



FY 2025-2030

# Wake Bus Plan

## ADA Funding Policy

Adopted January 2024

**GO FORWARD**  
A COMMUNITY INVESTMENT IN TRANSIT

# 1 Introduction

The Wake Transit Plan supports increased transit investment in Wake County, with transit development organized around “Four Big Moves”:

- Connect the region
- Connect all Wake County communities
- Create frequency and reliable urban mobility
- Enhance access to transit

The Wake Transit Plan also includes investments in demand-response services, such as complementary paratransit, which is required by the Federal Transit Administration (FTA) and the Americans with Disability Act (ADA) to ensure access to public transit for individuals unable to use or travel to or from fixed-route transit services due to a disability. As the Wake Transit Plan expands fixed-route transit service, there will be an increase in the availability and use of complementary paratransit, particularly at times or in places where transit service was not previously available.

This technical memorandum recommends a policy for how the Wake Transit Plan will account for the costs of providing complementary paratransit (ADA paratransit) associated with an expanded transit network in Wake County. In the context of the Wake Transit Plan, accounting for ADA paratransit costs includes:

- **Budgeting** or the process for estimating the amount of money the Wake Transit Plan should set aside to pay for growth in ADA paratransit.
- **Reimbursements**, or how individual transit agency partners should seek payment (reimbursements) from the Wake Transit Plan for ADA paratransit costs incurred as part of implementing the Wake Transit Plan.

This policy applies to the providers that provide ADA complementary services required by fixed route transit service funded through Wake Transit. This policy does not apply to providers who received funding from the Community Area Funding Program.

## TASK OVERVIEW

The ADA Funding Policy was prepared as part of the 2023 Wake Transit Plan’s Wake Bus Plan; it was designed to clarify the process for budgeting and reimbursing costs of providing ADA paratransit associated with expansion and growth in the underlying regional fixed-route network. The policy was intended to be simple to understand, easy to use and replicate, and reward efficient operations. The policy also seeks to balance differences among the Wake transit providers while creating a consistent approach.

## ADA COMPLEMENTARY PARATRANSIT REQUIREMENTS

Under the ADA, transit agencies providing non-commuter fixed-route transit services must offer demand-response paratransit service as a complement to their fixed-routes. Complementary paratransit (or ADA paratransit) is intended to provide service to people with disabilities who cannot access fixed route service because of a disability.

In a bus system, ADA paratransit must be provided to eligible individuals during the same days and hours and within  $\frac{3}{4}$  mile of fixed routes, and paratransit fares cannot exceed twice the fixed-route fares. Transit agencies must accept trip requests up to the day prior to travel and must accommodate demand without constraints on capacity. Individuals wishing to travel on ADA paratransit must apply for and be determined eligible for the service. The Federal Transit Administration (FTA), which oversees transit agency ADA compliance published an ADA Circular<sup>1</sup> that more fully describes these requirements and offers technical guidance on implementation.

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<sup>1</sup> <https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/americans-disabilities-act-guidance-pdf>

## 2 Existing Conditions: ADA Budgets and Reimbursements

### OVERVIEW

The first step in developing a policy for future processes was to consider how the budgeting and reimbursements work today. The Wake Bus Plan team examined existing conditions by reviewing the 2018 Wake Bus Plan and Annual Work Plans. The team also interviewed representatives of each of the three transit providers to understand how they budget ADA costs, estimated costs, and requested reimbursements. The team asked agency staff for their perspectives on how well the existing methods work and used the meetings to request available data specific to ADA budgeting and reimbursements.

Key findings from the data and conversations included:

- Transit providers spend a considerable portion of their operating budgets providing ADA paratransit services. ADA paratransit costs have been increasing year on year for the past several years (see
- Transit operators have not consistently requested reimbursement for ADA costs incurred as part of the Wake Transit Plan.
- Figure 1)<sup>2</sup>.
- ADA costs are increasing, due in part to inflation, escalation in driver pay, and regional population growth.
- ADA ridership is in flux. After year-on-year increases between FY16 and FY19, ridership softened, as the impact of COVID-19 was felt across all services. ADA ridership, like all transit ridership, started to recover in 2021 and 2022. ADA riders are returning to the system in part because of the suspension of fares means ADA services are also free.

GoRaleigh and GoTriangle are spending an increasing portion of their systemwide costs on ADA services. Depending on the agency, ADA paratransit costs represent between 15% and 25% of overall operating costs (see Source: National Transit Database (adapted by Nelson\Nygaard)

- Figure 2).

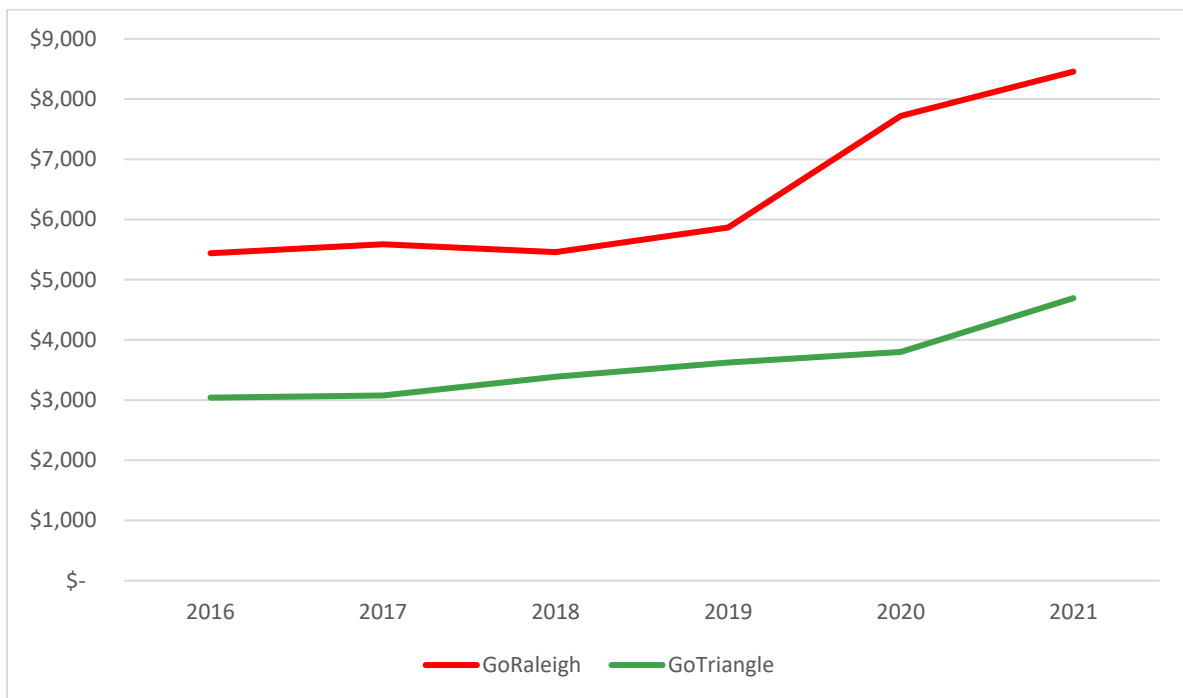
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<sup>2</sup> GoCary is not included because analysis is based on NTD. GoCary's ADA costs are combined with other demand response service operated by the agency.

