

City of Gainesville

Inter-Office Communication

August 30, 2004

TO: Audit and Finance Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Tony Domenech, Member

FROM: Brent Godshalk, Interim City Auditor

SUBJECT: Review of Americans with Disabilities Act (ADA) Paratransit Service Rates

Recommendation

The Audit and Finance Committee recommend that the City Commission:

- 1) Accept the City Auditor's report and the City Manager's response; and
- 2) Instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit and Finance Committee.

Explanation

Since September 1998, the City Auditor's Office has been involved with evaluating operational and compliance issues related to the delivery of ADA complementary paratransit services. Nearly each year, the City Auditor provided for such involvement in our annual audit plans as significant issues continued to emerge requiring further analysis and review. The activities encompassed a variety of matters and included conducting an operational audit, assisting a task force, advising management, investigating improper billing allegations, reviewing vendor financial records and reviewing the cost of delivering ADA paratransit rides.

In accordance with our FY 2004 Annual Audit Plan, we have completed our review of ADA Paratransit Service Rates. A report summarizing our objectives, conclusions, recommendations and management's response is attached.

We request the Committee recommend the City Commission accept the report. Also, in accordance with City Commission Resolution 970187, Section 10, Responsibilities for Follow-up on Audits, we request that the Committee recommend the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit and Finance Committee.

City of
Gainesville

Inter-Office Communication

April 8, 2004

TO: Wayne Bowers, City Manager
FROM: Alan D. Ash, City Auditor
SUBJECT: Review of ADA Paratransit Service Rates

In accordance with our FY 2004 Annual Audit Plan, we performed a review of ADA paratransit rates and other related issues. As you recall, we initiated this project based on management's request for assistance and guidance as a proactive measure to ensure the adequacy of cost controls in this area.

We conducted our review in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. The primary objective of our review was to assess and verify the costs and productivity levels of the contractor responsible for delivering this service. However, during our fieldwork, other issues such as alleged improper billings were also encountered. Our procedures generally consisted of reviewing financial information and other records as necessary, attending meetings, making inquiries and working with state agencies.

We have completed our review and submit the attached report. During our review, several suggestions were made for improving administrative procedures. Please review the report and provide your comments or questions. In accordance with Commission Resolution R970187, Section 9, please submit your written response to the recommendations presented in the report within 30 days and indicate an actual or expected date of implementation. Our report and your response will then be submitted to the City Commission's Audit and Finance Committee for review and approval.

This project required the collaborative efforts on the part of many individuals, and we appreciate the cooperation and professional courtesies extended to us during the project. This report has been discussed with ADA Coordinator Staci Graff, RTS Director Jeff Logan and Public Works Director Teresa Scott.

cc: ADA Coordinator Staci Graff
RTS Director Jeff Logan
Public Works Director Teresa Scott

REVIEW OF ADA PARATRANSIT SERVICE RATES

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ACKNOWLEDGMENTS

We express our sincere appreciation to the following individuals who provided us assistance in this project with their knowledge and expertise: RTS Director Jeff Logan, RTS ADA Coordinator Staci Graff, NCFRPC Senior Planner Lynn Franson-Godfrey, Professional Transport Operations Manager Robert Baxter, ATC General Manager Joyce O'Brien, FDOT Office of Inspector General Investigator, Michael K. Bowen, Commission for the Transportation Disadvantaged Financial Auditor, Robert Jernigan and Citizens Disability Advisory Committee Member Johnny Watson.

EXECUTIVE SUMMARY

The City of Gainesville contracts with a private company to coordinate and broker or provide Americans with Disabilities Act (ADA) complementary paratransit services for the Regional Transit System (RTS). Over the past several years, quality in service delivery varied, transportation coordinators changed several times and the cost per ride significantly increased. The City Manager requested our assistance to obtain assurance that rates charged for ADA paratransit services were fair and reasonable. Accordingly, the City Auditor's FY 2004 Annual Audit Plan included a review of the contract rate for providing such services.

