine service.' Gates later apologized for the remark, saying he let his frustrations get the better of him in regard to the struggle to balance the increasing need for paratransit with the increasing financial losses associated with it."[11]
>
> "Yet if nothing is done to make the service financially sustainable in the long run, the expanding slice of the public-funding pie that is going to paratransit threatens to cannibalize standard bus and rail service, CTA officials said."[11]

Concerns over paratransit's cost are understandable given its regional funding implications. Like trends observed across the country, the cost of Pace ADA paratransit has grown dramatically (see **Figure 2**). In the RTA region, fixed-route service provided by the service boards has experienced much more gradual cost growth compared to paratransit trends. The region's paratransit costs are driven by purchased transportation – an expense category representing the paratransit service provided by private companies or organizations under contract with Pace.[13]

The onset of the COVID-19 pandemic did not alleviate the region's paratransit costs. In 2020, the RTA reported an operating cost per paratransit trip of $75, which was a 78 percent increase in cost compared to 2019.[14] This drastic increase in operating cost per trip was due to a significant, pandemic-driven decline in ridership and relatively unchanged total expenses. In addition, to implement social distancing measures, Pace transitioned to single rides instead of shared ones, increasing costs despite less demand.

Figure 2. Pace ADA paratransit costs have nearly doubled from 2007-2022.



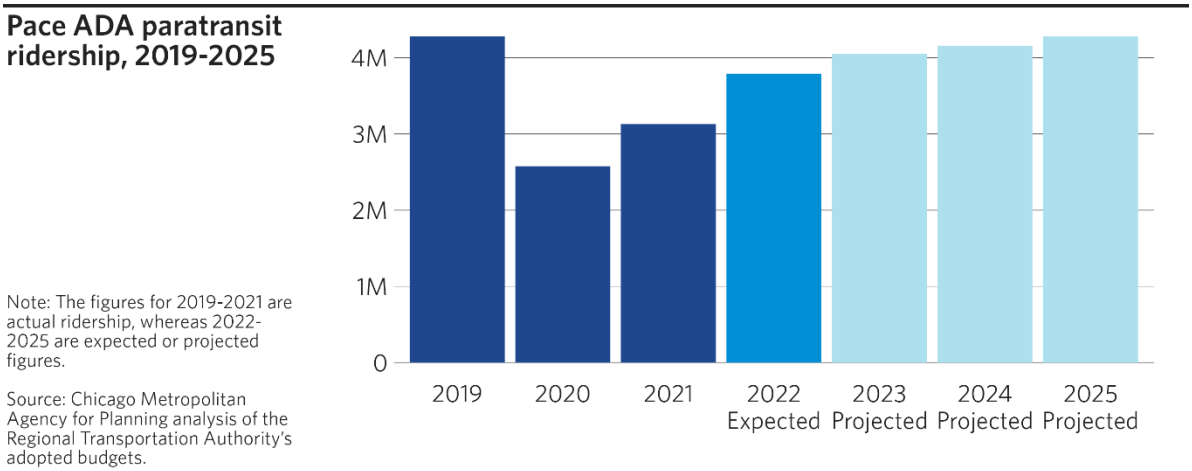
Source: CMAP analysis of RTA budget data, adjusted to 2022 constant dollars.

Note: Budget figures for 2022 are unaudited as of March 2023. Percentages may exceed 100% due to rounding.

Paratransit ridership dropped by 1.7 million at the height of the pandemic but recovered quicker than other transit ridership in the RTA region. In 2019, Pace provided over 4.2 million paratransit rides.[15] The RTA expects paratransit ridership to be at roughly 95 percent of pre-pandemic ridership by 2023 and fully rebounded to pre-pandemic ridership levels by 2025 (approximately 4.3 million rides). In comparison, Metra is anticipated to reach 47 percent of pre-pandemic ridership in 2023 and recover to 70 percent by 2025, while the CTA is expected to reach 58 percent ridership recovery in 2023 and 67 percent by 2025. Pace Suburban Service — transit services not including ADA paratransit — is expected to have about 51 percent of pre-pandemic ridership in 2023, which is estimated to grow to approximately 52 percent by 2025.[16]

Between increasing expenses and growing user demand for paratransit, the RTA faces significant challenges in sustainably funding this mandatory service.