### Wake Bus Plan ADA Funding Policy

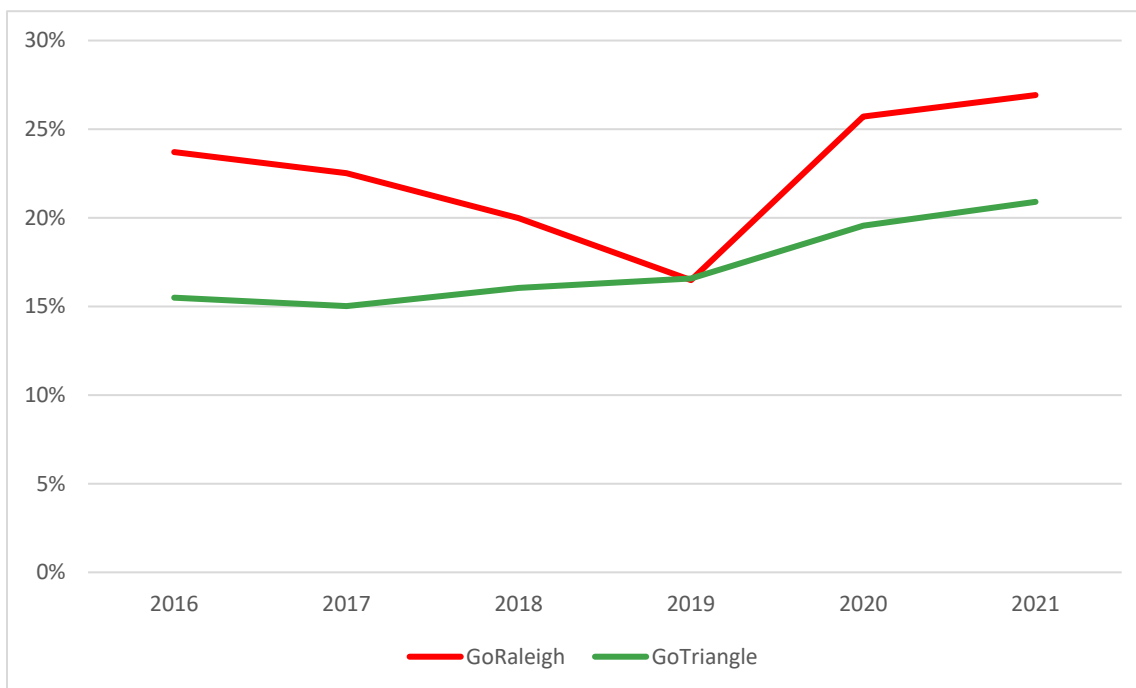
- National experience suggests that ADA demand (or ridership) is broadly linked to population, poverty levels, and the underlying transit service. ADA demand is also influenced by the overall usability of the network; as the network expands and fills in, it will provide access to more destination, be more useful to more people, including people using ADA service.
- Both the budgeting process for setting aside funds to cover ADA costs and the process to request reimbursement for ADA expenses has been inconsistent and complicated for transit operators.
- There is a strong desire among providers currently operating ADA complementary service to support Wake Transit funded projects, for the process to both estimate (budget) costs and reimburse expenses using a method that is clear, consistent, and simple.
- Over time, Wake Transit Plan funded bus services will be mixed in with nearly all bus routes operating in the County. This means that it will become harder to attribute increased ADA costs to specific Wake Transit Plan bus route or service investments.
- Transit operators have not consistently requested reimbursement for ADA costs incurred as part of the Wake Transit Plan.

**Figure 1 ADA Costs by Agency (2016 – 2021) in 000s**



Source: National Transit Database (adapted by Nelson\Nygaard)

Figure 2 ADA Costs as a Percentage of Fixed Route Costs (2016 -2021)



Source: National Transit Database (adapted by Nelson\Nygaard)

## ADA BUDGETING AND REIMBURSEMENT METHODS

### Background

As part of the Wake Transit Plan, regional stakeholders prepare a multi-year operating and capital plan (the Wake Bus Plan) every four years. The Bus Plan creates a long- and short-term strategy for how the Wake Transit Plan will invest in bus service over a nine-year period (FY19 – FY27) as well as short range transit plans for the four-to-five-year period (FY19 – FY23). Fixed route service and capital are planned, prioritized, and programmed as part of this process within the financial constraints of available revenues. The costs of providing ADA services are included as part of this process.

The Wake Transit Plan refines the projects programmed in the Wake Bus Plan each year as part of developing Annual Work Plans. As part of the Annual Work Plans, stakeholders adjust and refine the projects recommended in the Wake Bus Plan based on changes and recent experience with implementation.

The 2018 Wake Bus Plan programmed service and capital investments for the years between FY18 and FY27 and prepared short range transit plans for FY18 – FY23. The 2023 Wake Bus Plan estimated ADA operating costs as a separate line item that is not assigned to individual transit operators. The cost estimates were developed based on changes to the overall (systemwide) bus service investments, such as increased span of service on several bus routes and new fixed route bus projects that expand service into new areas. Funds budgeted for ADA, however, were not assigned to a specific transit operator.

## Budgeting ADA Paratransit Costs

As the Wake Bus Plan transitioned into Annual Work Plans, the process for estimating the cost of ADA services evolved, reflecting a combination of experience and need:

- **FY 2018 and FY 2019: ADA costs were estimated on a system-wide basis, based on fixed route investments:** As described above, initial cost estimates for ADA services were influenced by the programmed fixed-route services but developed separately. They did not assign costs or budgets to individual transit operators.
- **FY 2020: ADA costs budgeted as part of specific fixed route service costs:** As part of the Wake Transit Plan Vision Update, ADA costs were assigned as a separate line item and tied to specific fixed route investments. In some cases, costs (funds) were assigned to specific transit operators. For example, GoRaleigh's Northwest Route Additions were budgeted at \$4,385,463 and associated ADA costs were budgeted at \$356,700.
- **FY2021 – FY 2023: ADA costs budgeted as single line items:** Beginning with the FY21 Annual Work Plan and continuing through FY23, each provider's anticipated ADA costs were presented as a separate line item. In FY23, annual workplans also include a reserve fund titled ADA/Paratransit Operations Expansion.