Although the primary objective of our review was to assess and verify the costs and service levels of the City's paratransit coordinator, several financial and program concerns emerged during our review requiring changes in both project scope and levels of auditor participation. Several of these matters were either resolved during the review or require no further action by management. These project efforts are discussed further in the attached report and summarized as follows:

- *Billing* - billing issues involved examining invoices, receivable records, trip manifests and other records for RTS and subcontractor transportation carriers and investigating complaints of improper billings.
- *ADA contract rate* - rate issues involved evaluating ATC financial records to determine if administrative expenses were reasonable and supported the rate charged to RTS.
- *New contract coordinator* – new contract issues involved advising in the development of a new rate structure proposed in a bid proposal for a new service provider.
- *Other developments* - other issues involved attending meetings and assisting in monitoring the stability of the coordinated transportation system as developments occurred.

Project efforts resulted in the following two recommendations for improvements that require further action by management:

ISSUE 1: In assessing ADA paratransit, we reviewed the funding history of Alachua County and believe a disparity exists in County funding related to interlocal agreements for fixed route services delivered to County residents living outside City limits. The County neither pays the full cost of providing the fixed route nor pays any amount towards complementary ADA paratransit rides provided to those County residents living along the ¾ mile fixed route corridor. We recommend RTS consider amending the contracts to increase the proportion of fixed route funding and add an ADA component.

ISSUE 2: In exploring options for reducing ADA paratransit costs, we assessed the ADA eligibility process and believe that RTS should re-evaluate the process to ensure more riders with disabilities are mainstreamed onto fixed route. Prior to initiating any changes, a system-wide assessment of accessibility, including fleet, scheduling software, bus stops and mobility training must be completed. We recommend that RTS initiate a long term plan for determining system accessibility and develop procedures for determining paratransit eligibility on a trip-by-trip basis to ensure that the person's abilities and needs are better matched to the level of service delivery. We also recommend RTS increase marketing and promotions for fixed route ridership by persons with disabilities.

Efforts for this project required the expertise of many individuals and were a collaborative effort with the professional staff of RTS and the North Central Florida Regional Planning Council. We appreciate the professional courtesies extended to us during this review.

OBJECTIVES, SCOPE AND METHODOLOGY

Our initial objective was to evaluate financial issues related to the contract cost of delivering ADA demand response transportation services and determine if rates charged were appropriate. However, during our fieldwork, several other issues emerged, including allegations of improper vendor charges as well as an eventual change in vendors, which required us to modify objectives as we progressed.

Management is responsible for establishing and maintaining effective management controls that, in general, include the plan of organization, methods and procedures that ensure goals are met. Management controls contain the processes for planning, organizing, directing and controlling program operations, including systems for measuring, reporting and monitoring program performance. The scope of our review included, but was not limited to, reviewing the records of two private for-profit organizations. One was the primary broker of services and the other a subcontractor responsible for actual service delivery. Although fieldwork was initiated in FY 2002, time boundaries were extended through FY 2003 as warranted by the various circumstances. Our scope was impaired in collecting financial data from the primary broker upon discovery that, among other issues, the independent certified public accountant was unable to obtain sufficient audit coverage of the accounts receivable that materially affected the financial statements of the broker and issued a disclaimed audit opinion.

Our review was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. To achieve the stated objectives, our procedures generally included:

- Interviews and inquiries
- Reviewing financial data, billing records, trip manifests and other documentation
- Reviewing contracts, state reports and other information
- Performing data analysis

SUMMARY AND BACKGROUND

Introduction

Since September 1998, the City Auditor's Office has been involved with evaluating operational and compliance issues related to the delivery of ADA complementary paratransit services. RTS is required by federal law to provide ADA complementary paratransit services for disabled persons not able to use fixed-route bus service. As the need arose, our work varied from conducting an operational audit, assisting a task force and advising management. Our original audit report, issued June 1999, contained 38 "finding points" for improvements in ADA complementary paratransit operations. During the period August 1999 to October 2001, we assisted a special ADA Task Force established to monitor program progress. The Task Force concluded that RTS sufficiently addressed the

majority of the City Auditor's original audit findings and recommendations. Our current involvement is based on management's request for assistance as a proactive measure in controlling costs.