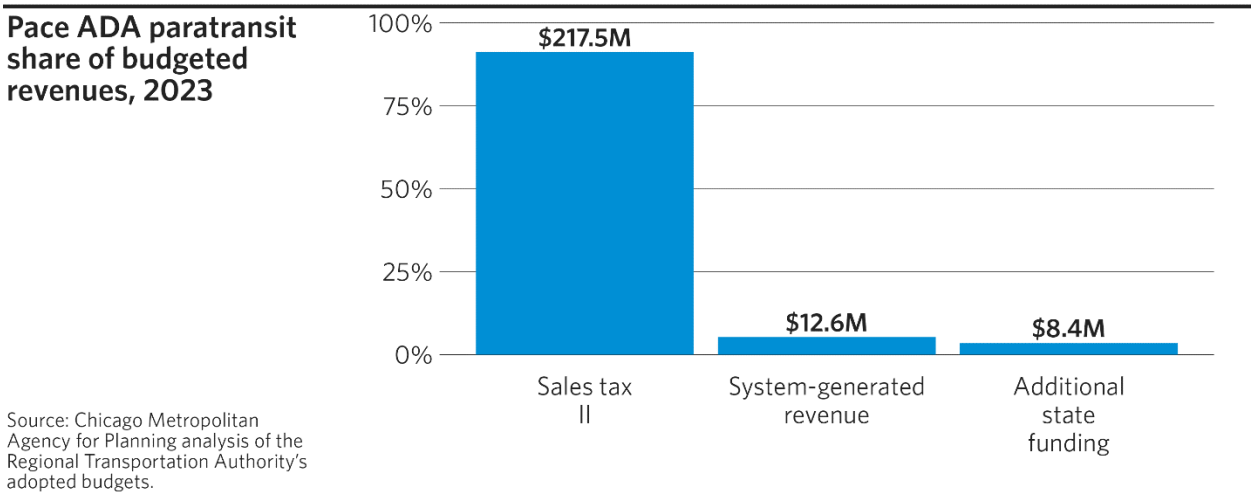
Figure 3. Pace ADA paratransit ridership is expected to fully rebound post-pandemic.



Most regional paratransit funding is from the RTA sales tax

Paratransit receives funding from three sources: system-generated revenues (e.g., fares), line-item state funding, and the RTA sales tax. The sales tax comprises an overwhelming share of the total paratransit funding (**Figure 4**).

Figure 4. Sales tax II revenues provide the greatest share of funding for paratransit.

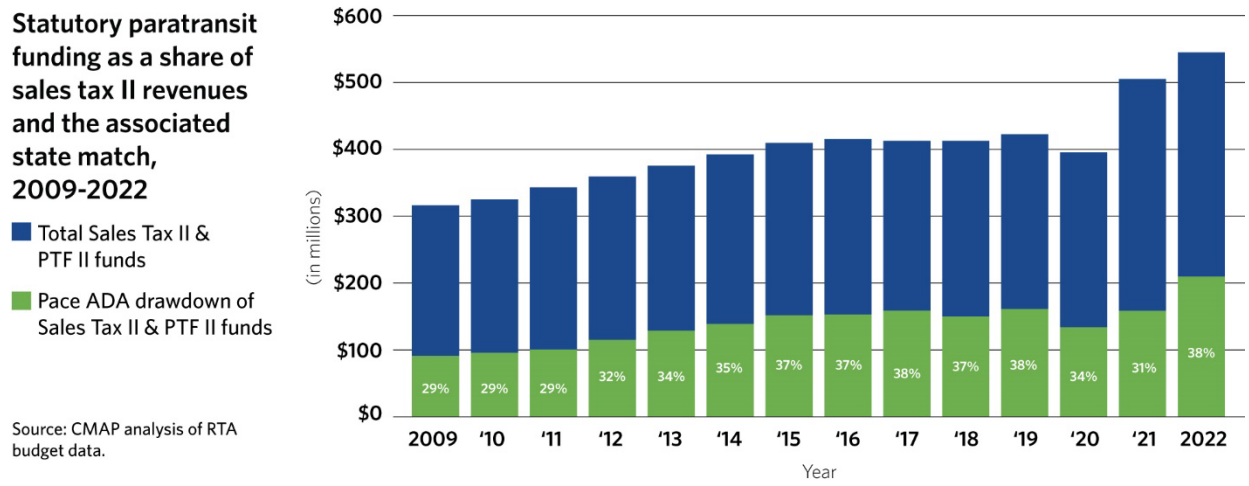


Prior to the 2008 reforms, despite annual state funding allocations, paratransit faced an operating deficit in the region.[17] Through the reforms, the state legislature reduced its annual appropriations for paratransit and replaced state paratransit funding with a 0.25 percent increase in the RTA sales tax rate (ST II) and an increase in the state match of local sales tax revenues provided through the Public Transportation Fund (PTF II). The state required that

revenues from ST II be allocated to cover paratransit prior to funding other, fixed-route transit service in the region.[18]