## Reimbursing ADA Paratransit Costs

Neither the Wake Bus Plan nor the Annual Work Plan specified a process for reimbursing operators for the costs of ADA services. This contrasts with reimbursements for fixed route service improvements, where costs are clearly included in the annual work plans; each fixed route project has an associated cost estimate. Operators agree to implement these fixed route projects and request reimbursement based on actual costs.

The transit operators do not have a specific method for requesting reimbursements. Each operator used different methods to estimate the additional cost of ADA services and requested funding, or in some cases operators did not request reimbursement at all. Indeed, only GoRaleigh requested reimbursements each year; GoCary requested reimbursements for ADA services in FY22 and GoTriangle has not requested any costs associated with operating ADA services to date.

## TRANSIT OPERATOR PERSPECTIVE

Individual transit operators have had different experiences and taken different approaches with regards to ADA services. The experience of each operator is described below together with available data on funding assigned to ADA services and the amount reimbursed.

### GoCary

GoCary is the smallest transit provider in Wake County, both in terms of its service area and in the amount of service operates. GoCary operates ADA paratransit beyond the ¾-mile minimum required by ADA and operates demand-responsive services for residents aged 60 or older. Data included in this analysis is for the ADA service associated with the Wake Transit Plan only. See Appendix A for additional background and data sources.

## Wake Bus Plan ADA Funding Policy

GoCary implemented new fixed route service projects each year between FY18 and FY22. In the first two years, there was not a separate line item for ADA costs, but ADA costs were called out in FY20, FY21 and FY22. There is no clear justification for how the estimate for ADA costs was developed; as a portion of fixed route services, the budgeted cost estimate ranges from 4.4% in FY20 to 6.4% in FY21 (see Figure 3).

GoCary has requested reimbursements from the Wake Transit Plan each year, but historically has not requested the full amounts allocated. In FY20 when ADA costs had a specific amount set aside for ADA service, GoCary did not request reimbursement. FY21 was the first year that GoCary requested reimbursements for increased ADA service costs; it is unclear if GoCary submitted materials or information to justify the reimbursement.

**Figure 3 GoCary Fixed Route and ADA Budgets and Reimbursements FY18 – FY22**

Mode/Year	FY18	FY19	FY20	FY21	FY22
Work Plan budgeting method	Combined	Combined	Project-based	ADA/fixed separate	ADA/fixed separate
<b>Budgets</b>					
Fixed route budget	N/A	N/A	\$1,928,755	\$1,941,795	\$2,135,974
ADA budget	N/A	N/A	\$84,554	\$125,000	\$132,360
<b>Combined ADA and FR budget</b>	<b>\$938,522</b>	<b>\$1,422,046</b>	<b>\$2,013,309</b>	<b>\$2,066,795</b>	<b>\$2,268,334</b>
ADA percentage of FR budget	N/A	N/A	4.4%	6.4%	6.2%
<b>Reimbursements</b>					
Reimbursed fixed route	\$304,411	\$695,650	\$874,612	\$1,126,278	TBD
Reimbursed ADA	N/A	N/A	N/A	\$125,000	TBD
<b>Total Reimbursed</b>	<b>\$304,411</b>	<b>\$695,650</b>	<b>\$874,612</b>	<b>\$1,401,278</b>	<b>TBD</b>

Source: Adopted work plans, GoTriangle; N/A – not available

## GoRaleigh

The region's largest transit provider, GoRaleigh operates more bus routes than any other provider; it also provides more ADA trips. Between 2019 and 2021, GoRaleigh's systemwide ADA costs were between 16% and 27% of the costs of their fixed route<sup>3</sup>. Additional information on GoRaleigh's service is available in Appendix A.

GoRaleigh has been at the forefront of Wake Transit Plan development, responsible for implementing significant portions of the fixed route service expansion. Wake Transit Plan budget increases range from \$1.6 million in projects in FY18 to more than \$15 million in FY22. Costs for expanded ADA services were also included in the budget. As a percentage of Wake Transit funded fixed route service, the ADA allocations were 11.5% in FY20 and FY21 and 14.1% in FY22 (see Figure 4).

<sup>3</sup> National Transit Database



## Wake Bus Plan ADA Funding Policy

GoRaleigh has been requesting ADA reimbursements from the Wake Transit Plan. GoRaleigh's invoices for ADA service ranged between 8.8% and 21.2% of amounts invoiced for fixed route service. The reimbursement process varied according to the budgeting method. When the published Wake Transit Plan did not include a specific line item for ADA paratransit costs,

- In FY18, when ADA costs could easily be tracked to the addition of Sunday ADA service, it was billed to the Wake Transit Plan.
- FY19 ADA costs reflect the addition of routes in southeast and northwest Raleigh, as well as some additional costs not explicitly specified.
- In FY20 and FY21, GoRaleigh adjusted costs it billed to Wake Transit Plan funds to account demand and experience in the field.

**Figure 4 GoRaleigh Fixed Route and ADA Budgets and Reimbursements FY18 – FY22**

Mode/Year	FY18	FY19	FY20	FY21	FY22
Work Plan budgeting method	Combined	Combined	Project-based	ADA/fixed separate	ADA/fixed separate
<b>Budgets</b>					
Fixed route budget	N/A	N/A	\$13,612,492	\$10,844,012	\$10,514,774
ADA budget	N/A	N/A	\$1,563,457	\$1,247,999	\$1,477,885
<b>Combined budget</b>	<b>\$1,550,920</b>	<b>\$7,123,875</b>	<b>\$15,175,949</b>	<b>\$12,092,011</b>	<b>\$11,992,659</b>
ADA percentage of FR budget	N/A	N/A	11.5%	11.5%	14.1%
<b>Reimbursements from Wake Transit Plan</b>					
Reimbursed fixed route	\$1,279,511	\$5,015,851	\$6,700,241	\$7,662,647	TBD
Reimbursed ADA	\$271,409	\$440,754	\$1,378,490	\$1,083,679	TBD
<b>Total Reimbursed</b>	<b>\$1,550,920</b>	<b>\$5,456,605</b>	<b>\$8,078,731</b>	<b>\$8,746,326</b>	<b>TBD</b>
ADA percentage of FR budget	21.2%	8.8%	20.6%	14.1%	N/A

Source: Adopted work plans, GoTriangle, GoRaleigh

Note: although not specified in the FY18 and FY19 Adopted Work Plans, GoRaleigh separately provided ADA budget amounts, which are shown in the table.

