

MUTD Program Alternatives

MUTD Board Meeting
February 27, 2023

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MUTD Program Goal:

**Meet the transit needs of Member Cities
elderly, disabled and low-income residents in
a financially sustainable manner.**

Takeaways

- Both program changes and additional local funding sources are needed in order to continue meeting the program goal.
- Time is of the essence, but changes can be incremental.
- MUTD Board direction is needed to set policy provisions.
- We have developed a proposal for consideration.

Why We are Here

No Risk of Running out. Can only use with a Match.

Annual Variable Amount. Used for Admin. Used for Local Match.

Most Flexible. Used for Local Match.

One Time Funding Source. Cannot be used for Local Match.

FTA

+

Decreasing

+

Local

+

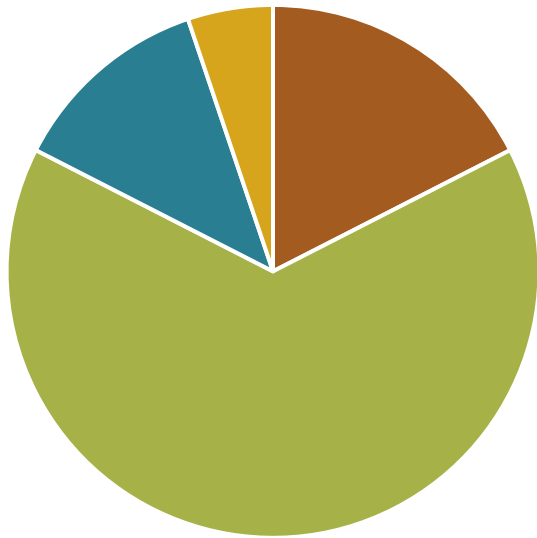
Limited

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Transportation Program
Growing Quickly

FY23-24 MUTD Program Budget

FY24 Transit Operations



■ FTA 5307 ■ FTA CARES ■ TXDOT ■ McKinney

CARES Act funding has allowed MUTD to broaden services over the past three years.

In FY24, approximately \$1.5M in CARES Act funding will be used to fund the program budget.

For FY 24, FTA CARES represents 65% of FY24 operations compared to 46% in FY22.

While there are several variables, CARES Act funding could make up 80% of the Transit Budget for FY25 if changes are not made.

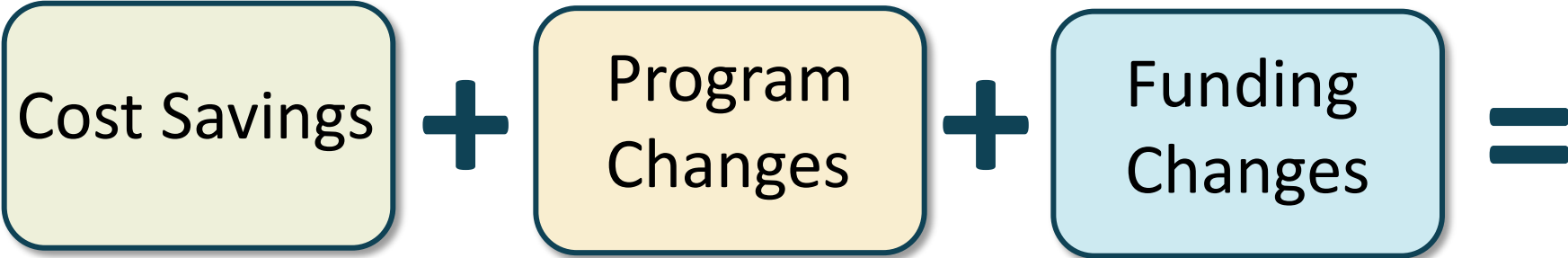
FY23-24 MUTD Program Budget

FY24 Operations Funding Sources					
Anticipated Operational Costs	2,320,000				
Total Match	405,506				
	<table border="1"> <tbody> <tr> <td>TXDOT</td> <td>285,506</td> </tr> <tr> <td>City of McKinney</td> <td>120,000</td> </tr> </tbody> </table>	TXDOT	285,506	City of McKinney	120,000
TXDOT	285,506				
City of McKinney	120,000				
FTA 5307	405,506				
Total Grant Formula Funds Available	811,012				
Delta, to be filled by FTA CARES	1,508,988				

In order to use FTA 5307 funds for operating expenses, an agency must have 50% of local funding to use as match. An agency can only use as much federal funds as they have local funds to match it with. FTA 5307 allows reimbursement of up to 50% of transit operating expenses.