**The Americans with Disabilities Act (ADA)
And ADA Complementary Paratransit**

Congress passed the Americans with Disabilities Act in 1990 mandating equal opportunities for persons with disabilities in several areas including public transportation. Under this Act, transportation providers are required to purchase lift-equipped vehicles for fixed-route services and must assure system-wide accessibility of demand-responsive services to persons with disabilities. Demand response service, also called paratransit or dial-a-ride, is comprised of passenger cars, vans or small buses that operate in "response" to calls from passengers unable to use fixed route service by virtue of their disability. Complementary paratransit service is called such as it is "complementary" to fixed route and must generally operate in the same areas and during the same hours as fixed route. Complementary paratransit acts as a "safety net" for persons unable to use the fixed route system, and the fare is limited to twice the fixed route fare.

**Commission for the Transportation Disadvantaged (CTD)
And the Role of the Community Transportation Coordinator (CTC)**

Florida's Transportation Disadvantaged Program was established in 1979 to foster the coordination of transportation services for the state's transportation disadvantaged population. In 1989, the Florida Legislature created the Commission for the Transportation Disadvantaged (CTD), an independent agency located within the Department of Transportation, to administer the statewide coordination of paratransit service and ensure that state agencies and local entities can purchase cost-effective and non-duplicated transportation services for clients.

The CTD contracts with a Community Transportation Coordinator (CTC) to coordinate and deliver transportation services within specified local service areas. A Local Coordinating Board (LCB), appointed and staffed by metropolitan planning organizations, performs local oversight of the CTC's operations and performance. The CTC must efficiently group as many trips together as possible to contain costs.

The State of Florida has various social service programs sponsoring transportation for clients and participating in the community transportation network. For example, transportation is provided to low-income Medicaid recipients to doctor appointments, developmentally disabled adults to workshops and senior citizens to meal programs. The CTC manages rides for these funding agencies by taking reservations, scheduling trips, brokering or providing trips, resolving complaints, monitoring carriers and handling billing.

The primary funding sources in Alachua County include the Florida Agency for Health Care Administration (Medicaid), Florida Commission for the

Transportation Disadvantaged, Florida Department of Transportation, Florida Department of Elder Affairs, Florida Department of Children and Families Developmental Services, City of Gainesville and Alachua County.

Since the CTC is capable of coordinating and meeting the needs of all types of paratransit services, Florida law authorizes any public agency to purchase transportation services from the CTC. Accordingly, RTS contracts with the CTC to coordinate and broker or provide ADA paratransit services. During the period October 1, 2000 through September 30, 2003, ATC Paratransit, Inc. was the designated CTC for Alachua County and acted as a broker of services using several subcontractors with drivers and vehicles. Effective October 1, 2003, MV Transportation Inc. was awarded the designation and uses their own drivers and vehicles.

ADA Paratransit Costs

In FY 2002, the City Manager requested our assistance in reviewing the cost of delivering ADA paratransit rides to obtain assurance that rates charged for ADA paratransit services were fair and reasonable. As discussed earlier, RTS contracts with a private company to coordinate and broker or provide ADA complementary paratransit rides. Prior to entering into the second year of the contract, RTS was notified that rates would increase significantly.

In recent years, several events significantly impacted cost delivery of ADA rides. First, state funding constraints in FY 2000 prompted the Alachua County Local Coordinating Board (LCB) to rule that ADA eligible riders exclusively ride ADA paratransit. Although this was an effort to preserve state transportation dollars, this action shifted a significant amount of riders to the City. To be ADA eligible, riders must go through an application process to determine their ability to ride fixed route buses. Upon completion of the application process, paratransit services may be denied or the individual receives a conditional or full ADA certification that is valid for three years. Currently, there are 2,126 ADA eligible riders. As shown in TABLE 1, considerable growth has occurred since 1997 in the annual number of ADA certifications performed by RTS.

