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# Reforming Paratransit

A better way  
to help  
the disabled  
get to work

*By Baruch  
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**BADGER  
INSTITUTE**

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## Executive Summary

People with disabilities use transit seven times as much as the general population. Unfortunately, existing transit service does a poor job of connecting them to work. Vehicles often arrive late and without the proper equipment. Riders are sometimes stranded for hours at a time.

While people with disabilities are 1.5 times more likely to be highly educated compared with the general population, they are far more likely to be underemployed or unemployed. This vexing problem led the Massachusetts Bay Transportation Authority (MBTA) to explore an alternative to traditional paratransit.

In an effort to increase customer satisfaction and decrease cost, the MBTA created a trial program using ride-sharing services Uber and Lyft. Four percent of all MBTA paratransit customers are involved in the trial, and they give it high marks. Uber and Lyft receive a customer satisfaction score of +85, while the MBTA receives an overall score of -11.

The trial program, however, has been disappointing from a cost-saving perspective. The transit agency had hoped for savings of 10% to 20% over traditional paratransit. In reality, with a subsidy of \$40 per trip, the savings have been only about 1%.

Minor changes to the program are needed to improve quality and reduce cost. For instance, riders should be encouraged or given incentives to use carpools; important trips, such as visits to the doctor, should be priori-

tized; and providers that deliver better service should be allowed to charge more.

Still, MBTA's pilot program can and should serve as a model for transit agencies throughout Wisconsin. The Badger State, in fact, has a golden opportunity to take the Massachusetts experiment, improve it and make it a permanent approach to paratransit.

For Wisconsin's two largest cities, Milwaukee and Madison, the paratransit program would operate much like the Boston-area trial, which utilizes both traditional paratransit and the new on-demand model. In those two metro areas, the program would be permanent, and Uber and Lyft would provide all paratransit service.

In 12 smaller regions in Wisconsin, existing fixed-route bus service could be replaced with service for the elderly and disabled through a partnership between the transit agencies and ride-sharing services. Those areas are Appleton, Beloit, Eau Claire, Fond du Lac, Green Bay, Janesville, Kenosha, La Crosse, Oshkosh, Racine, Sheboygan and Superior.

There, demand-responsive service would be available to all transit users, not just the elderly and disabled. Transit agencies would evolve into mobility managers, whose goal is to help customers travel as cheaply and easily as possible. While Uber and Lyft would be the primary transit agencies, other private-sector transit services including business shuttles could offer service as well.

## Overview

The Americans with Disabilities Act (ADA), passed in 1990, requires that all transit agencies that provide fixed-route bus service offer paratransit service for people with disabilities.<sup>1</sup>

Paratransit has two types of service. The first type is offered to elderly and disabled riders who live in areas with fixed-route transit that they cannot access. Generally, such service must be provided in the same geographic area and on the same days and hours when fixed-route service is available. The second type is offered to all residents in rural communities without fixed-route transit systems.

There are differences between the two. While the second type is available to everyone, it operates in a very limited number of areas. Additionally, paratransit is not legally required in rural areas.

Paratransit fares may not exceed twice the fixed-route fares. Reservation systems must allow for next-day service, and restrictions cannot be placed on trip purpose.

Unfortunately, paratransit service has not led to a major increase in mobility. Service quality is often low. Many customers complain of weeks-long waits for service or of being stranded for hours because their pickup vehicle got lost or broke down.<sup>2</sup> Customers, on a scale of -100 to +100, rate paratransit service at -50 in terms of meeting their needs.<sup>3</sup>

Paratransit also is exceedingly expensive. The cost of a single trip can be \$55 or more, with the rider paying \$5 and taxpayers covering the rest.

High cost and user dissatisfaction have prompted transit systems to experiment with new services. The most promising is a partnership between the Massachusetts Bay Transportation Authority and Uber and Lyft in the Boston area.<sup>4</sup> The trial program, which began in 2016 and recently was extended to July 1, 2019, has proved to be a success.

The model could be used in Wisconsin metro areas to improve transit service. Larger metro areas could use the Uber/Lyft model for the elderly and disabled, while smaller metro areas could use it to replace fixed-route bus service.