MUTD Budget Solutions



Cost Savings

What we have done already

- Fleet Prioritization Update
- GoPass Workshops (ongoing)
- Call Center Updates

What we will do this year

- 3 Year Mandated Rider Recertification
- MUTD Vehicles – Ownership to Contracted
- Cancellation Policy
- Explore Pooling All Trips

Program Changes

Fare Based Distance Caps Trip Caps

The Approach

What is it?

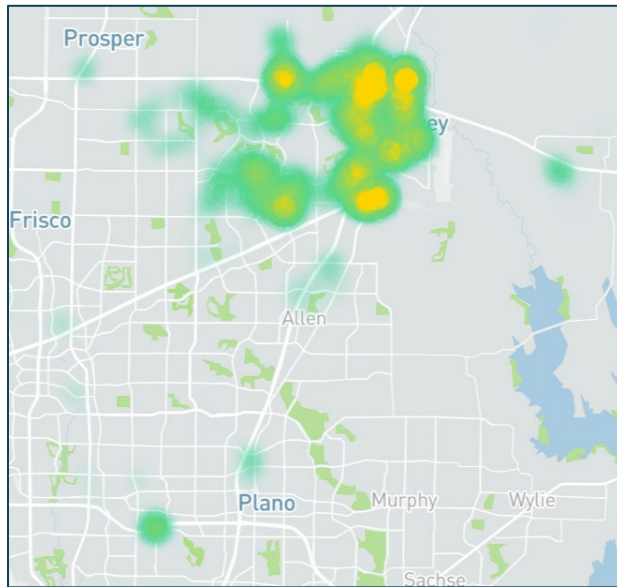
Current Data

Evaluate Alternatives

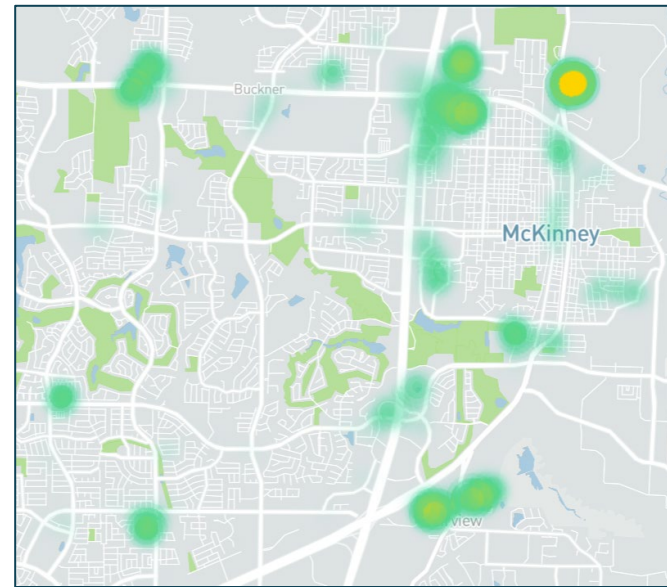
Set potential targets

Program Changes – Fare Based Distance Cap

Move from set price per ride to a base minimum fare combined with a variable distance fare.