TABLE 1
Certifications of ADA Eligibility
FY 1997 - 2004

FY	Number of ADA Certifications Performed	% Increase
1997	30	
1998	107	256.7%
1999	185	72.9%
2000	534	188.6%
2001	833	56.0%
2002	999	19.9%
2003	1,204	20.5%

The second factor impacting cost was a change in contract coordinators in FY 2001 and a significant rate increase in FY 2002. ATC was awarded the contract effective October 1, 2000, after several difficult years experienced with a local not-for-profit organization, and offered RTS the existing rate of \$10 per ride. However, after the first year of service delivery, ATC notified RTS of a rate increase to \$19.40. TABLE 2 shows ADA paratransit trip and payment data from FY 1999 – 2004:

TABLE 2
ADA Paratransit Trips and Actual Payment
FY 1999 - 2004

FY	Trips Billed	Actual Payments	% Increase (Decrease)
1999	7,858	\$ 78,580(est)	
*2000	22,349	\$228,619	190.9%
2001	37,263	\$320,586	40.2%
**2002	34,812	\$604,600	88.6%
2003	32,527	\$694,700	14.9%
2004	39,268	\$605,000(est)	(12.9%)

*State funding constraints shift more riders to ADA

**ATC rate increase from \$10 to \$19.40

The combined effect of the ever-increasing numbers of ADA riders and rates per ride in a relatively short time has significantly impacted the cost of ADA paratransit for RTS. Management must continue to monitor costs and trends in ridership.

BILLING ISSUES

Background

In March 2002, the City Manager notified the City Auditor of allegations of improper billing practices by ATC. Various agencies purchase transportation through the coordinated system, and the allegations included improper invoicing to RTS for ADA complementary paratransit rides, North Central Florida Regional Planning Council (NCFRPC) for Transportation Disadvantaged (TD) rides and the Agency for Health Care Administration (AHCA) for Medicaid rides. The allegations also included that subcontractor transportation carriers were underpaid.

During the time our review was initiated, the paratransit coordinator was ATC Paratransit, Inc. (ATC), a national for-profit management organization that brokered rides to local transportation carriers. We initiated fieldwork and obtained an understanding of the issues involved through inquiries and inspection of various documents. Several times delays were experienced and eventually ATC was replaced as the local transportation coordinator by MV Transportation, Inc. (MV), another national for-profit organization. The following highlights the review and investigation into improper billing allegations.

RTS Billings

The RTS Director received information indicating that ATC may be over-billing RTS and other purchasing agencies. We interviewed former ATC staff and examined ATC invoices and trip records for January 2002 to determine if discrepancies existed between invoices for ADA paratransit services and actual rides provided. Sample testing was conducted and trips billed were traced to driver manifests. Testing also included verifying that neither cancelled trips nor no-shows were billed to RTS. We worked collaboratively with RTS and NCFRPC staff and consulted with the Office of Inspector General for the Florida Department of Transportation.

Results: Based on our procedures, we reported to management in May 2002 that ATC invoices to RTS and NCFRPC for ADA and TD rides, respectively, appeared valid and no billing improprieties were detected. See discussion below on results reported by Inspector General.

Carrier Billings

ATC brokered or subcontracted all rides to several transportation carriers. Carriers were paid based on driver manifests submitted for payment. However, transportation carriers alleged that ATC underpaid them for their services. One carrier agreed to submit invoices to the City Auditor for analysis and review.

We interviewed key personnel and examined necessary records. We analyzed financial and trip records for a 15-month period and conducted billing analysis to determine if discrepancies existed between trips submitted and payments received.

Results: Results indicated a \$16,700 underpayment to the subcontractor. The subcontractor accepted \$7,000 cash, a \$.50 per hour increase and other contract changes in settlement. During our fieldwork, we learned of another carrier obtaining an \$11,800 adjustment.

Inspector General Investigation

Based on essentially the same allegations reported to us, the Inspector General for the Florida Department of Transportation initiated an investigation. Matters investigated included theft and fraud. The Inspector General examined ATC invoices and interviewed staff of the Commission for Transportation Disadvantaged, Department of Transportation, City Auditor as well as current and former ATC employees.

Results: No evidence of false billing was identified. In January 2003, the Inspector General categorized the allegations as disproved.

ADA CONTRACT RATE REVIEW

As discussed previously, rates charged for ADA rides nearly doubled in a year. Despite the rate increase, the stability of the transportation system was in question because ATC continued to report significant losses as the paratransit coordinator for Alachua County. In addition, ATC reported 1.3 trips per hour rate, which was well below the 2.0 standard efficiency factor. Our objective was to review the appropriateness of organizational expenses and operating data supporting the rates charged to RTS.