### Understanding Limited Transportation for the Disabled

Almost 20% of the U.S. population has a disability, which may prevent a commuter from using traditional transportation such as driving, carpooling, taking transit, biking and walking.<sup>5</sup>

While job placement varies based on disability, a recent study indicates that most major physical disabilities affect the workforce participation rate.<sup>6</sup> Only 18% of people with disabilities are working compared with 64% of people without disabilities.

When Americans with disabilities do get a job, they often have trouble keeping it due to transportation challenges.

A quarter of all disabled Americans left a job because of travel difficulties, a New Jersey study showed.<sup>7</sup> Almost half refused a job because of transportation challenges.

Many Americans with disabilities cannot use traditional fixed-route public transportation because of the difficulty of getting from their home or workplace to the transit stop or because of the quality of the transit stop. And the problem likely will affect many more soon: The number of Americans age 65 and older is expected to nearly double between 2016 and 2060,<sup>8</sup> and the prevalence of disabilities increases with age.

Transportation to work is not the only issue. According to a Utah State study on disabilities and transportation, 67% of participants felt that their social life was hindered because of a lack of access to transportation.<sup>9</sup> Almost half had to cancel an appointment because of a transportation conflict.

The study also compared the educational, monetary and quality of life characteristics of the disabled population with those of the general population.

**Table 1** compares the commute options of people with disabilities with the general population.

The population as a whole, according to the study, is more than twice as likely to drive alone and half as likely to carpool. Transit use is seven times higher

for people with disabilities, while other modes have very low usage among both groups.

**Table 2** examines how people with various disabilities commute to jobs.

Types of disability determine the mode of transportation. Those with vision impairments are much less likely to drive, for example, than those with hearing impairments. Cycling was not a significant mode for any workers with disabilities.

**Table 3** compares the education rate of people with disabilities with the general population.

People with disabilities are much more highly educated than the population as a whole. They are more than twice as likely

TABLE 1

Commute options		
Mode	Disabled	Population as a whole
Drive alone	33.5%	76.4%
Carpool	16.2%	9.3%
Fixed-route transit	20.9%	5.1%
Paratransit	13.6%	
Walking	3.1%	2.8%
Taxi	1.0%	1.2%
Social/volunteer*	1.0%	N/A
Cycling	0.5%	0.6%

Source: Bascom, Utah State University-2016, U.S. Census Bureau-2017, American FactFinder Table S0801. The source for the general population category combines fixed-route and paratransit service. Additionally, for the general population, social/volunteer is included as either taxi or transit.

\*Social/volunteer includes free services offered by volunteers or nonprofit community groups including shuttle buses and taxi-like vehicles.

NOTE: Numbers do not total 100% because some respondents did not answer all questions.

TABLE 2

Transportation access by disability							
Mode	All impairments	Physical	Vision	Hearing	Intellectual	Psychological	Emotional
Personal vehicle	32.9%	40.1%	8.9%	69.2%	20.6%	50.0%	75.0%
Ride with others	14.3%	12.3%	21.1%	15.4%	11.8%		25.0%
Bus	18.6%	14.5%	22.2%	7.7%	35.3%	25.0%	
Walk	3.3%	0.4%	10.0%		5.9%	12.5%	
Taxi	1.5%	0.9%	4.4%				
Bicycle	–	–	–	–	–	–	–
Paratransit	16.3%	15.8%	24.4%	7.7%	11.8%		
Social/volunteer	0.8%	0.9%	1.1%				

Source: Bascom, Utah State University NOTE: Numbers do not total 100% because some respondents did not answer all questions.

to have a post-graduate degree and 1.5 times as likely to have a four-year college degree as the general population. The disabled are also 1.5 times less likely to have only a high school education and four times less likely to have less than a high school diploma.

**Table 4** compares the income of people with disabilities with the general population.

Higher education, however, does not translate to higher income. People with disabilities are nearly five times as likely to earn less than \$15,000 than the population as a whole. The general population has a higher income in every grouping, \$25,000 and higher.

**Table 5** compares the employment status of people with disabilities with the general population. Some employment categories are combined because of the challenge of getting accurate data.

Despite the higher educational attainment, people with disabilities are six times as likely to be unemployed as the general population and only about half as likely to be full-time employed as the population as a whole.

Transportation challenges contribute to that unemployment and underemployment.