In 2009, paratransit cost accounted for 29 percent of combined ST II and PTF II funds.[b] Over time, however, the share of ST II and PTF II allocated to paratransit has grown, reaching 38 percent in 2022. As a result, paratransit costs accounted for about $118 million more in 2022 than in 2009 (**Figure 5**).

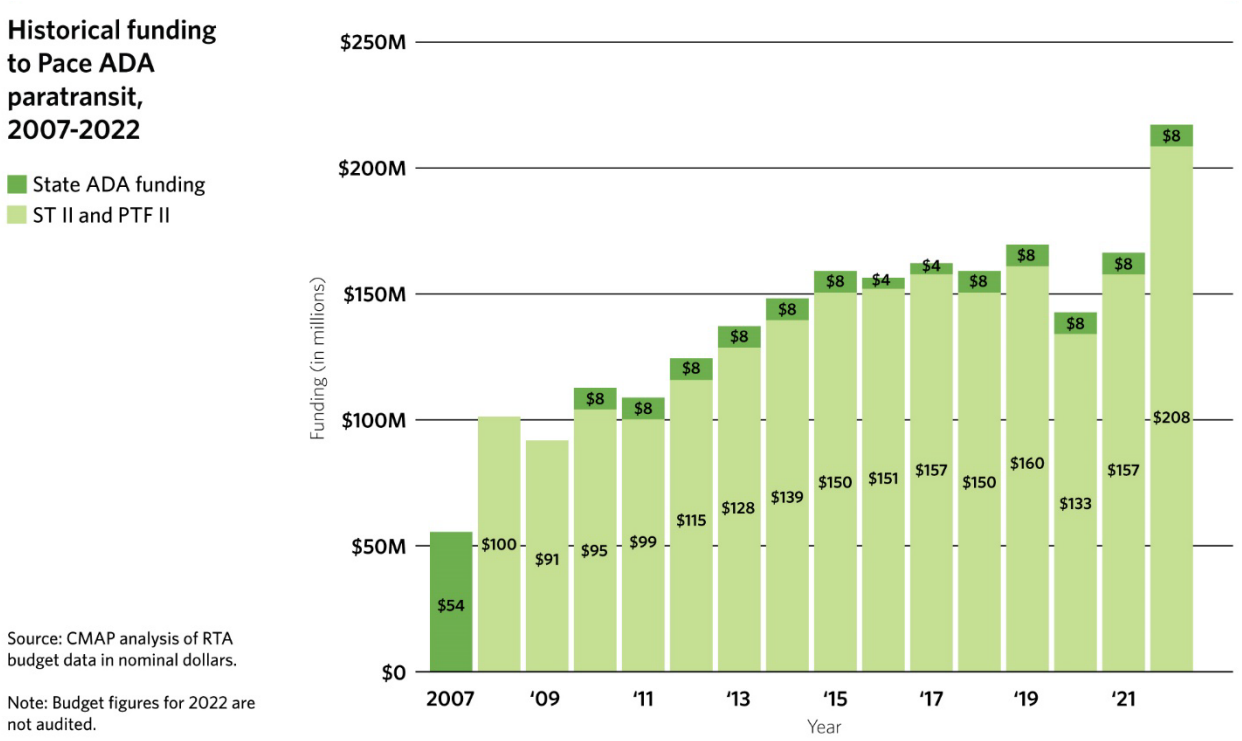
Figure 5. Pace ADA grew as a share of Sales Tax II and Public Transportation Fund II revenues.



The 2008 funding reform effectively shifted the paratransit funding burden from the state to the RTA service region. Although the state reduced its dedicated paratransit support by decreasing annual appropriations, it increased discretionary transit funding through the state match on the RTA sales tax. The state also provided more funding via the increased RTA sales tax rate and the increased state match, which initially helped to offset the region's greater responsibility to fund paratransit. However, this funding solution has failed to address continued growth in paratransit costs. Coupled with growing demand, paratransit services have increasingly commanded ST II revenues over time, leaving less funding for fixed-route transit service.

