Operators Squeezed by Lean Finances

Aging baby boomers and population growth force paratransit providers to get creative to meet service demands with limited resources. Our second annual survey uncovers economic trends, operational challenges, accessibility issues and more.

By Joey Campbell, Managing Editor

For our second annual Paratransit Survey, *METRO* selected 40 operators, both public and private, and asked them 10 questions on topics ranging from ridership to wheelchair accessibility. We classified a paratransit operator as a public transportation provider that serves people with disabilities and the elderly, without operating on a fixed-route basis (except in rare cases).

Service is provided by buses, vans and passenger cars, with small, light-duty buses making more trips than any other type of vehicle. That said, a rise in integration with regular routes and a surging overall demand for service has led to a gradual increase in the number of mid- and full-sized buses

Increasing Demand,

being used for paratransit. This bodes well for the bus manufacturing industry, as paratransit appears to be an emerging market.

Unlike fixed-route service, paratransit trips can be provided from many origins to many destinations, many origins to one destination, one origin to many destinations or one origin to one destination. Additionally, even within one agency service is typically broken up among several operators, some public and some private contractors. Paratransit service is also commonly handled by city municipalities, nonprofit organizations and public consortiums.

The common denominator among paratransit operators is a commitment to providing mobility options to those with no alternatives.

Fleet characteristics

Survey respondents represent a total of 7,145 vehicles that are dedicated strictly to paratransit service. The smallest fleet has three vehicles, while the largest has more than 3,000. The mean fleet size is 183 vehicles, but the median is only 54. The average number of *buses* per fleet, however, is about 57.

According to the survey results, 36.9% of paratransit vehicles are buses, 32.2% are vans and 30.9% are taxis or sedans (Figure 2). This balanced three-way split suggests that paratransit agencies are very flexible in their attempts to provide transportation options that fit the passenger's need. Numbers in the **American Public Transportation Association**'s 2005 Fact Book also show a relatively even spread of different types of vehicles used in demand-response service.

Taking only buses into account, approximately 61% of trips are provided by small buses (25 feet and under), while 28.8% are provided by mid-sized (26 to 35 feet) and only about one in 10 are provided by buses over 35 feet in length (Figure 3). Excluding operations that integrate some paratransit with regular routes, not one full-sized bus was reported to be used in paratransit.

By far, the two largest private paratransit providers are **Laidlaw Transit Services** in Overland Park, Kan., and **MV Transportation Inc.** in Fairfield, Calif. Both operate more than 3,000 vehicles with more than 100 contracts all around the U.S. and Canada (see Figure 1).

On the public side, the numbers are surprising in that the largest public paratransit operation by fleet size is not in New York, Los Angeles or Chicago. **San Francisco Paratransit** operates 1,686 revenue vehicles.

Methodology

METRO surveyed 40 paratransit operators, both public and private, from around the United States and Canada, asking 10 questions to each. In all, respondents hail from 23 states, the District of Columbia and three Canadian provinces. Some of the respondents didn't answer all of the questions.

Figure 1

10 Notable Private Paratransit Providers
(by vehicles under contract)

Operation	Vehicles
1. Laidlaw Transit Services	3,200
2. MV Transportation	3,010
3. First Transit	1,200
4. ATC	1,160
5. Connex	272
6. Logisticare	224
7. McDonald Transit Associates	191
8. Paratransit Services	155
9. Paratransit Inc.	150
10. Corridor Transportation Corp.*	74

* Corridor Transportation Corp. is a 501c3 nonprofit organization

10 Largest Public Paratransit Agencies*
(by number of revenue vehicles)

Operation	Revenue Vehicles
1. San Francisco Paratransit	1,686
2. Chicago Transit Authority	1,299
3. Metropolitan Transit Authority of Harris County (Houston)	955
4. Access Services (Los Angeles)	522
5. MTA New York	512
6. Milwaukee County Transit System	506
7. Access Transportation Systems Inc. (Pittsburgh)	473
8. Southeastern Pennsylvania Transportation Authority (Philadelphia)	469
9. Massachusetts Bay Transportation Authority (Boston)	409
10. King County Department of Transportation (Seattle)	399

* Source: American Public Transportation Association, 2005 Fact Book

Paratransit service, provided commonly by public agencies, private sector businesses and nonprofit organizations, can be a multi-layered, complicated segment of public transportation. In some cases, a public agency will contract the management of its paratransit service out to a large private broker, which in turn contracts with multiple smaller businesses to handle pieces of network. Additionally, contracts can be for vehicles, drivers, management, maintenance or all of the above. Generally speaking, there are only a handful of large private providers industry wide. On the public side, service is often split up among several operators in big cities.