People with disabilities, many of whom cannot safely drive, are seven times as likely to use transit and twice

TABLE 3

Commuter education		
Education	Disabled*	Population as a whole
Less than high school	3.3%	13.0%
High school	19.0%	27.5%
Some college/ 2-year college	14.8%	29.2%
4-year college	27.6%	18.8%
Post graduate	29.5%	11.5%

Source: U.S. Census American FactFinder Table S1501  
\*Numbers do not total 100% because some respondents did not answer all questions.

TABLE 4

Commuter income		
Income	Disabled*	Population as a whole
Less than \$15,000	26.7%	5.6%
\$15,000-\$24,999	14.5%	13.8%
\$25,000-\$34,999	13.3%	16.3%
\$35,000-\$49,999	8.8%	20.0%
\$50,000-\$74,999	11.7%	21.4%
\$75,000-\$99,999	7.9%	9.7%
\$100,000 or more	10.9%	13.2%

Source: U.S. Census American FactFinder Table S1810, S1901  
\*Numbers do not total 100% because some respondents did not answer all questions.

as likely to ride with others. Arranging and waiting for a ride takes twice as long as it does with paratransit, decreasing productivity and adding to stress. Buses and traditional paratransit have shorter wait times but can take longer to reach a destination — 64 minutes for buses and 52 minutes for paratransit compared with 49 minutes for riding with others, according to the Utah State study.<sup>10</sup>

Perhaps not surprisingly, only 7% to 10% of Americans with disabilities use paratransit.<sup>11</sup> Eight percent to 31% of Americans with disabilities use fixed-route transit even though it is challenging. Others use carpools or forgo work entirely.

Clearly, a better approach is needed — especially since the vast majority of people with disabilities want ongoing employment.<sup>12</sup>

### Paratransit Options

Under the Americans with Disabilities Act, paratransit must be provided in all geographic areas in which fixed-route transit service is provided. The number of transit providers has grown over the past 10 years. As of 2015, more than 6,700 organizations provided public transit, with several hundred additional organizations providing private transit.<sup>13</sup> More than 90% of the 50 largest transit agencies contract with private carriers to provide service.<sup>14</sup> When the National

Academy of Sciences surveyed agencies, only 14 agencies provided their own service.

Currently, paratransit costs are measured per trip, but some argue that a more accurate metric would be cost per hour. Paratransit trips can be a multitude of distances and can include one or more riders per trip. Measuring efficiency per hour can help account for these differences more accurately. For example, if two riders travel 20 miles together and one rider travels 15 miles by himself, the trip with the one rider would appear more efficient, even though the two-rider trip is actually more efficient.

Some transit agencies use one contract to employ a single carrier. Other operators use multiple contracts. Many agencies use a contract known as a brokerage service. The broker receives trip requests, matches the traveler with an appropriate carrier and schedules the trip.

In some areas, riders do the scheduling and get so-called user-side subsidies. They buy vouchers from the transit system, arrange rides themselves and use the vouchers to directly pay the ride provider. The carriers then present the vouchers to the transit agency for payment. Taxi companies provide some of this service, but the use of ride-sharing services such as Uber and Lyft is increasingly prevalent for trips of all kinds in low-density suburban, exurban and rural areas.

Generally, there are three types of service groups.

In the first group, the transit agency has a direct management role in some or all of the four primary call center functions — reservations, scheduling, dispatching and handling customers’ ETA calls — and, in some cases, operations.<sup>15</sup> In the second group, the transit agency retains a call and control center manager or an operational broker. In the third group, the dedicated service provider contractor(s) also perform(s) some or all of the call center functions. Within the three groupings, there are overlaps. Some transit entities use two or three different service models to provide trips.

**Table 6** shows the percentage of agencies using a certain contract.

*Figure 1* displays different management structures.

Just as there are many types of paratransit models, there are many types of vehicles. According to a national study, 44% of providers use vans only; 20% use vans and minibuses; 20% use vans, minibuses, cars and taxis; and 16% use vans, cars and taxis.<sup>16</sup>

TABLE 5

Commuter employment		
Employment status	Disabled	Population as a whole
Unemployed	25.5%	3.9%
Part-time	14.5%	17.7%
Retired	13.8%	20.5%
Volunteer	11.7%	
Full-time	27.4%	57.5%
Self-employed	5.7%	

Source: U.S. Census American FactFinder Table S1810  
 Note: Numbers do not total 100% because some respondents did not answer all questions.

