

2012 Regional ADA Paratransit Operating Budget

Summary

The 2012 Regional ADA Service program is summarized below and detailed throughout this section. The table below shows total operating expenses will reach \$126.576 million in 2012 – up 0.2% or \$0.214 million over estimated 2011 levels. Revenues will increase by 3.2% or \$0.363 million to \$11.576 million. The ADA program will be constrained to \$115.000 million in funding - the amount identified as available for 2012 at this time.

The outlook for 2011 shows the ADA program finishing the year \$4.5 million over budget due to city ridership growth projected to reach 8%. The 2011 budget had assumed a ridership growth of 2%. The 2% ridership growth was all that was allowed in order to balance the budget to the RTA's funding level for 2011. The outlook for ADA sales tax receipts is that they are expected to exceed 2011 budget levels by \$5.8 million, making it possible to fund the increased cost. This will require the RTA to amend the 2011 budget for the ADA program.

For 2012, the RTA Act was amended to increase the ADA Fund level to \$115.000 million. In order to constrain 2012 program spending to the available fund level, staff is

pursuing two initiatives: first, Pace is pursuing negotiations with City ADA vendors to freeze prices at 2011 levels; and second, Pace is putting forth efforts to improve City ADA productivity to 1.6 trips per hour. As part of this effort, Pace plans to adjust reservation hours/call-taking times, at RTA's direction, to 8:00 a.m. to 5:00 p.m. (regular business hours) which should allow for improved efficiencies in trip planning. In order to further enhance efficiencies, Paratransit staff plans to maximize use of the recently implemented Interactive Voice Recognition (IVR) system which calls riders prior to pick-up to alert them of vehicle arrival. This tool should help reduce vehicle wait times, allowing for improved productivity. To the extent that these efforts are successful, the 2012 program can be balanced to the \$115.000 million fund level.

The 2012 Regional ADA Paratransit program, as presented in this section, is balanced to the \$115.000 million funding mark and will achieve a 10.00% recovery ratio next year using capital cost exemption credits allowed by the RTA.

Table 21. Regional ADA Paratransit Budget Summary (000's)

	2010 Actual	2011 Estimate	2012 Budget
Total Operating Expenses	\$ 115,063	\$ 126,363	\$ 126,576
Less: Total Operating Revenue	10,542	11,214	11,576
Funding Requirement	\$ 104,521	\$ 115,149	\$ 115,000
Less: Sales Tax & PTF (Part II)	\$ 94,796	\$ 98,777	\$ 115,000
State Funds	8,500	8,500	0
RTA ICE Funds	1,225	7,872	0
Total Funding	\$ 104,521	\$ 115,149	\$ 115,000
Net Funding Available	\$ 0	\$ 0	\$ 0
Recovery Ratio*	10.00%	10.00%	10.00%

*Capital cost exemption credits applied for all years.

Regional ADA Paratransit Sources of Funds

The Regional ADA Paratransit Budget is funded from two sources—public funds and revenues generated from operations.

ADA Fund

In January 2008, the amended RTA Act dedicated a new source of funding for the Regional ADA Paratransit Program. Section 2.01(d) required that the RTA establish an ADA Paratransit Fund and each year, amounts, as specified in Section 4.03.3, were to be deposited into the fund, including any additional funds provided by the state for this purpose. Any amounts deposited into the fund are for the exclusive purpose of funding the ADA paratransit services. The RTA can carryover positive fund balances should they exist from one year to the next and use those proceeds to fund future year ADA paratransit services.