Financial flexibility

The numbers paint an incomplete portrait of potential bus sales in 2006. On the optimistic side, 28 of 40 respondents (70%) report that they plan to purchase new vehicles next year for either replacement or expansion purposes. Unfortunately, most of these respondents won't be going on a spending spree, with only about 28% saying they will buy more than 10 buses.

Overall, 38.5% of respondents (the highest portion) say they will purchase between 1 and 10 buses next year, while 15.4% plan to buy 11 to 25 and 12.8% are preparing to purchase 26 to 100 (Figure 4). One reports that it will buy more than 100.

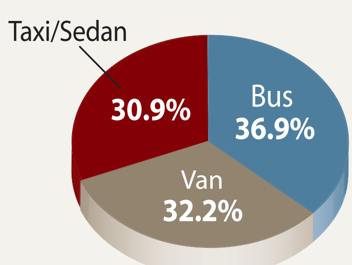
Generally speaking, paratransit is one of the most expensive service modes in public transportation, and the numbers bear this out. According to the survey, fare revenue represents only about 6.1% of total paratransit operating expenses (Figure 5). The 40 operators pulled in a total of $27 million in 2004, while total costs for all 40 was just under $448 million.

Accessibility, challenges

Due to the inefficiencies of paratransit, coupled with a growing eligible

Figure 2

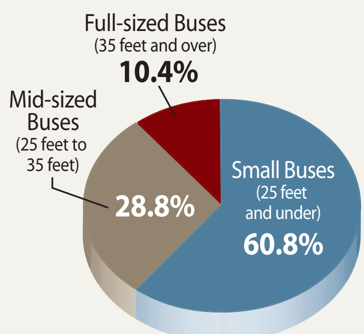
Percentage of Paratransit Vehicles by Type



Paratransit service is often provided in smaller vehicles such as vans and taxis. Buses tend to provide more paratransit trips than any other type of vehicle, but typically these buses are light duty or cutaway models.

Figure 3

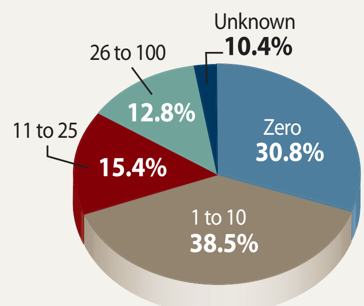
Bus Breakdown



The majority of paratransit buses are light-duty buses under 26 feet long. Nearly nine out of 10 buses used for paratransit are light- or medium-duty models, while only 10% are over 35 feet. However, with the rise of paratransit integration into fixed-route services (see Figure 6), it appears that more paratransit trips are being taken on full-length transit buses.

Figure 4

How many buses will you buy for paratransit in 2006?



9.75% — The percentage of total fleet size respondents plan to purchase

Overall, nearly 31% of respondents said they won't be purchasing new buses in 2006. Of those operations that will buy new buses, about four in 10 said they will purchase fewer than 10 buses next year. The number of vehicles respondents plan to purchase represents a little less than 10% of their total paratransit fleet size. Some of the new vehicles are for expansion, while others will be replacements.

Figure 5

6.1% Fare revenue for paratransit service as a percentage of paratransit operating expenses.

population, operators are forced to get creative to meet service demands. One way to do this is to integrate paratransit service with fixed routes, which is accomplished in a variety of ways, including making regular transit vehicles more accessible, adding flex time to regular routes and providing paratransit feeder service. About, 31% of survey respondents are currently integrating services in some fashion (Figure 6).

Figure 6

Do you integrate paratransit with fixed-route service?

30.8% — Yes

69.2% — No

With more than 30% of operators stating that they integrate paratransit with regular routes, it appears that agencies are consistently searching for ways to cut paratransit costs. Some of the means of increasing integration include using feeder service, making regular routes wheelchair accessible, training all drivers in ADA service and providing free fixed-route service to all ADA-eligible riders.