While transit agencies honor most trip requests, the quality of service varies. In Los Angeles County, for example, agencies denied less than 1% of all trip requests due to capacity constraints in 2017, and on-time performance was 90% to 95%.<sup>17</sup> But transit agencies are able to transport an average of fewer than two passengers per hour, and productivity could be improved with more efficient scheduling and loading. In other words, agencies may be on time, but they are not efficient.

Financial penalties exist for contractors that fall short, and in situations where the transit agency contracts with multiple private providers, a contractor that performs poorly can lose service to other contractors. The number of vehicle hours contracted can be reduced due to too many unacceptable occurrences such as unclean vehicles, vehicles without heat or air conditioning, slow response to complaints and a failure to report accidents.

**Table 7** shows a sample list of penalties.

Other disincentives exist for service that does not meet the terms of the contract. Infractions that can prompt penalties include service failure, missed trips and other vehicle issues. Poor maintenance, sloppy driver appearance, bad customer service and poor administration also are penalized.

Penalties need to be high enough to affect the contractor’s bottom line.<sup>18</sup> For example, excess maintenance that requires the vehicle to be out of service a large percentage of the time costs \$150 per vehicle per day; poor driver appearance costs \$50 per infraction. Any valid customer service complaint

prompts a penalty of \$50, as does late or inaccurate paperwork. Private contracting of service is similar to any other contract. Failure to provide quality and cost-effective service leads to financial penalties.

**Developing Innovative Paratransit**

Given the long wait times and/or slow service of traditional paratransit, many agencies have been experimenting with new types of service. The transit operator in the Boston area, the MBTA, chose the boldest alternative.

Traditional paratransit service in the Boston area is operated by private contractors and overseen by MBTA under The RIDE name.

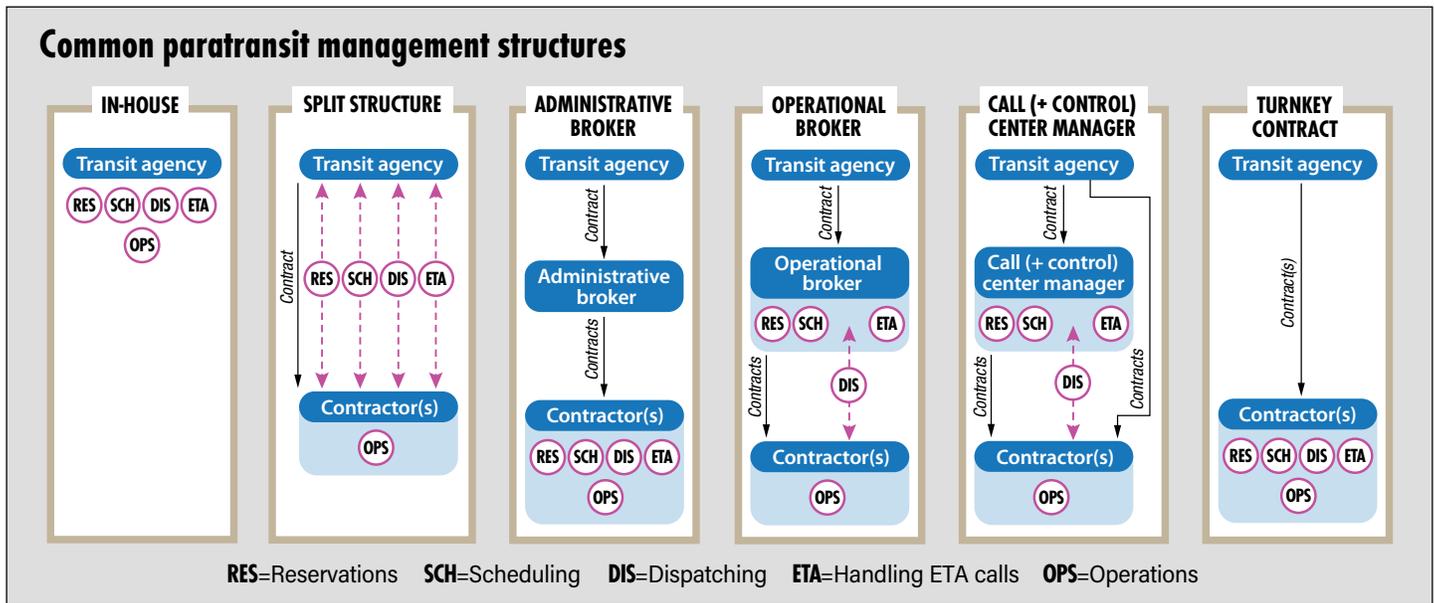
The existing paratransit service had many problems. It was expensive, costing taxpayers more than \$100 million per year.<sup>19</sup> Rides were