We interviewed key ATC personnel and evaluated financial journals, ledgers, operating reports and financial statements necessary to determine the reasonableness of administrative expenses and verify whether the expenses supported the rate charged to RTS. The following summarizes issues affecting our progress in meeting our objectives:

- ATC combined Alachua County and Levy County data and attempts to determine ADA trip costs, miles and hours were unsuccessful.
- Although the ATC General Manager was cooperative, questions surrounding the accuracy of the entries posted in the general ledger remained unanswered.
- Certified financial statements for the first four months of operation ending December 2000 were not issued until May 2002 due to difficulties in reconciling general ledger balances.
- Financial statements for the calendar year ended December 2001 were issued July 2002 and showed material weakening of internal control as a “disclaimed” audit opinion was issued indicating that auditing procedures of

accounts receivable could not be sufficiently performed to form an opinion on the financial statements taken as a whole.

Based on the difficulties encountered, we concluded that internal controls over ATC financial data were not reliable and consulted with the CTD, the state agency administering the ATC contract. CTD staff indicated assistance could be provided in verifying trip rates and reviewing financial data. In December 2002, the LCB formally requested CTD assistance, and we suspended fieldwork pending CTD review.

The CTD continually deferred their assistance. After several months, the LCB issued a request for proposal for the Alachua County coordinator project and recommended a new provider for Alachua County. In August 2003, the CTD accepted the recommendation and appointed a new company as transportation coordinator effective October 1, 2003. As other developments in paratransit were emerging, we discontinued our efforts in further analyzing ATC expenses.

Results: We concluded that internal controls over ATC financial data were not reliable. Attempts to determine the miles, hours and costs for Alachua County were not successful, and ATC was not responsive in finding ways to decrease costs or increase efficiency of trips per hour. The CTD appointed a new local transportation coordinator, and we discontinued efforts to further analyze ATC expenses.

NEW CONTRACT COORDINATOR

As previously discussed, the CTC is capable of coordinating and meeting the needs of all types of paratransit services. Accordingly, RTS contracts with the CTC to coordinate and broker or provide ADA paratransit services. A provision in the contract allows RTS to terminate the contract when an organization loses its designation as a CTC. To ensure continuity in the provision of ADA services, RTS began negotiations in July 2003 with MV as the new transportation coordinator.

The bid proposal submitted by MV was priced lower than ATC and proposed a structural change in the system. MV would not broker rides to subcontractors, but would provide the vehicles and drivers. The new proposal was thought to be more efficient and provide unification and standardization in scheduling, dispatching, communications, vehicle types and vehicle maintenance.

We assisted management in reviewing the new rate structure proposed by MV and provided advice in the development of a service contract for FY 2004.

Results: The City Commission approved the contract with MV in September 2003. Rates proposed by MV are much lower than the previous vendor, and current estimates of cost savings to RTS as shown in TABLE 2 are about \$90,000, assuming the system remains stable. (See Other Developments)

OTHER DEVELOPMENTS

Background

Since August 2003, several issues developed that had potential to fragment the transportation system and severely impact City and County resources, including transition issues between coordinators and developments in state funding levels for Developmental Services and Medicaid. We attended meetings, reviewed documents and assisted in analyzing issues affecting the stability of the coordinated transportation system. The following highlights the latest developments and results to date.

Transition Issues

Upon the selection of MV as the new CTC for Alachua County and the ADA service provider for RTS, local carriers expressed concern over the viability of their businesses since their services would be no longer required under the plan proposed by MV. In fact, one local carrier closed operations without notice, leaving a major gap in service delivery. After some discussion and suggestions, the RTS Director facilitated an agreement that MV be a sub-contract carrier in the interim months before their official start date of October 1.

MV implemented emergency measures, worked through a weekend obtaining sufficient vans and drivers from other areas in the country and began providing transportation for the lost carrier within two days. Service disruption was minimal, and MV continued as a sub-contractor to ATC through September 30 after which they assumed full service and coordination duties.

Subsequent to October 1, the transition for MV was not as smooth as anticipated. Service delivery was impeded for several months, including reservations, scheduling and communications. We remained involved in monitoring program efficiencies.