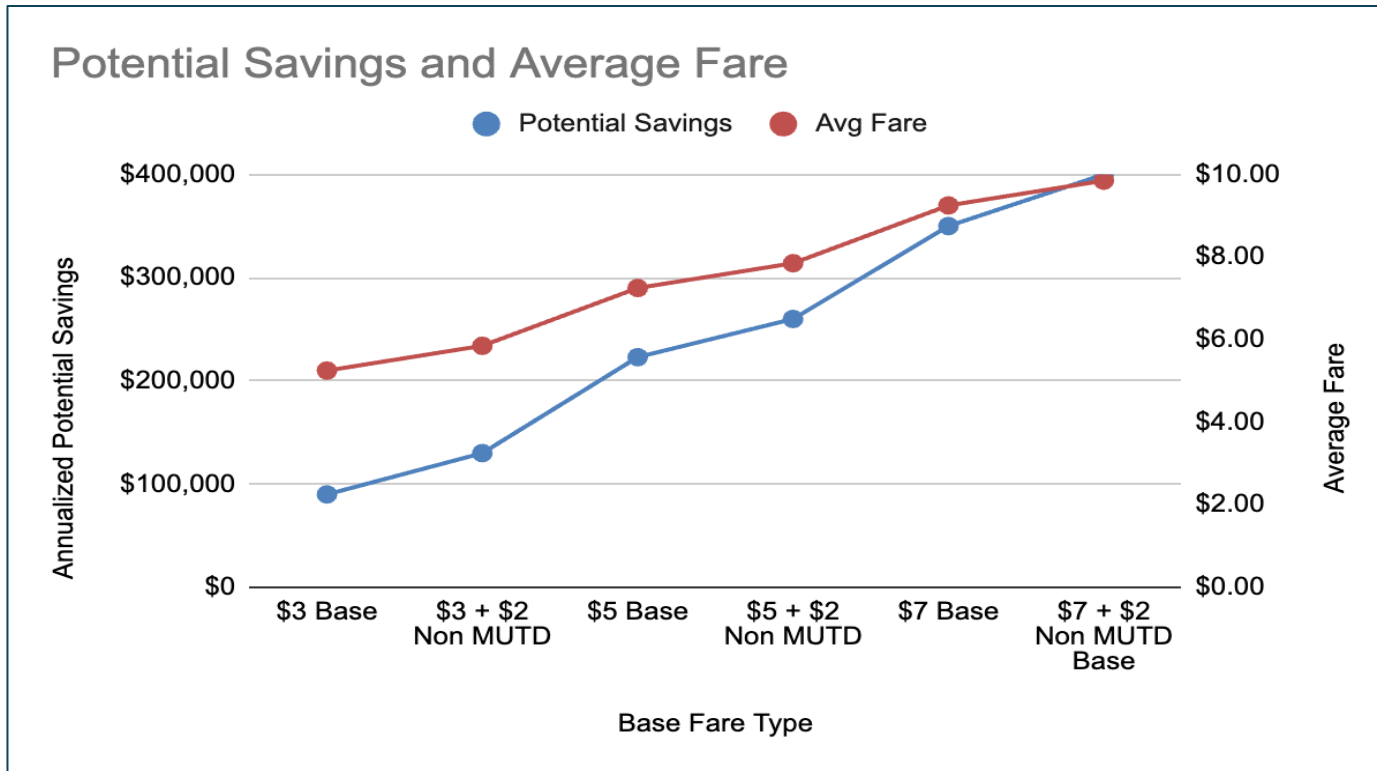
2023 Ridership Heat Map – McKinney and Surrounding



2023 Ridership Heat Map - McKinney

2023 Average Trip Distance = 7.2 miles

Fare Based Distance Cap – Alternatives



With a \$5 Base Charge, the customer would pay \$5 for all rides up to 7 miles, and an additional variable rate, based on distance, for trips longer than 7 miles. Currently, riders pay a flat fare, regardless of distance.

Program Changes – Trip Cap

Move from unlimited trips per month to a set number of trips per month.

December 2023 Average Number of Trips/Rider = 15

24 trips represent the number of one-way trips dialysis patients need to make per week

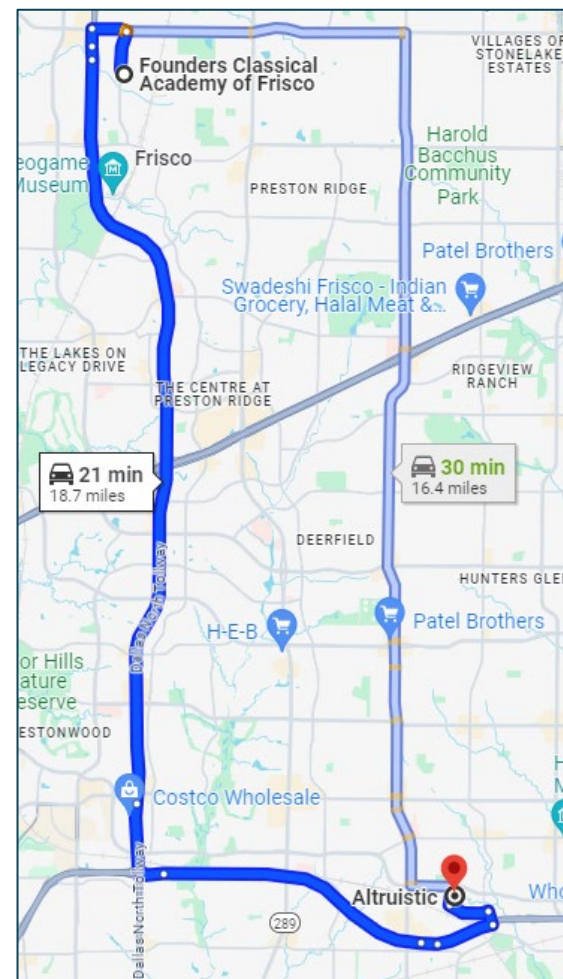
24 Trip/Month Cap = annual savings of \$165k - \$215k

Passenger Example 1

Passenger 1 travels three days per week from Founders Classical Academy to Altruistic & makes the reverse trip in the afternoon

Distance Cap Option: rider fare will increase from \$5.25 to \$11.00 per trip

Trip Cap Option: the rider would not exceed the allotted 24 trips per month.