[b] The Public Transportation Fund (PTF II) was authorized by the 2008 transit funding reforms, providing a state match on RTA sales tax II receipts and the City of Chicago real estate transfer tax (also referred to as Chicago RETT). After allocating the matched funds on RETT to the CTA, the remaining PTF II funds are allocated to the service boards based on the same statutory formula used to allocate the sales tax II: CTA 48%, Metra 39%, and Pace 13%.

Figure 6. State support for paratransit has dwindled over time, while other public revenues have increased.



Peer approaches to paratransit funding

Some peer metropolitan regions fund paratransit differently, such as dedicating state general fund revenues (e.g., Minneapolis-St. Paul). **Table 1** provides a summary of peer approaches to funding paratransit service. The table includes the peer paratransit operating cost, the sources that fund the mandate, and any anticipated changes to their funding approach. **Appendix 2**: Peer paratransit service revenue sources contains more details on the funding approaches, while **Appendix 3**: Selecting peer paratransit providers. outlines peer selection criteria.

Table 1. Selected peer paratransit funding.

Paratransit service	Operating cost	Public revenues and fares	Upcoming changes
Minneapolis-St. Paul (2023 Budget)	$99.7M	State general fund appropriation: $56M Federal COVID aid: $37M Fares: $8M	In 2025: annual state obligation to fully fund paratransit

New York City (2022 Budget)	$497M	Urban real estate tax: $31M City reimbursement: $215M Drawn down from NYC transit fixed-route transit funding: $230M Fares: $20.5M	In FY24 and FY25, NYC is required to cover about 80 percent of the cost of paratransit.
Los Angeles (2023 Budget)	$218M	FTA Section 5310 funds: $73M Prop C (sales tax): $67M Prop M (sales tax): $15.5M	
Washington, D.C. (2023 Budget)	$194M	Public revenues from DC, Maryland, and Virginia governments charged based on the residence of the paratransit user: $192.5M	
Chicago (Pace ADA) (2023 Budget)	$238.5M	Sales tax II: $217.5M State appropriation: $8.4M Fares: $12.6M	

Recommendation: Fully fund paratransit service

The state should provide full funding for paratransit service, less system-generated revenues, by amending the RTA Act and enshrining this support in law. In 2007, state support for paratransit ($54 million) provided 59 percent of the funding needed to operate paratransit in northeastern Illinois. Currently, dedicated funding from the state makes up only 4 percent ($8 million) of the paratransit budget. Limited state support combined with growing paratransit costs are reducing the overall funding available for fixed-route Pace Suburban Bus, Metra, and CTA service via ST II.

Although PART does not specify a particular source for increased funding, the state should consider the role that paratransit plays as a human service. As such, funding may be available from non-transportation sources like Medicaid.[c] The state could also pursue a legislative agenda that secures federal funding to fulfill the paratransit mandate established by the Americans with Disabilities Act.

[c] As an example, state Medicaid agencies provide for non-emergency transportation to and from medical appointments under the non-emergency medical transportation (NEMT) program, which can include public transportation. See https://www.medicaid.gov/medicaid/benefits/assurance-of-transportation/index.html.

Evaluation[d]

Policy

Category	Rating	Rationale
Mobility	High	Increased state support for paratransit frees up public revenues to support existing (or expanded) fixed-route service, while meeting ongoing mandates to provide transportation for the region's vulnerable populations.
Equity	Medium	Service for vulnerable populations using paratransit does not change based on the revenue source because it is mandated.
Revenue sustainability	Low	As seen in the past, state appropriations to support paratransit service can be reduced or eliminated.
Environment	Medium	It is likely that there is no incremental effect on greenhouse gas emissions.
Economy	Medium	Increased state support has no direct impact on economic growth or productivity.
Regional benefit	Regional	The region would be able to fund more fixed-route transit service in the region, while continuing to provide paratransit service that is supportive of public health benefits for residents.