Results: RTS continues conducting on-site monitoring visits and believes that customer relations and on-time performance are improving.

Developmental Services (DS)

In November 2003, funding constraints at the Department of Children and Families Development Services (DS) threatened the stability of the system. DS could no longer afford the agreed upon per trip rates and threatened to withdraw from the coordinated system. Service rates proposed by MV were based on participation by all current purchasing agencies. Since the system is a shared ride system, the withdrawal of any participating agency impacts the remaining agencies.

DS client rides are about 3,000 trips per month or about 25% of the local paratransit ridership. Many of those clients are ADA eligible. The impact of DS withdrawing from the coordinated system on the City and other transportation agencies was two-fold:

1. System rates could remain the same, but DS clients would ride under the ADA program with the City subsidizing the full cost of about \$16 per trip; or
2. The CTC could raise rates to all other agencies to make up the operating shortfall of the large percentage of trips funded by DS.

In the interest of preserving the current rate structure, meetings were held between the City, the MTPO, MV and DS to discuss options and solutions.

Results: RTS provided a short-term solution for DS client rides that included issuing bus passes to those able to ride the fixed route and agreeing to partially subsidize paratransit rides at the rate of approximately \$7 for clients requiring door-to-door van service. The monthly cost to RTS is currently about \$9,000.

Action taken by RTS is effective until July 2004 when DS receives new budget appropriations.

Agency for Health Care Administration (Medicaid)

In October 2003, Medicaid initiated a statewide \$11 million reduction of non-emergency transportation funding (low income, institutional care, medically needy, foster care, etc.). In order to implement the reduction, Medicaid decided to withdraw from the coordinated system and pursued other transportation options by issuing a request for proposals (RFP-0411, Medicaid Non-Emergency Transportation Program) in December 2003. Medicaid withdrawal from the coordinated system was a statewide concern. The impact on RTS and other agencies would have been severe as Medicaid accounts for nearly 33% of rides in the local system.

Staff maintained close monitoring of developments in the matter. Medicaid deferred the decision for several months. In February 2004, the CTD pursued a court injunction to stop the Medicaid contract award process. The CTD also pursued diplomatic intervention through the Governor's office and key legislators to persuade Medicaid to remain in the state transportation system.

Results: In March 2004, Medicaid conceded by rejecting bids and agreeing to remain in the coordinated system. Medicaid entered into a contract to transfer the administration and responsibility of Medicaid non-emergency transportation to the CTD. It appears for now that the local market will remain stable through the end of the year.

CONCLUSION

Demand response transportation services constantly fluctuate and must be managed within a framework of continued cutbacks in government funding. Funding decreases at the state level result in increased pressure on RTS since many of those riders losing state transportation funding are ADA eligible as well and therefore shift to ADA paratransit. Since the costs of delivering demand response paratransit typically exceed the revenue generated, management must continually be alert and innovative for improvements in efficiency and productivity.

The delivery of paratransit services will continue to be challenging as circumstances continually change and require constant vigilance by RTS in balancing the need to provide quality paratransit service at a reasonable cost. If needed, we look forward to continued involvement assisting management and providing information to facilitate policy discussions.

The results of our review resulted in two recommendations for improvements that require further action by management. The two issues are discussed in the following section of our report.

ISSUE 1

Alachua County Contract For Fixed Route Service Should Better Recover Costs And Include Fees For ADA Complementary Paratransit Rides

Discussion

The County contracts with RTS to deliver fixed route service to certain County residents living outside City limits. The bus services are achieved through two contracts, one for base level services in the amount of \$247,180 that includes Routes 7, 10, 11, 13, 21, 43 and 75. The second contract is for enhanced services along Route 75 in the amount of \$262,000 for a total of \$509,180. In conjunction with these service contracts, ADA complementary paratransit services are required by federal law to be provided within corridors of three-fourths (3/4ths) of a mile of the fixed route.

Our review of Alachua County funding indicates that contracts for base and enhanced services do not recover the full costs of the fixed routes. In addition, the County is not charged for ADA complementary paratransit services in those areas. As a result, RTS is subsidizing a portion of fixed route services and paying all costs related to delivering ADA rides to those County residents living along those ¾ mile corridors. Although further analysis is required to determine the number of ADA rides generated, geographical information indicates a high percentage of ADA eligible riders living in these areas.