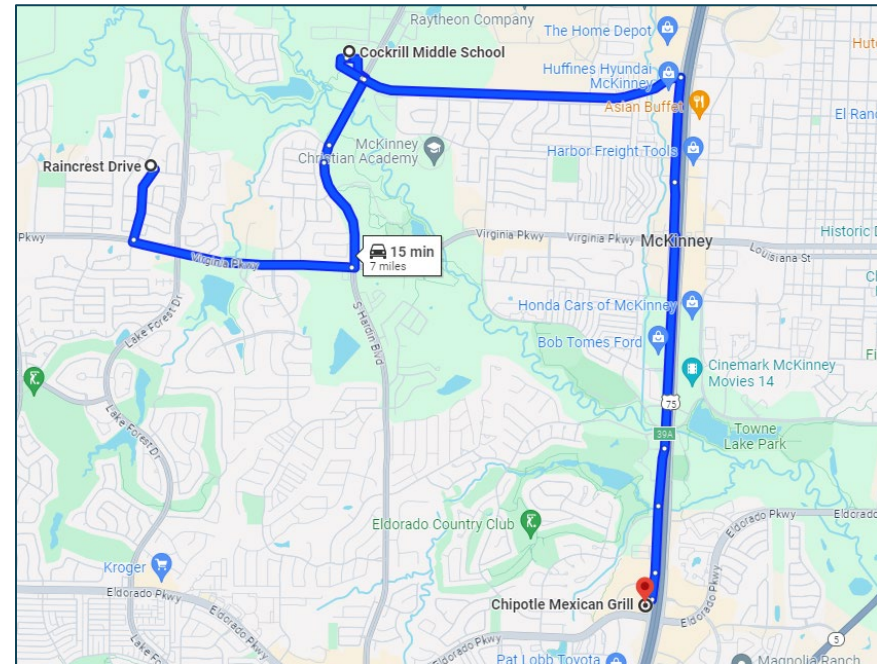
Passenger Example 2

Passenger 2 has used the service 48 times in February 2024 (Home>School>Work)

The average trip distance is 4.1 miles per trip

Distance Cap Option: rider fare will cost \$5.00 (up from \$3.15 per trip) .

Trip Cap Option: the rider would take hit the trip cap after utilizing 24 rides.



Comparison

Fare Based Distance

Rider: A more complicated change.

Riders who travel farther pay their share.

Riders may change behavior to travel shorter distances or stay within MUTD cities.

Administration:

Easier to implement. Aligns with other program models

Budget:

Higher potential cost savings.

Trip Cap

Rider: An easier change to understand.

Riders may change behavior to limit trips/month but will likely not change distances.

Possible pushback when additional rides needed for emergency purposes.

Administration:

More complicated implementation timeline. Custom built software required.

Budget:

Lower potential cost savings.

Funding Options

Existing NCTCOG Cost Allocation Formula

McKinney – \$236,640
Prosper - \$38,280
Princeton – \$24,360
Celina – \$27,840
Melissa – \$20,880
Lowry Crossing - ~\$0

Estimated Cost Allocation based on actual use (FY24)

McKinney (86.5%): \$1,305,275
Prosper (2.5%): \$37,725
Princeton (5.8%): \$87,521
Celina (2.8%): \$42,252
Melissa (2.2%): \$33,198
Lowry Crossing (.25%): \$3,772

Only McKinney is currently paying a local share (\$120,000).

MCDC Funding is also eligible to support transit uses (equipment and facilities only).

Other funding sources through NCTCOG/Grants may be available but are not guaranteed year to year.

Possible Solutions – Minimum to Maximum Impact

\$2.0 Million Annual Budget

- Trip Cap at 24 trips per rider per month OR Distance Base Fare at \$5 Base
- Decreasing CARES Act (Year 1 – 50%) + Increasing Local Funding

\$1.5 Million Annual Budget

- Trip Cap at 24 trips per rider per month OR
- Distance Based Fare at \$7 Base + \$2 charge for Non MUTD Cities addresses
- Decreasing CARES Act (Year 1 – 53%) + Increasing Local Funding

