

# FY23 Budget Amendment for Collin County Transit

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## Key Takeaways

- Program changes to increase ridership by opening the program to low-income individuals and setting flat fares has been very successful.
- The explosive growth over the past few months well exceeds the budgeted amount for the program for FY22-23.
- CARES Act funding can cover the gap for this fiscal year, but program changes are necessary in order to control cost increases.
- A budget amendment of \$700,000 and budget review for FY22-23 are requested.
- This will be an evolving and dynamic situation, especially paired with the census changes in the Urban Transit Area.

## Budget Discussion Overview

- After a slow start, monthly ridership for Collin County Transit has increased from 996 in January 2022 to 4,397 in January 2023.
- In the last five months, the CCT program has already completed more than 80% of trips than was estimated to complete for the calendar year. The dramatic use of the budget reflects that.
  - From Jan 1, 2023, to May 1, 2023, CCT has completed 20,737 trips.
  - In contrast, from Jan 1, 2022, to May 1, 2022, CCT completed 4,979 trips.
- The Collin County Transit budget for FY23 was \$1,053,000.
  - As of March 2023, \$1,035,068 has been expended.
- A budget amendment of \$700,000 is needed to continue to provide service in FY23. This budget amendment is assuming a financial cap on our highest variable line items, non-dedicated operations and call center variable fees.
  - *If we assumed a 3% growth model and changed some aspects of the program, the estimated budget for FY23 (Oct 2022 – Sept 2023) is \$2.12M.*
  - *If we assumed 10% growth model (our current trend) and changed nothing about the CCT program, the estimated budget for FY23 (Oct 2022 – Sept 2023) is \$2.78M.*

## Factors Influencing Growth: Explosive Increase in Ridership Base & Use of Service

Collin County Transit has seen a dramatic increase in:

- Number of Trips taken in the CCT program,
  - A 341% increase from January 2022 to January 2023
    - 996 completed boardings in January 2022
      - CCT did not have nondedicated operations in January 2022.
    - 4397 completed boardings in January 2023
      - 3491 of those trips were taken using nondedicated operators.
- & Active CCT Program Users
  - Active users in April 2022: 153 riders, taking 1487 trips
    - ~10 trips per rider on average
  - Active users in April 2023: 318 riders, taking 5526 trips
    - ~17 trips per rider on average

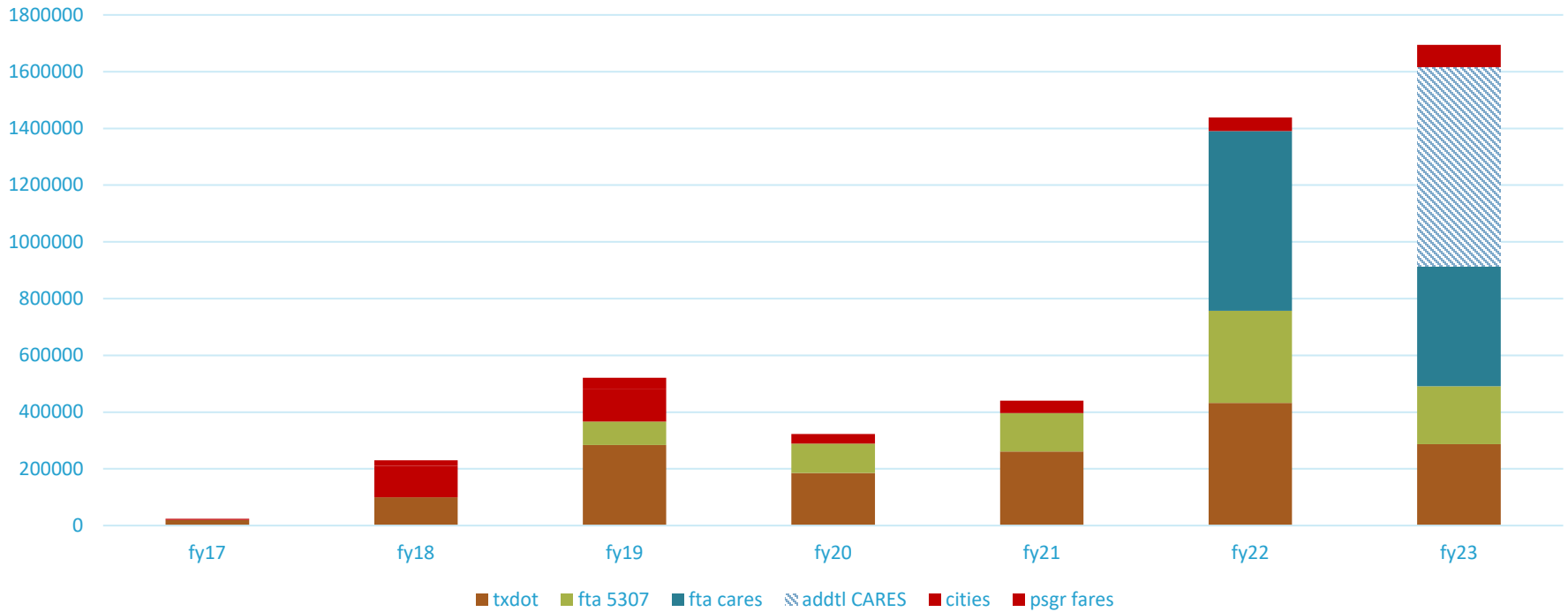
# Factors Influencing Growth: Variable Costs in Program Administration