## GoTriangle

As the provider of regional fixed-route transit service, GoTriangle provides regional ADA trips. Compared with other transit providers in Wake County, GoTriangle's ADA trips are longer distance and more expensive to deliver. Between 2019 and 2021, GoTriangle ADA costs were roughly 20% of fixed route costs<sup>4</sup> (see Appendix A for additional background and data sources).

<sup>4</sup> National Transit Database

## Wake Bus Plan ADA Funding Policy

GoTriangle expanded their fixed route services each year between FY18 and FY22. Wake Transit Plan budgets also include funding to cover the costs of expanded ADA services. The amounts budgeted, however, range considerably from 6.3% in FY20 to 10.8% in FY22 (see Figure 5).

GoTriangle has requested reimbursements for costs associated with fixed route service expansion, but not ADA service.

**Figure 5      GoTriangle Fixed Route ADA Budgets and Reimbursements FY18 – FY22**

Mode/Year	FY18	FY19	FY20	FY21	FY22
Work Plan budgeting method	Combined	Combined	Project-based	ADA/fixed separate	ADA/fixed separate
<b>GoTriangle Budgeted Funding from Wake Transit Plan</b>					
Fixed route budget	N/A	N/A	\$2,422,837	\$3,405,704	\$4,344,213
ADA budget	N/A	N/A	\$152,902	\$187,285	\$468,385
<b>Combined ADA and fixed-route budget</b>	<b>\$1,749,590</b>	<b>\$2,071,419</b>	<b>\$2,728,641</b>	<b>\$3,672,989</b>	<b>\$4,812,598</b>
ADA percentage of FR budget	N/A	N/A	6.3%	5.4%	10.8%
<b>Reimbursements</b>					
FR reimbursed	N/A	N/A	N/A	\$2,267,868	TBD
ADA reimbursed	N/A	N/A	N/A	N/A	TBD
<b>Total Reimbursed</b>	<b>\$1,494,580</b>	<b>\$1,940,842</b>	<b>\$2,068,929</b>	<b>\$2,267,868</b>	<b>TBD</b>

Source: Adopted work plans, GoTriangle; N/A – not available

### 3 ADA Funding Policy

The ADA Funding Policy is designed to clarify and layout a process for budgeting and reimbursing costs associated with providing ADA paratransit services related to expansion and growth of Wake Transit Plan funded fixed-route transit investments. Direction from the Wake Transit Plan Working Group specified that the recommended policy should be simple, easy to understand, easy to administer, and ideally reward efficient operations.

#### METHODS DEVELOPED AND EVALUATED

The consultant team investigated three methods for budgeting and reimbursing ADA paratransit costs. These methods reflect direction provided by the Working Group as well as existing conditions, provider feedback, and available data. The methods were selected to reflect increased ADA costs attributable to fixed-route expansion and not ADA cost growth that occurs over time regardless of fixed-route system expansion. ADA cost growth unrelated to fixed-route expansion is typical, primarily due to inflationary pressures (i.e., wages, benefits, and fuel costs).

The three potential methods include (see also Figure 6):

1. A ridership growth analysis that relies on spatial analysis to attempt to identify ADA paratransit trip growth associated with specific Wake Transit Plan investments.
2. A ridership and cost-trend analysis using data from prior years to develop a baseline of ADA costs and use increases above this baseline to estimate costs attributable to Wake Transit Plan investments.
3. A budget and reimbursement analysis that uses spending on fixed-route service as a proxy for ADA costs.

**Figure 6 Summary of Methods Considered for Attributing ADA Costs to Wake Transit Plan**

Method	Description	Summary of Findings
Spatial Analysis	Identify where services have been added. Measure the addition of new riders traveling from/to these newly served areas or benefitting from stronger connections to key parts of the transit network.	This method was not pursued because not enough time has elapsed since routes were implemented and data was not available on growth in new riders or increased travel within areas of new service.
Ridership and Cost Trend Analysis	Evaluate historical data on trips provided, operating expenses, productivity, and other metrics and use trends to forecast future demand.	Clear patterns did not emerge from provider reports or from FTA National Transit Database (NTD) data. The pandemic is partly to blame for this lack of clarity.

## Wake Bus Plan ADA Funding Policy

Method	Description	Summary of Findings
Budget and Reimbursement Analysis Based on Fixed-Route	Ties growth in ADA costs to growth in fixed-route costs and compares budgets and reimbursements to identify trends.	This method is recommended, focusing on ADA as a percentage – or ratio - of fixed-route costs.

## SPATIAL ANALYSIS

### Overview

One way to account for ADA trip costs is to identify places where new or more frequent bus service is added and assign trips in the travel shed to the Wake Transit Plan. Indeed, this was one of the earlier techniques used to estimate ADA costs attributed to the Wake Transit Plan.

With new ADA service areas mapped, this approach looks to identify important destinations (e.g., medical and shopping) that would be served by new routes as well as people living in newly served areas. In addition to considering the uses within these zones, the method evaluates registered riders whose addresses fall within  $\frac{3}{4}$  mile of new bus routes.

A key benefit of this approach is the ability to see changes directly attributable to service being added where no fixed-route service previously operated. In places where service spans are increasing, or where stronger connections are provided, a related potential measure is increased travel. To use this approach, reliable data on registered riders and their travel patterns is required. In other words, if more people are applying for ADA paratransit eligibility or previously eligible riders are traveling more frequently or to new areas, trends associated with fixed-route expansion would emerge.

A key challenge of this approach is the need to evaluate the origins and destinations of individual trips and to evaluate these locations spatially to determine whether the trip is due to new or expanded service. Further, as the Wake Transit Plan is implemented, the addition of new routes, increased frequencies and longer spans of service will continue to improve regional mobility by strengthening connections. For those residing in or traveling to newly served areas, access to ADA within  $\frac{3}{4}$  mile of new fixed routes should lead to growth in ADA travel.

### Application of Approach

The team requested data on location-based travel and the number of newly eligible riders from each provider. We used this information to “test” the approach and evaluate how well the approach reflected the experiences of each operator.

- GoRaleigh provided data for a single month across 2017–2020 including top destinations served by address and zip code. This is useful information to compare trends but did not show any commonalities between destinations and zip codes. The data on certifications was presented for a single year.
- GoTriangle provided the geographic location of registered riders along with service detailed and cost statistics by month. This information enabled analysis of ridership trends but did not include information on new rider growth or trends in individual rider travel.

- GoCary provided tracking data on annual growth in registered riders from 2016–2021. They also provided detailed information on pickup and drop-off addresses of all trips provided by the client. This information would prove useful for a spatial analysis, but GoCary had not implemented any expansion of service until 2021 and not enough time had passed for meaningful analysis.