Figure 7

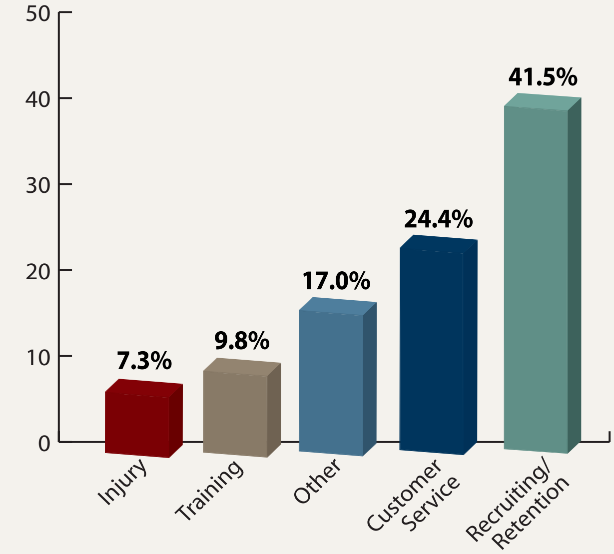
64.7% Percentage of all paratransit vehicles, including taxis and vans, that are wheelchair accessible.

Figure 8

26.9% The mean percentage of ridership that uses wheelchair lifts, respondents say. This figure is very consistent with our 2004 survey, which put the number at 26.2%

Figure 9

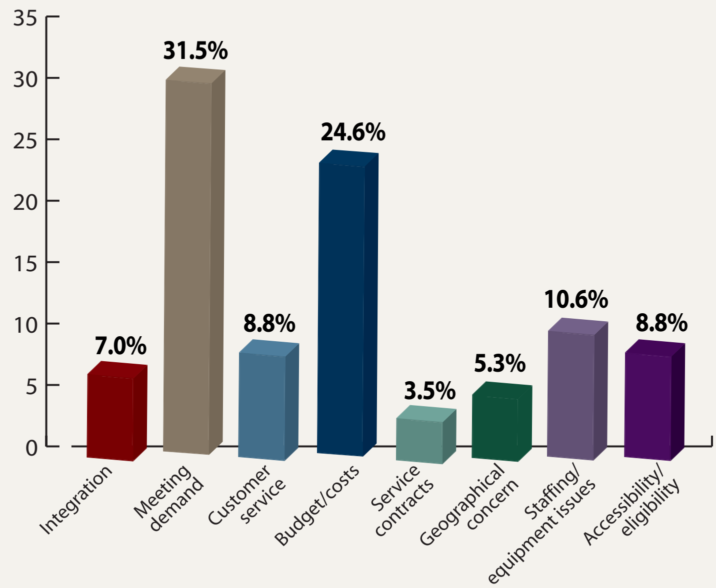
What is your biggest driver-related concern?



More than any other issue, respondents cited the recruiting and retention of drivers as the most challenging. With paratransit drivers having more personal interaction with passengers than regular transit drivers, it's no surprise that a quarter of respondents said customer service was their biggest concern. "Other" responses include driver understanding of wheelchair tiedowns and too many accidents.

Figure 10

What Is Your Biggest Challenge?



Respondents cited a wide variety of issues as their biggest challenge, which we narrowed into the following eight categories. "Meeting demand" includes booking trips and providing on-time service. "Geographical concerns" encompass weather, traffic and the size of the area covered. The "Accessibility/eligibility" category includes any issues involving the nature of a passenger's needs and accommodating his or her medical condition.

Of course, one of the most pivotal elements of good paratransit service is accommodating mobility devices and other equipment commonly used by persons with disabilities. Including taxis and vans, 64.7% of respondents' paratransit vehicles are wheelchair accessible (Figure 7). Excluding vans and taxis, this percentage is in the mid 90s.

Paratransit providers cite multiple issues as their biggest challenge, but meeting rider demand is the prevailing concern, with nearly one-third of respondents mentioning it. Because of the sensitive needs of paratransit riders, driver concerns are also a huge priority for paratransit managers. M