## Variable Budget Line Items

- Non-Dedicated Operations Fee
  - FY2022 Monthly Average: \$15,503
  - FY2023 Monthly Average: \$67,113
- Call Center Fee above 1,500 Minutes
  - FY2022 Monthly Average: \$13,574
  - FY2023 Monthly Average: \$27,881

# Budget Amendment FY23

## Cost of Transit Service



\$700,000 is needed to continue service through the end of FY23 assuming no additional growth. The FTA CARES grant can accommodate 100% of these estimated additional operations expenditures incurred in FY23.

## Cost Saving Measures

- Immediate and Under Way:
  - Encourage use of GoPass rather than call center to book trips
  - Technological improvements to back-end system and user-facing system
  - Efforts to increase shared rides
  - Rider eligibility review
- For Consideration:
  - Increased Fares
  - Freeze eligibility portal
  - Curtail non-dedicated service use, using data-driven determinations

## Staff Recommendation

- Implementation and analysis of all immediate items
- Eligibility Portal Freeze

## Cost Saving Initiatives Implemented by Staff

- Ability to cancel trip via text message - *completed*
- Ability to find your ride via text message – *completed*
- SMS text campaign promoting GoPass - *completed*
- Automated message promoting GoPass through Telelink – *completed*
- Conduct GoPass trainings at the McKinney Senior Recreation Center & Samaritan Inn - *ongoing*
  - *These initiatives are intended to decrease the monthly minutes fees related to the call center. The GoPass app was paid for in full in January 2022 and does not have variable fees associated with its use.*
- Adjust vehicle priority in Spare Labs platform - *completed*
- Adjust average wait time for trips dispatched to Lyft – *completed*
- Corridor analysis to increase pooling – *ongoing*
  - *These initiatives are intended to increase pooling and decrease the number of single occupancy lyft trips on the service.*
- Re-verifying rider eligibility – *ongoing*
  - *This initiative is intended to ensure that those using the service are residents of the area qualified for service.*



## Would an increase in passenger fares make up the difference?

- Public transportation is inherently a safety net for the economically disadvantaged and disabled. As our service is specifically intended to help disadvantaged constituents, raising fares would be counter-intuitive to the objective set by MUTD Board.
  - Seniors over the age of 65, low-income residents, and residents with disabilities are usually reliant upon a fixed income. Raising fares would negatively impact those residents.
- Fares do not make up a significant enough portion of the total to recoup any real benefit to the MUTD.
  - With our present flat fare structure, passenger fares make up about 8% of the total. If flat fares were doubled, they would only make up ~17% of the total. To make a substantial impact on the budget, fares would have to be variable.
    - For CCT to recoup the actual cost per trip per passenger, on average, riders would have to pay:
      - ~\$60 per trip in an MUTD-owned vehicle,
      - ~\$40 per trip in a subcontractor-owned vehicle, or
      - ~\$20 per trip in a nondedicated vehicle.

## Freeze Applications for New Riders

- *Option 1 : Freeze eligibility portal and continue to provide service to existing riders. Board can reconsider this limitation once program expenses stabilize.*
- *Option 2: Freeze eligibility portal to five approved applications per month, using a waitlist to help us quantify the need. This would be more akin to a 3% growth model.*
- *Option 3: Freeze eligibility for low-income riders and continue to allow new disabled or senior riders to the program.*

## Curtail Non-Dedicated Service Use

- We are discussing service impacts with data science team if we took the following steps to decrease use of non-dedicated Lyft fleet:
  - Update service zone structure for increased opportunity of multiple trips pooled on the same dedicated vehicle
  - Update fare structure for Lyft trips, variable based on trip length
  - Update number of Lyft trips available per customer, per month

# MUTD Board Direction Requested

## Staff Recommendation

- Implementation and analysis of all immediate items
- Eligibility Portal Freeze
  
- FY2023:
  - 0% growth model estimates service costs at \$1.7M
  - 3% growth model estimates service costs at \$2.13M
- FY2024
  - 0% growth model estimates service costs at \$2.32M
  - 3% growth model estimates service costs at \$2.55M.
- If Staff Recommendation is not implemented and CCT continues to grow at its current 10% rate, the cost of service for FY23 is estimated to reach \$2.9M.
  - Estimated cost of service for FY24 is \$5.45M with the current 10% growth model.