



Metropolitan Transportation Authority: An Overview of the Paratransit Program

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Highlights

- In November 2009, the MTA projected that its paratransit program would cost \$779 million in 2013, but cost-reduction initiatives have held the cost to \$459 million.
- The cost of the paratransit program grew rapidly from \$85 million in 2000 to \$441 million in 2009 (an average annual growth rate of 20 percent) as the number of trips tripled.
- The MTA now forecasts that the program will cost \$656 million in 2017, which is half of the \$1.3 billion cost that was projected in 2009.
- The MTA saved \$423 million between 2010 and 2012, with half of the savings coming from initiatives that reduced the cost of services, and the other half from initiatives that reduced the demand for services.
- An average of 13.6 percent of applicants were denied services during the 2010-2013 period, more than twice the denial rate during the 2005-2009 period. The MTA attributes the increase to changes it made to conform program eligibility standards more closely to federal guidelines.
- Each year, about 5,000 riders receive notices of suspension, which they may appeal. After the completion of the appeal process, an average of 3,090 new suspensions were implemented annually during the 2010-2013 period.
- The number of active suspensions averaged 53 per month in 2008, compared with 651 during the 2010-2013 period. The MTA reports that the total number of months that riders were suspended each year rose from 642 in 2008 to an average of 7,813 during the 2010-2013 period.
- In 2012, the number of registrants in the paratransit program fell for the first time in 16 years, a trend which continued in 2013.
- The MTA believes that its paratransit service meets federal guidelines, but there has not been a federal compliance review of the program since 2004.

The Metropolitan Transportation Authority (MTA) operates a program called Access-A-Ride, which provides transportation services to 160,000 enrollees who are unable to use the New York City subway and bus system for some or all of their trips. This paratransit program, which is required by federal law, utilizes carrier vans, taxicabs and livery cars to provide alternative modes of transportation.

Service is available 24 hours a day, seven days a week, including holidays. The one-way fare for each registered passenger is the same as the full fare on mass transit. This program had long been one of the MTA's fastest-rising expenses. In November 2009, the MTA projected that the cost of the program would grow at an annual rate of 15 percent over the following eight years to reach \$1.3 billion by 2017, three times the cost in 2009.

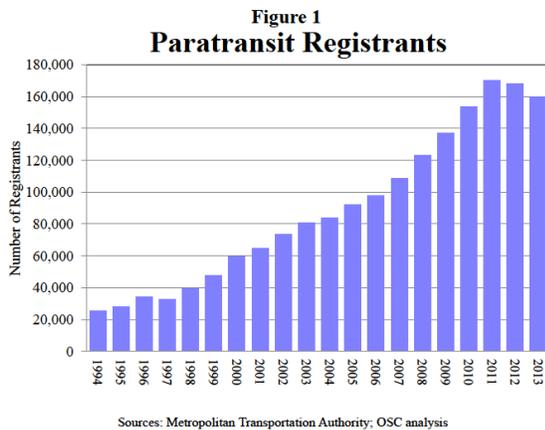
In response to revenue shortfalls in 2010 brought about by the Great Recession, the MTA began implementing cost-saving initiatives that are expected to generate recurring budgetary savings of \$1.3 billion by 2017. Changes to the paratransit program are expected to account for half of these savings (\$654 million). If the initiatives are successful, the projected cost of the MTA's paratransit program would be cut in half.

Since 2007, all applicants, including those renewing their participation in the program, must go through an in-person medical assessment by an outside contractor. Previously, only half of all applicants were asked to submit to an in-person assessment. Applicants may be asked to demonstrate their ability to walk, climb stairs or use a lift to board a bus. The completed assessment is forwarded to New York City Transit (NYCT), which determines program eligibility. The MTA reports that half of the clients scheduled for reassessment either do not arrive for their assessment or no longer seek eligibility.

A decision regarding eligibility is issued within 21 days after the application process is completed. If denied eligibility or are given conditional eligibility, applicants have 60 days to appeal.

In recent years, the denial rate for new applications and renewals has grown, from an annual average of 6.5 percent during the period from 2005 through 2009 to an annual average of 13.6 percent during the period from 2010 through 2013. (A survey by the U.S. Government Accountability Office of 145 transit agencies across the nation found the denial rate averaged 6 percent in 2010.) Each year, approximately 2,000 people appeal the denial of their request for services; 80 percent of these denials are confirmed by a board of NYCT employees.

Even though the number of applicants for the paratransit program rose in the past two years, the number of registrants in the program has declined because the denial rate for new applicants and renewals has been much higher than in the past. The number of registrants in the paratransit program declined from a peak of 170,140 in 2011 to 159,611 in 2013 (see Figure 1), a drop of 6 percent over two years.



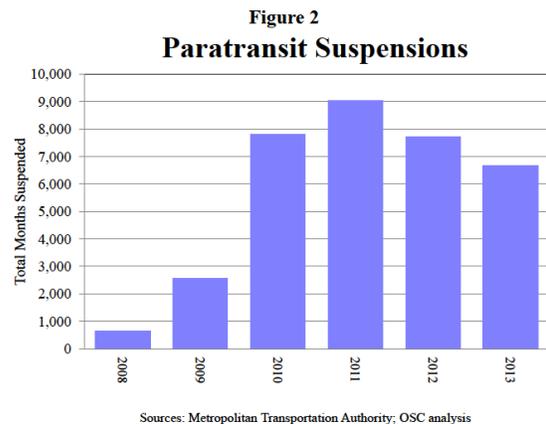
The number of rider suspensions as a result of customer no-shows has also increased. Before the cost-reduction program was implemented, a customer was suspended from paratransit service after he or she had reserved at least seven trips in a month and did not appear, or “late canceled,” at least 60 percent of the scheduled trips.

In November 2008, the MTA lowered the suspension threshold to 40 percent, and tightened the threshold even further to 20 percent two years later. In November 2011, the MTA raised the threshold to 30 percent of scheduled trips, a level which remains in effect today. A first-time suspension lasts for two months, while a second suspension is set for four months and a third

suspension is for six months, while a fourth lasts three years. The MTA credits its new policies for a reduction in late cancellations and no-shows, which declined by more than 33 percent and 53 percent, respectively, between 2008 and 2012.

Each year, about 5,000 riders receive notices of suspension. A rider can appeal the suspension by submitting documentation justifying a late cancellation or no-show incident to an NYCT appeals board. After the appeals process was completed, an average of 3,090 new suspensions was implemented annually during the 2010-2013 period.

The MTA tracks the number of riders in active suspension status each month. The number of active suspensions averaged 53 per month in 2008, compared with 651 during the 2010-2013 period. Although most active suspensions last between two and six months, a growing share last three years or longer. The MTA reports that the total number of months that riders were suspended each year rose from 642 in 2008 to an average of 7,813 during the 2010-2013 period (see Figure 2).



Not all of the MTA’s cost-reduction initiatives have reduced the demand for services. About half of the savings through 2012 (\$214 million) have come from actions that have reduced the cost of services. For example, the MTA renegotiated its contract for carrier vans (saving \$84 million) and rebid its call center and scheduling contracts (saving another \$49 million). The MTA also reduced its reliance on carrier vans while increasing the use of lower-cost taxis and liveries. Since taxis and liveries cost about \$30 less per trip than carrier vans, this initiative saved \$48 million between 2010 and 2012.