[d] To evaluate different recommendations, CMAP developed a rubric for both policy impact and process difficulty. Policy evaluations are ranked from low to high. "High" means the recommendation would lead to significant improvements in the policy outcome (e.g., greater mobility or additional access to economic opportunities); "Medium" means the recommendation would have a neutral or minimal impact (e.g., no significant impact on transit ridership); and "Low" means the recommendation would worsen policy outcomes (e.g., having a disproportionate impact on low-income communities). For the "Regional benefit" category, the options are "Urban," "Suburban," and "Regional," designating where benefits are concentrated. For all process evaluation categories except timing, the scale ranges from "Low" (difficult) to "High" (easy or relatively straightforward). For "Timing," the options are "Near" (implementation could happen between now and 2026), "Medium" (implementation could occur between 2026 and 2028), and "Long" (implementation would likely be beyond 2028).

Process

Category	Rating	Rationale
 **Administrative feasibility**	High	The General Assembly already provides a relatively small appropriation to the RTA to support Pace ADA paratransit.
 **Political feasibility**	Medium	The General Assembly previously funded paratransit to a greater extent ($54M).
 **Timing**	Near	Increased state revenues to support paratransit can be realized by the end of 2025.
 **State span of control**	High	The General Assembly has complete and unilateral control over state appropriations.

Implementation steps

State legislative action
The Illinois General Assembly would need to increase the existing annual appropriation. Reasonable options could include increasing support to $110 million (half funding) or $220 million (full funding).

Risks

The cost of providing paratransit service continues to increase. Annual state support should not be a fixed, nominal figure. Instead, state appropriations should be tied to the percent change in paratransit operating cost or another measure that accounts for trends in cost growth or inflation.

Appendix 1: Other funding options explored

Other funding options for paratransit service were explored by PART. The following options for paratransit funding are based on the historical and existing RTA paratransit funding and a review of peer paratransit funding. Due to the undue burden these options would place on other jurisdictions and/or funding needs, these options are considered less viable or unsustainable funding solutions for funding paratransit.

- Jurisdictions where Pace paratransit operates could provide local contributions to fund a portion of the budget (New York model).
- The General Assembly could direct the Illinois Department of Transportation (IDOT) to flex eligible funds to Federal Transit Administration (FTA) Section 5310, which provides funding to improve mobility for seniors and individuals with disabilities and can be used for paratransit service (Los Angeles model).

New York model: Require local contributions from counties in the RTA region and Chicago.

As a condition of receiving increased state support to fund paratransit, this option envisions the state requiring a local contribution from jurisdictions where Pace provides paratransit service. Incorporating a local contribution alleviates both the funding burden on the RTA sales tax and the need for full state support for paratransit. However, shifting some of the funding burden to jurisdictions in the RTA region places a financial obligation onto the local governments where residents benefit from paratransit service. Determining how to distribute the cost of the local contribution throughout the RTA region would require a process to identify an equitable and efficient mechanism for implementation.

This option aligns with the local “city reimbursement” revenue source that New York City provides to fund paratransit. It is also similar to the Washington, D.C. model wherein local governments benefiting from WMATA’s transit services provide funding to WMATA for both fixed-route transit and paratransit services.

As an example, Pace ADA requires about $220 million in sales tax revenue to fund paratransit in 2023. If the state appropriated funds to cover half of paratransit operations ($110 million) and required a local match from jurisdictions in the RTA region amounting to 25 percent of the total paratransit funding need (collectively, $55 million), 75 percent of costs would be covered. The remaining portion of paratransit costs (25 percent) could come from RTA sales tax revenues, which would shrink the overall burden from $220 million to $55 million.

Evaluation

Policy

Category	Rating	Rationale
 **Mobility**	High	Local support for paratransit frees up RTA sales tax revenues to support fixed-route service, while continuing to comply with ADA requirements that provide transport for a vulnerable population in the region.
 **Equity**	Varies	Impact on equitable outcomes is dependent on how a local contribution is implemented across jurisdictions in the RTA region.
 **Revenue sustainability**	Medium	Distributing responsibility for paying for paratransit across state actors can help manage long-term cost growth.
 **Environment**	Medium	It is likely that there is no incremental effect on greenhouse gas emissions.
 **Economy**	Medium	A local contribution is unlikely to have an impact on regionwide economic growth or productivity.
 **Regional benefit**	Regional	Providing a local contribution frees up more funding for other transit service in the region, while continuing to meet demand for paratransit service and complying with ADA requirements.

Process

Category	Rating	Rationale
 **Administrative feasibility**	Low	A local contribution for paratransit service would require a new funding transfer mechanism.