Evaluating the data showed that it is not technically expedient or efficient. The data readily available from the operators was not sufficiently detailed to estimate increased demand for ADA trips or the cost of providing those trips. In addition, not enough time passed between implementation of new or expanded fixed-route services to identify clear trends, particularly due to ridership declines once the pandemic began in March 2020. As a result, the team does not recommend pursuing this strategy to estimate ADA demand or costs:

- The availability of data from each of the three providers and the relatively short time that has elapsed between initiation of expanded fixed-route services and the onset of the pandemic. Future ADA funding policy modifications could consider a spatial approach, particularly for providers that can readily track this data.
- As time passes, the integration of Wake Transit Plan funded services into the existing network will make it harder to determine how to assign costs.
- Providers that have access to trend data that can attribute ADA cost growth to fixed-route service expansion can provide such documentation as the basis for seeking higher than budgeted ADA reimbursements.

## RIDERSHIP AND COST TREND ANALYSIS

### Overview

Another method for budgeting and reimbursing costs is to establish a baseline of ADA costs and attribute additional ADA costs to the Wake Transit Plan. The approach is intuitively appealing, because it allocates increased activity (either new trips or costs above a baseline amount) to increased growth and development of funded Wake Transit Plan investments.

### Application of Approach

As mentioned, for each potential method of estimating ADA demand and costs, the team tested the approach to determine how well it would replicate the experiences of each operator.

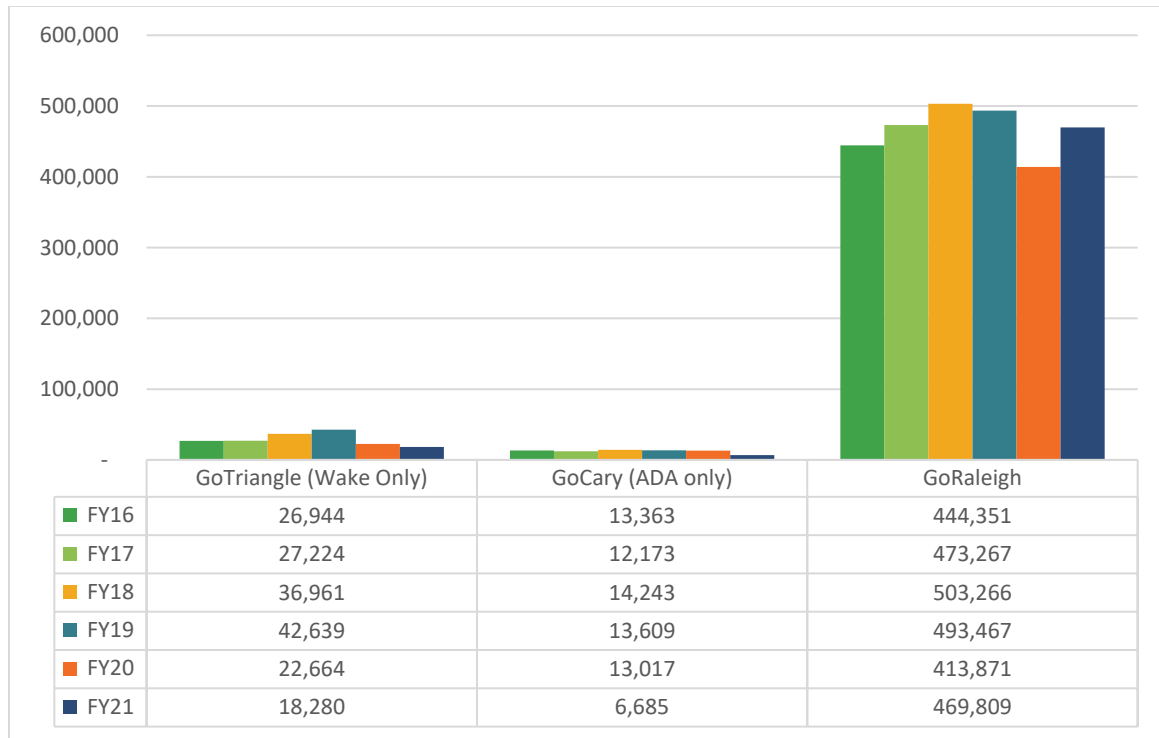
The Wake Bus Plan team needed to establish a baseline, which could either be the number of ADA trips or the costs of providing ADA service. The team used data available from the Federal Transit Administration (FTA) National Transit Database (NTD) to understand ADA ridership, cost, and productivity. The data was isolated to include GoTriangle ADA trips made within Wake County and to limit GoCary's demand response service to ADA trips only.

The data shows COVID had a negative impact on ADA demand and costs; providers provided fewer trips in FY20 compared with previous years. There are no clear costs and ridership trends over the four-year period. Ridership data indicates that while GoTriangle has showed clear, steady growth in ADA paratransit trips, GoCary's demand has been flat and GoRaleigh's demand for ADA first increased and then decreased (even before COVID) (see Figure 7). Cost data shows year-on-year growth for all three providers. The rate of growth is not consistent, making

## Wake Bus Plan ADA Funding Policy

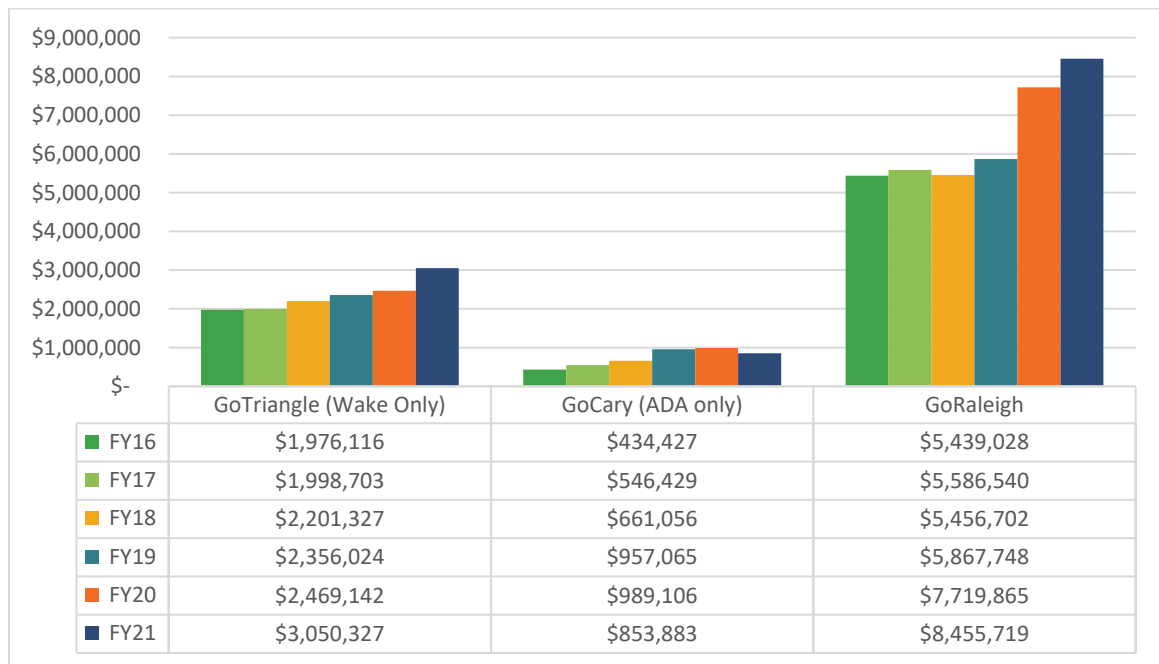
the reimbursement stream uneven and suggesting it would require annual adjustments (see Figure 8).