The legal obligation for these fixed routes rests with Alachua County in its desire to “provide public transit” in an urbanized area adjacent to the City of Gainesville. RTS is not obligated to provide fixed route service to those unincorporated areas except as designated in the County contracts. Accordingly, RTS is not required to provide ADA paratransit service in areas outside the boundaries of the jurisdiction in which it operates (the City of Gainesville), if there is not a legal authority to operate in that area (49 CFR Subtitle A, Section 131.3(a)(3), Jurisdictional Boundaries).

Pricing for the fixed route contracts has essentially remained the same for many years and should be re-evaluated to ensure better recovery of costs. Although prior-year contracts indicate that allocations for paratransit rides existed, recent contracts have omitted any recovery of those costs. Since many changes occurred in the service delivery of paratransit rides in the last few years, we believe the issue may have been overlooked. For instance, the FY 1996 contract contained a clause for RTS to provide “special door-to-door paratransit service” and included an allocation of \$34,000. The FY 1997 contract included the same language, but the allocation for this service was rolled into the full amount of the contract. These provisions were dropped from the contracts when RTS discontinued the countywide “minibus” in 1998 and shifted paratransit rides, except ADA, to the CTC. In August 1999, the CTC began delivering ADA rides as well and began billing all ADA rides to the City, including those with origins and destinations in those particular service areas in the County.

Negotiations for higher fixed route fees should take place and future escalator clauses are needed. Current estimates indicate a City subsidy of those fixed routes of around \$100,000. RTS needs to conduct further analysis to determine locations of ADA eligible riders and actual rides provided to assign cost values or determine other methodologies for recovering these costs. For instance, RTS could estimate and apply a flat percentage rate, such as 10%, and perhaps recover approximately \$50,000.

Along these same lines, RTS should consider adding an ADA element to any contract for fixed route services, including UF. ADA complementary paratransit is a component of providing fixed route and needs to be evaluated each time RTS extends its service boundaries via contract.

Conclusion

Alachua County is not paying the full cost of fixed route service provided to residents living outside City limits. In addition, the County is not paying for the delivery of ADA complementary paratransit services provided to those County residents living along the $\frac{3}{4}$ mile fixed route corridors covered by the contracts.

Recommendation

We recommend RTS implement plans to increase recovery costs related to the fixed route and ADA paratransit service contracts with Alachua County and any other contract for fixed route services.

Management Response

Management concurs with the need to develop a cost recovery plan related to both the fixed route and ADA paratransit service contracts with Alachua County. ADA paratransit travel to and from areas outside the city limits can only be projected since ADA regulations do not require clients to limit their trip purposes or destinations. RTS is attempting to quantify the number of clients and travel destinations that occur outside city limits but within $\frac{3}{4}$ of a mile from a fixed route located outside city limits. This information will be used in future discussions with the County. Currently, RTS is discussing the issue of increasing the cost recovery for fixed routes outside the city limits with the County.

ISSUE 2

RTS Should Re-Evaluate The ADA Paratransit Eligibility Process And Develop Plans To Grant Eligibility On A Trip-By-Trip Basis

Discussion

The concept of ADA complementary paratransit is route-based meaning that a person with a disability may be eligible for paratransit service for some trips but not others. The eligibility for paratransit services arises from an individual's inability to use the fixed route system. This inability changes with differing circumstances.

RTS currently certifies most riders as fully eligible permitting paratransit van service at all times and to any destination. The cost of a one-way paratransit trip for a person with a mobility device is nearly \$16. The cost per passenger of fixed route is about \$2, or \$14 less. Ridership for ADA paratransit in FY 2004 is projected at nearly 40,000 rides. Significant savings can be achieved by limiting paratransit rides and promoting fixed route rides.

Section 37.123, ADA Paratransit Eligibility Standards, permits eligibility to be conducted on a trip-by-trip basis. Some people are not eligible at all, even if that person uses a wheelchair. For example, if the bus is lift equipped, the bus stop is accessible and the weather is not otherwise hostile, then the rider should use the bus and not paratransit. Some people will be ruled conditionally eligible. For example, people with temperature intolerances may be eligible only when temperatures are extreme. The regulations permit agencies to give tight scrutiny in granting eligibility. Eligibility is an interaction between an impairment-related condition and environmental barriers (distance, weather, terrain or architectural) and good judgment is needed in determining situations when travel is actually prevented by a lack of accessibility rather than situations when travel is more difficult.