\$1.0 Million Annual Budget

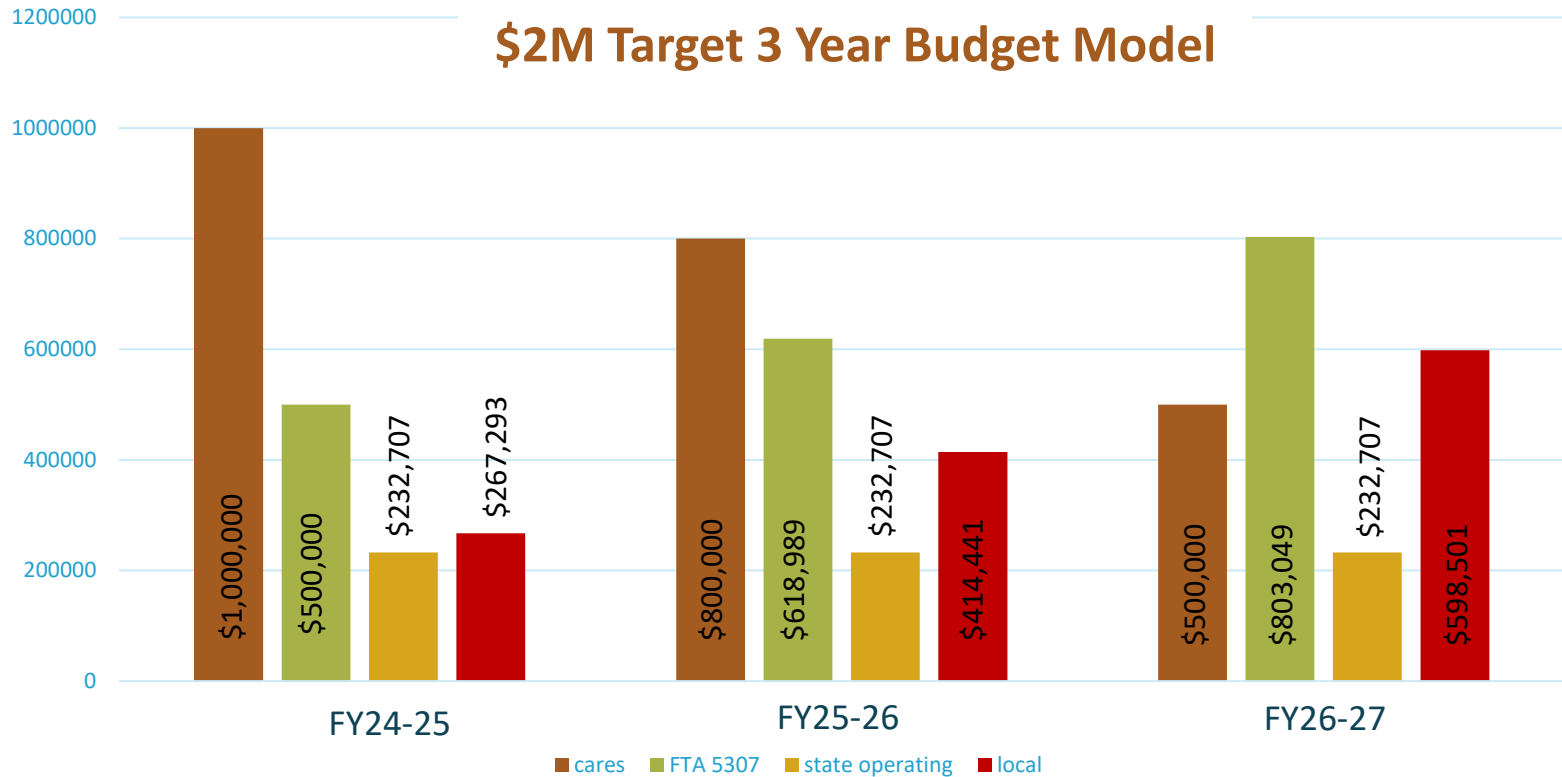
- Eliminate Lyft + Cap Trips per Rider
- Decreasing CARES Act (Year 1 – 53%) + Increasing Local Funding

Proposal

\$2.0 Million Annual Budget

- Cost Savings Measures & Continued Monitoring
- \$5 Fare Based Distance Cap (no surcharge)
- Decreasing CARES Act (\$1M/annually to start) 50% CARES reliance FY25
 - ↻ 40% CARES reliance FY26
 - ↻ 25% CARES reliance FY27
- Revise member cities cost share formula to reflect actual use
- 3% Growth Rate Anticipated

Proposal



FY 24-25 Local Allocation Share

McKinney: \$229,872

Prosper: \$6,682

Princeton: \$15,503

Celina: \$7,484

Melissa: \$5,880

Lowry Crossing: \$668

What's next?

Staff seeks support to pursue:

- \$2M FY24-25 Budget

- Pursue Program Cost Savings

- Implement \$5 Fare Based Distance Cap

- Update local cost allocation to reflect actual use

Timeline and Implementation plan provided to MUTD at next meeting for formal approval.

Program Changes proposed to start January 2, 2025