**Figure 7 ADA Trips Provided (FY16 – FY21)**



Source: NTD Note: GoTriangle data adjusted for Wake County service; GoCary data is adjusted for ADA only

**Figure 8 ADA Operating Expenses by Transit Operator (FY16 – FY21)**



## Wake Bus Plan ADA Funding Policy

Source: NTD Note: GoTriangle data adjusted for Wake County service; GoCary data is adjusted for ADA only

A comparison of total ADA operating expenses over the baseline year (FY16) using NTD data (see Figure 9) shows year on year growth for GoTriangle and GoCary. ADA reimbursement data for these years is not available since it was either combined with fixed route reimbursements or not requested. GoRaleigh's costs and reimbursements vary, meaning that clear patterns or trends could not be isolated to support this method.

**Figure 9 Total ADA Expenses (Baseline (FY16) to FY21) from NTD and Reimbursements**

Provider/Category	FY16	FY17	FY18	FY19	FY20	FY21
<b>GoTriangle (NTD)</b>	\$1,976,116	\$1,998,703	\$2,201,327	\$2,356,024	\$2,469,142	\$3,050,237
Baseline	\$1,976,116					
Amount over baseline		\$22,587	\$225,211	\$379,908	\$493,026	\$1,074,210
Amount reimbursed	N/A	N/A	N/A	N/A	N/A	
Difference	N/A	N/A	N/A	N/A	N/A	
<b>Go Raleigh (NTD)</b>	\$5,439,028	\$5,586,540	\$5,456,702	\$5,867,148	\$7,719,865	\$8,455,719
Baseline	\$5,439,028					
Amount over baseline		\$147,512	\$17,674	\$428,120	\$2,280,837	\$3,016,691
Amount reimbursed	N/A	N/A	\$271,408	\$441,754	\$1,378,490	\$1,083,679
Difference	N/A	N/A	\$(253,734)	\$(13,634)	\$902,347	\$1,933,012
<b>GoCary (NTD)</b>	\$443,427	\$546,429	\$661,056	\$951,065	\$989,106	\$853,889
Baseline	\$443,427					
Amount over baseline		\$103,002	\$217,629	\$507,638	\$545,679	\$419,462
Amount reimbursed	N/A	N/A	N/A	N/A	N/A	\$125,000
Difference	N/A	N/A	N/A	N/A	N/A	\$294,462

Sources: FTA NTD data, GoTriangle, GoRaleigh

Notes: GoTriangle NTD data adjusted for Wake County service (65% of all Access costs); GoCary data is ADA only (33% of all demand-response service)

ADA reimbursements for several years of data were not separately available for GoCary or GoTriangle; first year of ADA reimbursements was FY18.

The team reviewed and analyzed other potential metrics that track ADA demand and costs and could be used as a baseline such as ADA cost as a percent of fixed route, cost per hour, cost per trip, and trips per revenue vehicle hour. Similar difficulties arose with considering other metrics, namely trends are not consistent within or across providers. Further, while the increases over the baseline work for a reimbursement policy, it is not helpful in estimating an amount to be included in work plan budgets (e.g., future costs).

While the approach was compelling and offered a simple, straightforward way to reimburse costs, the lack of robust, comparable data to create a baseline undermined any potential advantages.

Further, the inability to use the baseline approach to estimate future costs suggests that this is not the recommended approach.

## ADA COSTS AS PERCENTAGE OF FIXED ROUTE

### Overview

A third potential method is to budget ADA costs as a percentage of fixed route costs. This is an appealing approach because:

- It is simple and straightforward. It potentially allows transit agencies to be treated equally.
- It can be used to budget for future costs as well as a broad tool for reimbursing transit agency costs.
- It is consistent with the past few Wake Transit Plan budgeting approaches, where ADA was estimated as a percentage of spending on fixed routes. This approach has also generally worked since it has set aside enough resources to pay for agency costs associated with ADA service.
- ADA costs can be set in line with total fixed route spending, so that as agencies spend more money on fixed route services, they have larger budgets for ADA service.

### Application of Approach

The team initially considered recommending setting aside 10% of fixed route service costs for ADA funding. This amount was used in the past and historically has been sufficient to cover reimbursements. However, the data shows that systemwide ADA costs are between 15% and 25% of fixed route costs (i.e., for every \$1.00 spent on fixed route service, operators spend between \$0.15 and \$0.25 on ADA service). While the marginal cost of ADA costs associated with service expansion will be lower than for the system overall, 10% was too conservative especially given wage and fuel increases experienced by operators in the past several years.

The Wake Bus team evaluated the potential of using 15% as the amount for budgeting and reimbursement purposes, considering both how well the 15% set aside would have matched with amounts allocated in the Wake Transit Plan and requested for reimbursement. The analysis suggests that the flat 15% would be higher than the amount included in the Annual Work Plan for both GoTriangle and GoCary. The amount allocated for GoRaleigh, however, was closer, adding roughly \$100,000 to the budgeted amount.

Despite overestimating the historical budgets and reimbursements, this approach has some technical merits, namely:

- Data for the past few years shows that GoCary, GoRaleigh and GoTriangle spend between 15% and 25% on ADA service as a portion of fixed route service.
- The marginal cost of Wake Transit Plan investment in fixed route service is expected to be less than 20% and 25% because investments have been associated with increased hours of operation and frequency of service, which will lead to lower levels of ADA demand due to increased access to fixed route services. Even assuming lower marginal costs, the data suggests that the Wake Transit Plan may have been underestimating the increased costs associated with ADA service.



## Wake Bus Plan ADA Funding Policy

- As new bus routes are added and the network expands overall, the usefulness of ADA will increase and encourage more trips by more riders.
- Using a 15% standard or benchmark is easily understandable for transit operators, stakeholders, and members of the public. It is also traceable such that if reimbursements increase dramatically, they can be compared with systemwide spending on ADA to ensure transit operators are not shifting ADA costs associated with the existing system to the Wake Transit Plan.