Political feasibility	Low	Local jurisdictions would likely oppose the fiscal requirements, but they could serve as an incentive to secure a state match.
Timing	Medium	Although the local contribution would require a new funding transfer mechanism, it could be implemented by 2026.
State span of control	Medium	While the state could require a local match to unlock state paratransit funding, it cannot force the jurisdictions to ultimately provide the local contribution. Enforceability is a concern of this approach.

Implementation steps

State legislative action
Under this scenario, the Illinois General Assembly could increase the existing annual appropriation to $110 million (half of the funding needed), conditional on a 25 percent local contribution from the jurisdictions in the RTA region.

Regional action
The region would need to devise a plan to distribute the cost of the local contribution throughout the RTA region in an equitable and efficient way.

Risks

While the state could specify a local contribution to unlock the state appropriation for paratransit funding, it cannot force the RTA region to ultimately provide the match. Depending on how the legislature dedicates the funding, if the local governments fail to provide the contribution, the state funding could be rescinded, meaning other public funding sources (currently RTA sales tax) would need to pay for paratransit operations.

Los Angeles model: Flex eligible funding to FTA Section 5310 for paratransit.

The General Assembly could direct IDOT to flex *additional* eligible transportation funding to FTA Section 5310, which is a funding program to improve mobility for seniors and individuals with disabilities. Paratransit costs are eligible for Section 5310 funding, and any additional funding that is flexed to Section 5310 could be used to fund paratransit without taking funding from existing uses.

The RTA currently uses most of the Section 5310 funding they receive from IDOT to update and centralize county demand-response services (e.g., dial-a-ride) and to support organizations that transport seniors and individuals with disabilities to and from work, educational, or other programs. Funding these programs reduces the ridership demand for paratransit services experience, alleviating some costs that would otherwise be borne by Pace ADA. Under this option, the RTA could continue to provide existing Section 5310 funding levels to support demand-response services and organizations transporting seniors and individuals with disabilities, while allocating additional flexed funding to directly cover paratransit costs.

Evaluation

Policy

Category	Rating	Rationale
Mobility	High	Using additional flexed funds in Section 5310 for paratransit frees up RTA sales tax revenues to expand fixed-route service, while continuing to comply with ADA requirements that provide transport for a vulnerable population in the region.
Equity	Moderate	Changes in paratransit funding are neutral with respect to vulnerable region travelers.
Revenue sustainability	Low	Relying on flexing eligible funds may not be a financially sustainable solution in the long-term.
Environment	Medium	It is likely that there is no incremental effect on greenhouse gas emissions.
Economy	Medium	It is unlikely that flexing funds to Section 5310 will impact regionwide economic growth.
Regional benefit	Regional	Providing additional paratransit funding to Section 5310 frees up more funding for other transit service in the region, while continuing to meet demand for paratransit service and complying with ADA requirements.

Process

Category	Rating	Rationale
 **Administrative feasibility**	High	Although flexing funds to Section 5310 may be a new practice, the general process of flexing funds has been proven in other jurisdictions and does not require a new implementation mechanism.
 **Political feasibility**	Low	Flexing funding to Section 5310 is not a sustainable solution, and it would require drawing down funding from another transportation use or program if the flexed funds are not replaced.
 **Timing**	Near	Flexing additional funds to Section 5310 can be realized before 2026.
 **State span of control**	High	The state has the authority to direct IDOT to flex additional funding to Section 5310 for the RTA region.

Implementation steps

State legislative action
The Illinois General Assembly could direct IDOT to flex eligible transportation funding to Section 5310 for the RTA to dedicate to paratransit costs.

Regional action
The RTA would need to allocate the additional Section 5310 funding to the Pace ADA budget.

Risks

Flexing eligible funds to Section 5310 is not financially sustainable solution because it relies on allocating transportation funds for a different use without replenishing the source fund with additional revenues. This practice could benefit paratransit to the detriment of another transportation-related program or use.

Appendix 2: Peer paratransit service revenue sources

Minneapolis: State general funds cover most, and soon all, of paratransit costs.

The Minnesota Legislature currently provides General Fund appropriations for the Minneapolis paratransit service, Metro Mobility (MM). For 2023, the Minnesota state budget appropriated almost $56 million from the General Fund to MM, which is more than half of its budgeted operating revenues.[19] However, the Minnesota Legislature recently approved the establishment of MM as a forecasted program in the state budget.[20] Therefore, starting in July 2025, MM will be included in the state budget, and paratransit services will be fully funded by obligations from the state General Fund.[21]

Boston: Paratransit does not have a specific funding mechanism.