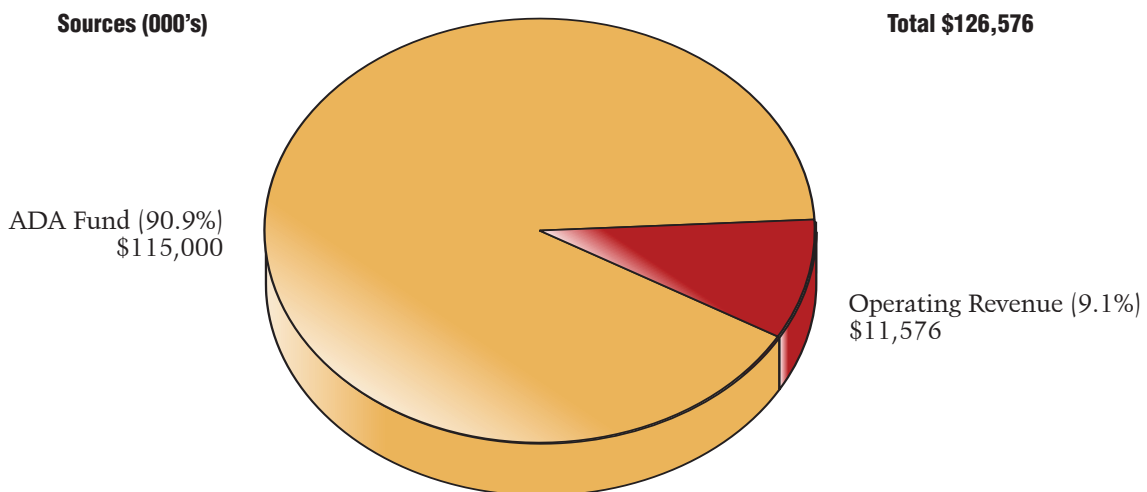
For 2012, the RTA Act has been amended to increase the ADA Fund level to \$115.000 million. The amendment also states that for each year thereafter, an amount equal to the final budget funding for ADA paratransit service for the current year shall be provided. Based on this amendment, the RTA will establish the amount specified in the Act for 2012. This level of funds will represent 90.9% of the total available source of funds for the ADA Paratransit Program next year.

Operating Revenue

The second source of funding available to fund the ADA Paratransit Program comes from operations. Operating revenues are generated largely from passenger fares. As ridership/demand grows, passenger fare revenues also move in the same direction. Operating revenues also include income generated from reimbursements for services provided. In the case for 2012, Pace will be reimbursed for certification and recertification trips. Pace will also receive reimbursement from Medicaid for trips determined to be eligible under their guidelines. For 2012, Operating revenues will represent \$11.576 million or 9.1% of the total sources of funds available to fund the Regional ADA Paratransit Program.

For 2012, Pace's plans to keep contractor prices flat and raise productivity are fundamental factors in ensuring that available sources of funds are adequate to balance next year's ADA Program needs.

Chart E. ADA Sources of Funds



Regional ADA Paratransit Uses of Funds

All funds received in 2012 will be used to provide and support ADA paratransit services. The major components of the ADA program consist of City ADA services and Suburban ADA services. Service delivery under both of these programs is contracted to private service operators. Another service element offered in the City of Chicago is a Taxi Access Program (TAP). This program provides subsidized taxi service to ADA eligible riders. In addition to the City and Suburban cost elements, there are regional support costs which represent the indirect overhead costs of supporting the Regional ADA Paratransit service overseen by Pace. Details on the City, Suburban ADA services, and TAP are included on Table 22, page 32.

City ADA Services

Pace will continue to provide all ADA service within the City of Chicago. For 2012, Pace expects to spend \$94.745 million for City ADA service. The majority of these expenditures (94.2%) will be spent on service delivery through private contractors. The balance includes costs for insurance, administration and costs related to trips for certifying ADA eligible participants.

Taxi Access Program (TAP)

Pace is also responsible for the provision of subsidized taxi service to ADA eligible riders in the City of Chicago. Pace will spend \$2.473 million for TAP in 2012.