TABLE 6

Paratransit contracts	
Contract Type	Percentage
Single contract	25.5%
Multiple contract	14.5%
Brokerage	*
User-side subsidy	11.7%
Combination	27.4%
Coordination	5.7%
Direct operation**	5.7%

Source: Garcia-Colberg, May 2016  
 \*Agencies that offer brokerages do so as part of a combination and are counted in that category.  
 \*\*These agencies directly operate all of their service.  
 NOTE: Agencies use more than one type of contract.

FIGURE 1



Source: Garcia-Colberg, May 2016

not scheduled efficiently; many drivers had hours between scheduled rides. More expensive, handicapped vans were being used to transport people who were ambulatory. MBTA had been under pressure for the past 10 years to reform its paratransit program.

As a result, The RIDE started the innovative partnership between the MBTA and Uber/Lyft to provide higher quality paratransit service.<sup>20</sup> The trial program allows riders to book trips with Uber and Lyft Curb from their smartphones. (While about a dozen U.S. transit agencies have partnerships with Uber and Lyft, MBTA has one of the longest, most-extensive partnerships of any transit agency.<sup>21</sup>)

MBTA is considering running both traditional paratransit and the new on-demand model permanently at the same time in selected geographic areas. Customers in the trial are required to use both services and provide feedback on the advantages/disadvantages of each.

The transit agency is keeping its traditional fixed-route paratransit for three reasons: It needs a benchmark with which to compare the Uber/Lyft service; the trial program is not available in all geographic areas; and Uber and Lyft are not currently qualified to transport certain individuals, such as those with oxygen tanks or those who need physical assistance reaching the vehicle.

However, there is no reason over the long term, if Uber and Lyft acquire those

capabilities, that traditional paratransit could not be eliminated.

All paratransit customers can apply to participate in MBTA’s trial program, assuming they have an updated payment method on file, although not all customers may be selected. Currently, 4% of paratransit customers are active participants in the trial.<sup>22</sup>

Customers sign up by going to the Uber or Lyft website and downloading the smartphone app. Service is available in English, Spanish, Portuguese, Mandarin, Russian, Vietnamese and Haitian Creole.

Customers without a smartphone still can participate: Lyft offers a phone-in-service for riders; Uber is providing a limited number of RIDE customers with smartphones.

Booking a ride is as simple as selecting a pickup point, choosing the service and vehicle type, entering the destination, viewing the fare and driver’s estimated time of arrival, and clicking “request.”

Uber offers single-ride service as well as carpool service, and Lyft offers single-ride service. Uber and Lyft riders pay \$2 plus any fares over \$42. The Uberpool carpool service is \$1 plus any fares over \$41.<sup>23</sup>

All Uber and Lyft rides take advantage of surge pricing, which increases the cost of rides during very busy periods. As a result, prices during rush hour and certain late-night hours will be higher. Since most paratransit service

TABLE 7

Sample penalties for late service	
Arrival time	Financial penalty
1-20 minutes late	None
21-30 minutes late	10% of trip cost
31-45 minutes late	20% of trip cost
46-60 minutes late	30% of trip cost
61-90 minutes late	Full trip cost
91-120 minutes late	Full trip cost plus reimburse \$50
Over two hours late	Full trip cost plus reimburse \$75

Source: Garcia-Colberg, May 2016

operates at midday on weekdays, the pricing does not affect most customers. The pricing is designed to spread trips out evenly and helps reduce the overall cost of the trips to riders and taxpayers. Eligible paratransit users can take Uber and Lyft anywhere in the service area.