An important caveat to estimating costs and permitting reimbursements based on a portion of fixed route service is limited accountability between funding and service delivery, including service efficiency. For many transit operators, the cost of providing each trip has significantly outpaced demand, meaning transit operators are spending more to provide less service. While service and cost efficiency are an important consideration, given historic challenges with budgeting and reimbursements, our recommendation is to use the Service Guidelines and Performance Measures to monitor efficiency and keep the costing and reimbursements straightforward.

Based on these findings and recommendations, the Wake Bus Plan team recommends budgeting and reimbursing ADA costs at a rate of 15% of the costs of fixed route service. This means for example, if a transit operator spends \$1.00 to implement Wake Transit Plan funded fixed route service, they should be reimbursed \$0.15.

**Figure 8 Comparison of Budgeted Wake Transit Plan ADA Costs vs. Possible 15% allocation FY22**

	GoTriangle	GoCary	GoRaleigh	Total
Fixed Route Service Budgets (Increased Service Funded by Wake Transit Plan)	\$4,464,213	\$2,003,614	\$10,514,774	<b>\$16,982,601</b>
Amount Budgeted for Increased ADA Costs	\$348,385	\$132,360	\$1,477,855	<b>\$1,958,630</b>
15% ADA allocation (Hypothetical)	\$669,632	\$300,542	\$1,577,216	<b>\$2,547,390</b>
Difference (Amount Budgeted Compared with Proposed Allocation)	\$321,247	\$166,182	\$99,331	<b>\$588,760</b>

Sources: FY21 and FY22 Adopted Wake Transit Work Plans, Nelson\Nygaard analysis (rounded to nearest \$100,000)

## 4 Recommendations

The Nelson\Nygaard team offers several recommendations for budgeting, reimbursements, ADA eligibility, and needs for future data that will simplify the process for future work plans, lead to better policies, and address growth in ADA demand.

### BUDGETING ADA COSTS

#### **Budget ADA at 15% of fixed route costs.**

The ADA funding policy recommends the Wake Transit Plan creates a 15% set aside for ADA paratransit costs representing 15% of the fixed-route budget for each provider. The team recommends this approach because it is simple and straightforward and strikes an appropriate balance between ensuring an appropriate amount is set aside so ADA costs can be reimbursed and not restricting funds needed for other Wake Transit Plan investments.

The 15% set aside should be based on the costs associated with Wake Transit Plan-funded fixed route transit services, so that as the costs of the bus network increase, so do resources for ADA paratransit services.

**The 15% set aside be used for budgeting purposes as early as the FY24 Annual Work Program.**

### REIMBURSING ADA COSTS

As discussed, the ADA funding policy set out to recommend an approach for both budgeting and reimbursing ADA paratransit costs.

#### **Reimburse ADA costs at 15% of fixed route costs.**

**The ADA funding policy recommends that individual transit providers should request reimbursements from the Wake Transit Plan for 15% of fixed route costs.** This reimbursement may be requested without requiring justification beyond proof of implementing fixed route service.

Using a percentage of fixed route costs indirectly rewards efficiencies by capping the rate of reimbursements and rewarding agencies who can provide service for less than that amount. Further, service efficiency and cost effectiveness will be monitored in the Wake Transit Plan Service Guidelines and Performance Measures.

**The flat 15% rate could be used for reimbursements as early as FY24.**

## Reimbursements Over 15%

The ADA funding policy recommends that individual transit providers may request reimbursement for costs incurred beyond 15% if they are able to provide justification for the additional costs. The method each provider uses should reflect access to internal data and be consistently applied each year. Examples include increases in the number of eligible riders, increased trips taken per rider, or higher service delivery costs that are greater than previous trends.

If a request for reimbursement is more than 15%, the provider must request approval by TPAC. Upon approval by TPAC, the Tax District Administration may authorize the release of funding to the requestor.

## SUPPORTING RECOMMENDATIONS

### Include ADA in Service Guidelines and Performance Measures

The cost of providing ADA paratransit service has increased between FY16 and FY21. Some of the cost increases reflect inflationary pressures on driver wages and fuel costs, the suspension of fares as well as changes in how riders use the service. As mentioned, using a ratio of 15% for reimbursements puts a cap on the amount of funds available to provide the service and incentivizing agencies who can deliver service for less than that amount.

At the same time, the ADA funding policy also recommends using the Wake Bus Plan Service Guidelines and Performance Measures to track and monitor the cost efficiency and service effectiveness of ADA services by transit agency.

### ADA Paratransit Eligibility and Access to Bus Stops

ADA paratransit is intended to serve as a safety net for individuals who, because of their functional disabilities, cannot travel to/from or ride fixed-route transit. In fact, the DOT ADA regulations require transit agencies to “strictly limit” ADA paratransit eligibility to individuals who meet the regulatory criteria for eligibility. This involves having a robust and consistently applied eligibility determination process, and for those who can use fixed-route service under certain circumstances, designing and then applying travel rules that encourage rides to travel on fixed-route service when they are able. As an outgrowth of the adopted Coordinated Public Transit-Human Services Transportation Plan, the region’s transit providers are working to create a consistent framework for Wake County’s ADA services and to coordinate the management and delivery of ADA services. This vehicle should also be used to develop consistent data metrics that can be used for the WTP ADA funding.

In addition, as part this project’s capital planning task, the team is identifying priority locations to improve access to transit. Implementing sidewalk and curb ramp improvements will of course help all individuals who walk or roll along these corridors. It will also help encourage individuals with disabilities who can ride a fixed-route bus to do so instead of having to reserve paratransit trips in advance.

### ADA Data Tracking and Reporting

Better data is needed to measure changes in ADA demand associated with fixed-route service expansion attributable to Wake Transit Plan. While each provider compiles service data for the

Federal Transit Administration's National Transit Database (NTD), and each has access to additional data, the work completed for this task has shown that it is difficult to discern patterns in ridership growth. Some of the challenges are inherent to the variability in demand, other factors that contribute to growth such as the rapid growth in regional population, and the way that paratransit is operated, including fare policies. Further, current challenges in hiring and retaining drivers have driven costs higher.

### Tracking Growth in ADA Riders

The team recommends dedicating ADA staff resources to tracking the number of ADA-eligible riders by provider and working to attribute growth to WTP implementation vs. organic growth. This requires research into each provider's rider database to confirm which riders have traveled within a certain period and designating such riders as active. This can be done in conjunction with a periodic recertification process (typically every three years). Having a registry of active riders can serve as a baseline for tracking both the growth in the number of registered riders and the number of trips each rider takes.