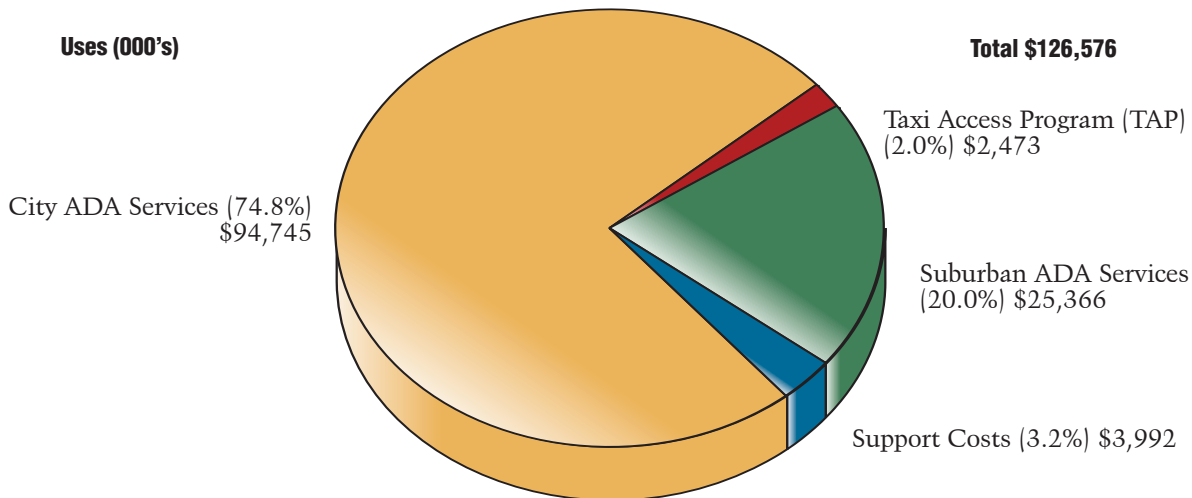
Suburban ADA Services

Pace provides ADA service in the suburbs. For 2012, Pace will spend \$25.366 million for Suburban ADA service. Costs for contracted service in the suburbs will account for 95.6% of the total cost, including fuel. Similar to the City service, the balance of the costs are also for insurance, administration and the costs for certifying ADA eligible participants.

Indirect Overhead Costs

There are regional support costs that Pace incurs on behalf of managing and operating the ADA program. For 2012, Pace will incur \$3.992 million in overhead costs that will be allocated to the Regional ADA program.

Chart F. ADA Uses of Funds



2012 Regional ADA Paratransit Service Budget—City/Suburban Detail

Pace's 2012 proposed revenue, expense and funding requirements for the Regional ADA Paratransit services are presented in Table 22 below. The estimates for 2011 and the proposed budget for 2012 are broken down into City, TAP and Suburban components.

The 2012 program is balanced to both the funding and recovery marks set by the RTA.

The recovery ratio for Regional ADA Paratransit services is established at 10% by the RTA Act. In determining compliance with the 10% requirement, the RTA can allow

the use of capital credits to expense, consistent with the federal capital cost of contracting provisions. The purpose of the capital expense exemption from the recovery rate calculation is to exclude those capital costs—similar to the exclusion of capital costs from the calculation of the regional recovery ratio.

Table 22. 2012 Regional ADA Paratransit Service Budget—City/Suburban Details (000's)

	2011 Estimate			2012 Budget			Net Change 2011-2012
	City	Suburban	Region Total	City	Suburban	Region Total	
REVENUE							
Fares—Contract	\$ 6,504	\$ 1,834	\$ 8,338	\$ 6,844	\$ 1,931	\$ 8,775	\$ 437
Fares—TAP	433	-	433	434	-	434	1
RTA Certification	1,815	628	2,443	1,774	593	2,367	(76)
Total Revenue	\$ 8,752	\$ 2,462	\$ 11,214	\$ 9,052	\$ 2,524	\$ 11,576	\$ 362
EXPENSES							
Contract Services	\$ 91,373	\$ 19,858	\$ 111,231	\$ 89,226	\$ 21,497	\$ 110,723	\$ (508)
TAP Services	2,392	-	2,392	2,473	-	2,473	81
Fuel	-	2,593	2,593	-	2,756	2,756	163
Insurance	327	10	337	335	10	345	8
Administration	3,860	721	4,581	4,125	750	4,875	294
RTA Certification	972	343	1,315	1,001	353	1,354	39
Other	57	-	57	58	-	58	1
ADA Support Allocation	-	-	3,857	-	-	3,992	135
Total Expenses	\$ 98,981	\$ 23,525	\$ 126,363	\$ 97,218	\$ 25,366	\$ 126,576	\$ 213
Funding Requirement	\$ 90,229	\$ 21,063	\$ 115,149	\$ 88,166	\$ 22,842	\$ 115,000	\$ (149)
PUBLIC FUNDING	\$ -	\$ -	\$ 115,149	\$ -	\$ -	\$ 115,000	\$ (149)
Net Funding Available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recovery Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	-
Base Ridership—Contract	2,168	635	2,803	2,281	666	2,947	144
Total Ridership—Contract	2,639	711	3,350	2,776	746	3,522	172
Ridership—TAP	127	-	127	128	-	128	1
Ridership—Total	2,766	711	3,477	2,904	746	3,650	173