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Metropolitan Transportation Authority

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PLANNING AND PROGRAMMING COMMITTEE
May 20, 2009

SUBJECT: FUNDING FOR SPECIALIZED TRANSPORTATION PROGRAMS

ACTION: AUTHORIZE CEO TO EXECUTE FUNDING AGREEMENTS WITH SERVICE PROVIDERS ADMINISTERING THREE REGIONAL PROGRAMS

RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to execute Memoranda of Understanding (MOUs) with the following service providers for five years beginning in Fiscal Year (FY) 2010, subject to availability of funds approved through the budget process:

- A. FAME Assistance Corporation (FAC) and the International Institute of Los Angeles (IILA) for the Immediate Needs Transportation Program (INTP);
- B. Shelter Partnership, Incorporated for the Support for Homeless Re-Entry Program (SHORE); and
- C. Human Services Association (HSA), and FAC for the Rider Relief Transportation Program (RRTP).

ISSUE

In October 2005, the Board of Directors authorized the CEO to execute MOUs with service providers administering the INTP and SHORE for five years from FY 2005 through FY2009. In November 2007, the Board of Directors also authorized the execution of the RRTP MOUs.

POLICY IMPLICATIONS

The INTP, SHORE and RRTP are specialized transportation programs that serve people with disabilities, frail elderly, welfare participants, indigents, low-income transit riders and people with immediate transportation needs. These populations continue to rely on these specialized transportation programs. Without these programs, these populations may be significantly impacted. With Board authorization, we will execute MOUs with service providers administering the programs, and the providers will receive funds.

OPTIONS

The Board of Directors may choose not to authorize the CEO to execute MOUs with the proposed providers as recommended. However, this option is not recommended, as we will be unable to provide funding for these services and programs without the MOUs. Disruption or cancellation of these programs and services will significantly impact those who have limited transportation options.

FINANCIAL IMPACT

Funding of \$8.9 million for the INTP, SHORE and RRTP are included in the proposed FY10 Budget in Cost Center 0441, Project 410016. These programs will be funded with Proposition C 40% Discretionary revenues. As this is a multi-year program, the cost center manager and the Chief Planning Officer will be responsible for budgeting in future years.

BACKGROUND

In the early 1990s, the INTP and SHORE were established with funding through the Call for Projects. RRTP was developed by Board action to mitigate the adverse effects of the 2007 fare increase on low-income population.

Immediate Needs Transportation Program

The INTP was established in May 1992 following urban unrest. The Board selected the FAME Assistance Corporation (FAC) to administer and broker the INTP. The Board expanded the program in 1993 to provide service countywide. At that time, the International Institute of Los Angeles (IILA) was selected to broker the program in the northern and eastern half of the county, while FAC continued to broker the southern and western half. Since 1993, \$5 million annually has been budgeted to the INTP and allocated \$2.5 million to FAC and IILA each. In total, the two brokers work with approximately 500 agencies to distribute taxi vouchers and bus tokens to persons with immediate transportation needs and limited other transportation resources. Taxi vouchers and bus tokens are used for trips to medical, shelter, case management, job search/job interview, food and other essential destinations.

Support for Homeless Re-Entry Program

SHORE began in May 1994 and was developed to aid homeless persons in central Los Angeles, so that they would become self-sufficient through access to such services as schooling, employment, healthcare, and social services. SHORE recipients receive Metro tokens. Shelter Partnership, Incorporated administers the \$400,000 annual token program with its own operating funds.

Rider Relief Transportation Program

The Board of Directors established the RRTP at \$5 million per year to help mitigate the impact of the most recent fare adjustment on the low-income and transit dependent riders of Los Angeles County. FAC, HSA and Jewish Family Services of Los Angeles (JFS) were selected to administer the program, which started fare media and subsidy coupon distribution in April 2008. The program had a slow start due to difficulties in distribution, lack of interest by non-profit organizations to join, constrained eligibility criteria and deficient coupon value. Recognizing the barriers, we are working with the distributing agencies to modify the program. Specifically, we are reviewing the price of the subsidy coupons, evaluating the benefit of mailing coupons instead of requiring the riders to collect them every month. Linking the income eligibility levels to CPI and surveying the vendor outlets to assess the ease or difficulties of buying a pass with a coupon are also areas we are exploring.

The proposed FY10 Budget, scheduled for Board approval in May 2009, shows \$3.5 million for the program to reflect our best estimate of the program amount that actually might be spent and invoiced in FY 2010. JFS has opted not to administer the program effective July 2009. HSA has agreed to assume JFS responsibilities. Hence, the funding distribution and percentage allocation will be changed as follows: (1) FAC will be receiving \$2,100,000 (60%) and HSA \$1,400,000 (40%) for transportation subsidy fare media allocation and administration; and (2) FAC administrative fee will remain at the same amount as FY 2009, while HSA will receive JFS' administrative amount in addition to its own FY 2009 amount.

Following a February 2009 Board directive, the program is being extended to provide subsidy to the eligible riders of Los Angeles County Municipal Operators who have recently had a fare adjustment or are likely to raise fares while the program is in place. We and the administrators are working with the Municipal Operators to ensure a seamless program modification. The expenditure amount to be budgeted for FY 2011 will be based on estimated program expenditure for that year and could increase to \$5.0 million as the program is modified and expanded to include the Municipal Operators.

The INTP, SHORE and RRTP programs provide additional subsidies to a segment of riders who are either unable or can not afford to ride our transit services even for their immediate and basic transportation needs. These programs enrich the lives of indigent individuals in many ways. Providing transportation to an abused individual to flee from a dangerous situation to a shelter is a way to ensure his or her survival. Providing transportation to homeless people to attend training or job interview, food pantry or medical appointments improves their economic conditions and quality of life. Some homeless students now have a transit subsidy to go to school. They may decide to pursue higher education and hence be able to obtain higher paying jobs. In these economic times more individuals are forced to rely on public assistance. These programs improve lives by providing lifeline transportation services.

NEXT STEPS

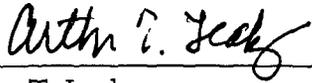
We will prepare five-year MOUs for execution with each of the service providers, as described in the recommendation. Approval of the recommendation will allow us to provide funding for these specialized transportation programs as budgeted annually. We will return to the Board if there are any significant changes to the programs that affect their funding.

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