MBTA is an example of a transit agency with a stronger state role, as it is a unit of the Massachusetts Department of Transportation. The funding mechanisms and sources are less clearly articulated, and little public information exists to detail the sources that subsidize MBTA's paratransit service. As such, MTBA serves as an example of full state funding for paratransit.

New York City: Local revenue sources fund more than half of the paratransit budget.

Among peer examples, the New York City (NYC) local government provides the largest portion of dedicated paratransit funding, coming to $212 million in 2022. This represents 50 percent of paratransit expenses, a level mandated by the state in its 2020 budget.[22] In addition, for FY24 and FY25, the state budget requires the New York City local contribution ("city reimbursement") to be 50 percent of the cost of paratransit, plus an additional 30 percent (capped at $165 million annually).[23]

Previously, between 1993 and 2020, NYC was providing funding for 33 percent of remaining paratransit costs each year after accounting for fare and urban tax revenues and excluding administrative expenses, according to an agreement between NYC and the Metropolitan Transportation Authority (MTA). [24] This requirement is often referred to as the "city reimbursement."

The two other revenue sources for NYC paratransit operations are fares and urban tax revenues. Fare revenues comes from reduced fares collected from riders, and the urban tax revenues represent 6 percent of gross revenues from two property taxes – the Mortgage Recording Tax and Real Property Transfer Tax. The adopted 2022 MTA budget for NYC paratransit projected $20.5M in fare revenue and $31.0M in urban tax revenues.[25] Even with the NYC "city reimbursement," NYC paratransit faced over a $200M budget deficit in 2022, requiring NYC transit agency to fund the remaining operations by diverting general transit funds or other flexible funding sources.

New York Governor Kathy Hochul released the FY 2024 Executive Budget in February 2023, proposing that NYC contribute an additional $500M per year to fund paratransit services and student MetroCards.[26] This would make NYC responsible for 100 percent of the cost of paratransit service.[27] Although this was not in the approved budget, it points to an appetite for increased local funding for paratransit in the New York City region moving forward.

Los Angeles: County sales taxes and flexing federal dollars fund paratransit services.

Access Services is the Los Angeles County Consolidated Transportation Services Agency and administers ADA-compliant paratransit services for the region.

For 2022, Access Services relied on $123 million in federal funds, which is more than half of its total operating funds. Access Services is expecting nearly $50 million from ARPA equivalent funds and $73 million from FTA Section 5310 funds[28], a federal formula program aimed at improving mobility for seniors and individuals with disabilities.[29] For system-generated revenues, paratransit fares raise $8.6 million in revenues, making up only 3.9 percent of total operating funds.

In terms of local funding sources, Access Services receives funding from two Los Angeles County sales tax revenue streams. Prop C is a half-percent sales tax[30], from which Access Services expects to receive almost $58 million (26 percent share of operating funding). There is also an 11.47 percent match on Section 5310 funding from Prop C local funds (budgeted at $9.5M). Measure M, another half-percent sales tax[31], dedicates 2 percent of its revenues for both paratransit services and reduced fares for seniors and students.[32] Measure M is budgeted to bring in $15.5 million (7 percent share of overall Access Services operating funding).

Washington, D.C.: Paratransit is funded by revenues from a mix of government contributions based on usage.

The Washington Metropolitan Transit Authority's (WMATA) 2023 budget details three revenue sources for paratransit: passenger fares ($5.2 million, 2.6 percent share), COVID-19 federal aid ($0.4 million, 0.2 percent), and public subsidies ($192.5 million, 97.2 percent share).[33]

WMATA receives public funding from the Washington D.C., Maryland, and Virginia governments. The public funding burden is determined by usage, allocating the net cost of each trip by jurisdiction based on the residence of the rider.[34]

Appendix 3: Selecting peer paratransit providers.

The peers selected for this memorandum reflect the paratransit providers selected by the RTA in the 2019 Sub-regional Peer Review.[35] The RTA selected these peers based on similarities in vehicle revenue hours and miles passenger trips, and the number of vehicles operated in maximum service (p. 40 of the peer review). The peers are Minneapolis (Metro Mobility), Boston (MBTA), New York (NYCT), Los Angeles (ACCESS), and Washington D.C. (WMATA).

Endnotes

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