**Table 8** compares MBTA’s traditional paratransit with the on-demand pilot.

The Boston-area trial has been very successful. Customer satisfaction has exceeded MBTA’s most optimistic metrics. Under the Net Promoter score, designed to measure the popularity of transit services, the pilot received a +85; public transit as a whole received a +12 and the MBTA overall received a -11.<sup>24</sup> (Scores range from -100 to +100, with the higher score indicating greater customer satisfaction.)

The scores demonstrate how dissatisfied customers are with traditional paratransit and how satisfied they are with the on-demand pilot. In fact, one in five customers has stopped using traditional paratransit. Participants are so happy with the new service that they are taking 43% more trips with the service, while use of regular paratransit among the trial group has decreased 27%.

While the Uber/Lyft per-trip ride is cheaper than the MBTA’s other paratransit service, the savings have been smaller than the agency expected. The subsidy of \$40 per trip is only about 1% cheaper than regular paratransit. The transit agency had hoped for savings of 10% to 20% over traditional paratransit.

While the 1% savings amount to \$2,800 a month, that’s a rounding error for an agency the size of MBTA.<sup>25</sup> As a result, the trial program cannot be considered economically sustainable. MBTA is making changes to address that.

The agency is considering a fee increase from \$2 to \$3 for shared rides and to \$6 for individual rides.<sup>26</sup> Additionally, MBTA is considering limiting the types of trips that can be taken via solo Uber and Lyft vehicles. There is evidence that customers are not sharing trips even when sharing would not significantly increase travel times.

MBTA can code certain types of trips, such as those to the grocery store or shopping mall, as shared and ensure that those trips are taken as carpools. Both ride-sharing companies have carpool service — Uberpool and Lyftline. In cases where travelers are going from the same general origin to the same general destination at around the same time, carpool service can be used in all instances except emergencies.

In addition, the agency may require passengers who can periodically use bus or rail service to use fixed-route service.<sup>27</sup> While both changes may be helpful, they could prompt riders to use traditional paratransit, which is costlier.

Many consumers are choosing the pilot service with Uber/Lyft for all of their trips. Customers do this because the pilot service is better quality and customers pay the same overall price. MBTA might consider explaining to riders which types of trips are most effectively served by traditional paratransit and which types are better served by the pilot. Currently, it is a guessing game, and riders are likely to choose the operator that offers the best service overall.

Since under the terms of the trial program, customers are required to use both services, MBTA should consider terminating riders from the program who do not abide by the contract terms after repeated warnings.

The only complaint about pilot service quality is that not all vehicles are equipped for wheelchairs, forcing some customers to use traditional paratransit.<sup>28</sup> Due to the lack of wheelchair-enabled vehicles, customers often have to wait more than 30

minutes for a ride. At least one customer tried unsuccessfully to use the Lyft/Uber paratransit app more than 20 times.<sup>29</sup>

Starting on April 1, Massachusetts began paying a small subsidy for every hour that wheelchair-enabled vehicles are available for use. The hope is that the financial incentives will reduce wait times for customers using wheelchairs. (It should be noted that more than 80% of paratransit customers do not use wheelchairs.)

MBTA has had many problems with its traditional paratransit service. Its former provider, Global Contract Services, endured numerous consumer complaints, including that service was dispatched to the wrong address or was as much as four hours late. Therefore, the agency rebid its traditional paratransit service<sup>30</sup> and now uses Greater Lynn Senior Services, National Express Transit and Veterans Transportation LLC as providers.

At least for the short-term, traditional paratransit still has a role. The trial program does not provide service to all areas. Additionally, Uber and Lyft lack the technical requirements to transport certain types of passengers. Until the ride-share pilot is expanded to all trips, it is more economical for some paratransit customers to use the traditional provider. While Uber and Lyft are cheaper on most trips, they are more expensive in a few instances.

TABLE 8

<b>MBTA paratransit pilot</b>		
<b>Service</b>	<b>Standard paratransit</b>	<b>Pilot</b>
<b>Fare</b>	\$3.15, \$5.25 for premium service	As low as \$2.00
<b>Booking timeframe</b>	At least 1 day in advance	On demand, instant request to dispatch
<b>Day-of wait time</b>	30-minute window	As low as 5 minutes in core service area
<b>Trip reservations</b>	By phone	Via smartphone app or phone call

Source: MBTA, 2018

MBTA is not the only agency partnering with ride-sharing companies to provide better paratransit service.