The practice of granting full eligibility to almost all riders occurred because the condition of the fixed route system was not fully compliant with ADA. The City Auditor's 1999 report cited many ADA issues including fleet accessibility of only 21%. Since 1999, RTS has demonstrated a commitment to providing quality paratransit services and continues working toward making the public transit system increasingly accessible to members of our community who have physical or cognitive disabilities. An ADA Coordinator actively monitors paratransit and progress has been made in moving toward "full system accessibility." For example, 87% of the buses are now wheelchair accessible, bus operators announce route and stop information or the vehicles have automated systems, bus stop accessibility improvements are in progress, and more capital has been contributed for vans.

ADA paratransit eligibility should be based on various circumstances surrounding accessibility of the fixed route system. Since the fixed route system has dramatically changed in the last few

years, RTS needs to re-evaluate the current system for granting eligibility and plan for future changes in the eligibility process. We recognize efforts to mainstream more riders onto fixed route are affected by several factors and the transition will have long-range aspects. For instance, the following are issues for consideration beyond having a fully accessible fleet:

- The CTC must have a reservation system in place to identify that the fixed route is fully accessible upon the intake of the reservation.
- Functional assessments must be done by trained staff with full knowledge of the needs of the individual as well as the capacity of the fixed route system.
- Bus stop accessibility must be addressed and remedied. RTS continues to work on identifying the various bus stops, curb cuts, etc. to improve conditions for boarding and disembarking buses.
- Enhanced mobility training is needed to assist passengers in navigating the system.

Transferring riders from using paratransit to fixed route can produce significant cost savings. However, the task of transitioning to trip-by-trip eligibility will not be easy and may be controversial. RTS will need to implement any change with much sensitivity.

Conclusion

The current ADA eligibility process does not provide a functional assessment of riders on a trip-by-trip basis and should be re-evaluated to ensure that a rider's abilities and needs are better matched to the level of service required.

Recommendation

We recommend RTS:

1. Re-evaluate the current policy of granting full eligibility;
2. Initiate a long range plan which at a minimum includes conducting functional assessments and determining eligibility on a trip-by-trip basis, enhancing the reservation system, improving bus stop accessibility and providing enhanced mobility training; and
3. Continue to promote fixed route ridership by persons with disabilities until plans are developed and implemented.

Management Response

Management concurs with the need to evaluate ways to mitigate the costs of ADA Paratransit service.

RTS is reviewing the following measures as ways to control cost of ADA service and encourage the use of the fixed route system.

1. An option of offering a fixed route card to those who qualify under the ADA regulations but are comfortable using the fixed route system. The client would be allowed to reevaluate their progress so if they have trouble using the fixed route system, then a paratransit card would be offered.
2. Implement a procedure to track boarding and alighting practices of those using paratransit system.
3. Complete comprehensive inventory of fixed route bus stops to determine the number and locations of bus stops that have full accessibility. Schedule implementation of any necessary modifications to ensure full accessibility.

RTS management and staff have discussed, both internally and with other agencies, the possibility of implementing trip-by-trip eligibility for clients who are ADA eligible. This would be difficult to do but could be part of a larger program addressing increasing paratransit costs. As discussed in the body of Issue 2, the conversion from full eligibility to determining ridership on a trip-by-trip basis would be controversial and one that RTS and the City of Gainesville would need to make with great care. The current CTC would also need to be in agreement with this transition since they would be the organization that would be making those daily determinations for clients in need of paratransit service.

Finally, RTS has been in discussions with the staff at the Center for Independent Living (CIL) to reevaluate the current ADA application. There may be some changes to the application to reflect stricter eligibility standards. RTS has also discussed the possibility of having CIL staff perform a functional assessment to help identify those who can use the fixed route and those incapable of navigating the system because of mobility impairments. This would be costly and further conversations are scheduled with CIL to discuss the pros and cons of this idea.