It is important to note that some riders are registered with more than one provider, particularly if they make regional trips. For the WPT, it is also important to track those riders who travel within Wake County and whose travel is within  $\frac{3}{4}$  mile of a fixed-bus route.

## Appendix A Provider Overview

GoTriangle, GoCary, and GoRaleigh each provided historical service data as well as information on ADA ridership growth. The Nelson\Nygaard team analyzed the growth data but could not find clear patterns or trends that linked changes in ADA ridership with investments in the Wake Transit Plan. Analysis of the provided data did not offer conclusive information that could support analysis of the ridership growth impacts associated with bus plan implementation. The following is a summary of each provider's service delivery model and the information provided by each agency along with a summary of their service delivery.

### GoTriangle

As the regional transit service provider, GoTriangle operates a combination of commuter oriented and all-day services that connect regional destinations. GoTriangle's ADA services, therefore, tend to be longer and carry riders across jurisdictional boundaries.

#### ADA Service Delivery Model

- GoTriangle directly operates its ADA service. The service area includes Wake, Durham, and Orange counties.
- GoTriangle works with GoRaleigh and GoDurham to coordinate regional trips beyond its own required ADA service area to avoid riders having to transfer between providers. ADA service coordination will be expanded to include GoCary and Chapel Hill.

#### Data Provided

- Registered riders (current year)
- Trips by average day of week (weekday, Saturday, and Sunday) by month (FY16–FY21)
- Service costs, revenue hours, mileage, etc. (FY16–FY20)
- Unique trips by rider (FY16–FY21)
- Cost per rider per year (FY16- FY21)

### GoCary

GoCary operates eight fixed-route transit routes, which operate within the Towns of Cary, Apex, and Morrisville. GoCary also offers demand response transit services for riders aged 60 or older and comingles demand response trips with ADA trips.

#### Delivery Model

- The service is operated under contract with MV Transportation.
- ADA trips are provided anywhere within the Town of Cary, even if beyond the  $\frac{3}{4}$ -mile minimum ADA requirement. However, these trips outside of the  $\frac{3}{4}$ -mile area are subject to additional fares.
- Demand-response services are also provided to residents 60+, regardless of functional ability.

## Data Provided

- Active ADA clients and annual growth (prior to FY16, FY16–FY21)
- Active senior (non-ADA) clients
- ADA recertifications
- Daily trips, revenue hours, revenue miles
- Operating expenses
- Top 20 destinations

## GoRaleigh

GoRaleigh operates the largest network of fixed route transit services in Wake County with 27 fixed routes. GoRaleigh also operates five regional/express routes in partnership with GoTriangle.

## Delivery Model

- The service is operated under contract with MV Transportation and supplemented through subcontracts with local taxicab companies.

## Data Provided

- Cost per trip for three October sample months (2018–2020)
- Trips provided in five October sample months (2016–2020)
- Top destinations served by year (2016–2020)
- New rider certifications by month in 2020
- Annual ADA WTP billings (FY18–FY20)

# Wake Bus Plan ADA Funding Policy

**Figure A-1 Annual ADA Allocation Using 10% of Fixed Route in \$Million (FY21–FY30) and Budgeted ADA Reserve**

	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
<b>GoTriangle</b>										
Total fixed route operating budget	\$3.49	\$4.34	\$4.47	\$4.60	\$6.37	\$6.55	\$4.32	\$2.01	\$2.75	\$3.06
10% ADA allocation	\$0.35	\$0.43	\$0.45	\$0.46	\$0.64	\$0.65	\$0.43	\$0.20	\$0.27	\$0.31
Budgeted ADA	\$0.19	\$0.47	\$0.48	\$0.49	\$0.29	\$0.29	\$0.30	\$0.31	\$0.31	\$0.32
Difference	\$0.16	\$(0.03)	\$(0.03)	\$(0.03)	\$0.35	\$0.36	\$0.13	\$(0.11)	\$(0.04)	\$(0.02)
<b>GoCary</b>										
Total fixed route operating budget	\$1.82	\$2.00	\$3.72	\$3.82	\$3.91	\$4.01	\$4.11	\$4.21	\$4.32	\$4.43
10% ADA allocation	\$0.18	\$0.20	\$0.37	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.43	\$0.44
Budgeted ADA	\$0.13	\$0.13	\$0.14	\$0.14	\$0.14	\$0.15	\$0.15	\$0.15	\$0.16	\$0.16
Difference	\$0.06	\$0.07	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26	\$0.27	\$0.27	\$0.28
<b>GoRaleigh</b>										
Total fixed route operating budget	\$10.84	\$10.51	\$12.61	\$13.03	\$12.85	\$16.40	\$20.84	\$23.87	\$25.57	\$26.56
10% ADA allocation	\$1.08	\$1.05	\$1.26	\$1.30	\$1.28	\$1.64	\$2.08	\$2.39	\$2.56	\$2.66
Budgeted ADA	\$1.25	\$1.48	\$1.51	\$1.55	\$1.59	\$1.63	\$1.67	\$1.71	\$1.76	\$1.80
Difference	\$(0.16)	\$(0.43)	\$(0.25)	\$(0.25)	\$(0.31)	\$0.01	\$0.41	\$0.67	\$0.80	\$0.86
<b>Total</b>										
Total fixed route operating budget	<b>\$16.15</b>	<b>\$16.86</b>	<b>\$20.80</b>	<b>\$21.44</b>	<b>\$23.13</b>	<b>\$26.96</b>	<b>\$29.28</b>	<b>\$30.09</b>	<b>\$32.64</b>	<b>\$34.04</b>
10% ADA allocation	<b>\$1.61</b>	<b>\$1.69</b>	<b>\$2.08</b>	<b>\$2.14</b>	<b>\$2.31</b>	<b>\$2.70</b>	<b>\$2.93</b>	<b>\$3.01</b>	<b>\$3.26</b>	<b>\$3.40</b>
Budgeted ADA	<b>\$1.56</b>	<b>\$2.08</b>	<b>\$2.13</b>	<b>\$2.18</b>	<b>\$2.02</b>	<b>\$2.07</b>	<b>\$2.12</b>	<b>\$2.17</b>	<b>\$2.23</b>	<b>\$2.28</b>
Difference	<b>\$0.05</b>	<b>\$(0.39)</b>	<b>\$(0.05)</b>	<b>\$(0.04)</b>	<b>\$0.29</b>	<b>\$0.63</b>	<b>\$0.81</b>	<b>\$0.83</b>	<b>\$1.03</b>	<b>\$1.12</b>
<b>Currently budgeted ADA reserve</b>	N/A	N/A	\$1.03	\$1.31	\$1.63	\$2.75	\$3.65	\$4.64	\$5.66	\$6.39

Source: FY22 Adopted Wake Transit Work Plan, Nelson\Nygaard analysis