The Kansas City Area Transportation Authority (KCATA) in 2017 launched a program called Freedom on Demand that enables customers to schedule ride-share-like services by using an app or calling the agency.<sup>31</sup> The goal is to create a service that is on-demand but still operated by a transit authority.

The service operates in two parts of the Kansas City metro area, one north of the Missouri River and one south. The first five miles costs the rider \$5, and each mile after that is an additional \$2. The agency's contractor, Transdev, operates the service.

Finally, there are several other ways to reduce paratransit costs. The most popular is to encourage more elderly and disabled customers to use fixed-route transit. Many customers are not physically disabled — they just don't use traditional paratransit because it is not convenient.

Among a string of negative headlines, the Milwaukee County Transit System used a federal New Starts grant to improve its bus system.<sup>32</sup> The grant allowed the agency to better understand how to deal with customers with disabilities. In a survey, the agency found that the poor physical condition of many bus stops was the No. 1 reason paratransit customers could not use fixed-route transit. The agency reviewed its bus stops, retrofitting some to comply with ADA standards.

As a result, the number of elderly and disabled customers who used the fixed-route service doubled between 2009 and 2016. By reducing the number of paratransit customers, the agency was able to give money back to taxpayers, who fund the system through a property tax levy.

### **Creating a Ride-sharing Partnership in Wisconsin**

Wisconsin has a golden opportunity to take the Massachusetts experiment, improve it and make it a permanent approach to paratransit. Such a program could replace fixed-route transit in more rural areas of Wisconsin. But enacting it will take the cooperation of federal, state and local leaders.

For Milwaukee and Madison, the paratransit program would operate much like the Boston-area pilot. However, the program would be permanent, and Uber and Lyft would provide all paratransit service in those metro areas. In Milwaukee, the service would replace Transit Plus. In Madison, it would replace Metro Transit's paratransit service. With taxpayer subsidies of \$4.14 per trip in Milwaukee and \$3.50 in Madison, if using Uber and Lyft is able to reduce costs by 20%, taxpayers will see significant savings.<sup>33</sup>

Milwaukee has a recent history of transit problems — ranging from a botched signature on a federal grant application that cost the transit agency \$8.4 million to general mismanagement of transit service.<sup>34</sup> An innovative program will give the city a chance to start fresh.

In 12 smaller areas of Wisconsin, existing fixed-route bus service could be replaced through a partnership between the transit agencies and ride-sharing services. Those regions

are Appleton, Beloit, Eau Claire, Fond du Lac, Green Bay, Janesville, Kenosha, La Crosse, Oshkosh, Racine, Sheboygan and Superior.

There, on-demand service would be offered to all transit users, not just the elderly and disabled. Transit agencies would evolve into mobility managers. Their goal would be to help customers reach their destination as cheaply and easily as possible. While Uber and Lyft would be the primary transit agencies, other private-sector transit services including business shuttles also would offer service.

In cities where Uber and/or Lyft do not currently operate, local ride-sharing companies may be an alternative. Certain regions, such as Austin, Texas, have a slew of mom-and-pop transit operations. Business shuttles may be able to operate much of the transit service. In other regions, local transit agencies will need to continue to operate transit service until ride-sharing services become more prevalent.

Since the program in these smaller areas is designed for the elderly and disabled, verification of income and age of participants would be required. Verification could be conducted when participants sign up for the program. Preventing service abuse would allow high-quality service to transit-dependent individuals and limit overall program costs.

At the same time, Wisconsin transit entities should not adopt the same agreement with Uber and Lyft as the MBTA.

There are several programmatic changes that Wisconsin's transit agencies should adopt.

- Agencies need to encourage carpooling in paratransit service in all non-emergency situations. With MBTA's trial, 75% of passengers travel alone.<sup>35</sup> Software can be set up so travelers with destinations, origins and scheduled trips less than two miles and 30 minutes from each other are scheduled together. Passengers wanting to travel alone would need to reject the ride-sharing request and provide a documentable reason.

- Agencies should categorize groups and provide different priorities for more time-sensitive trips. Good scheduling is critical to saving money. The MBTA pilot proved that riders will choose ride-sharing companies all the time. Those choices can be accommodated if different trips are prioritized differently. A doctor's appointment is more time-sensitive than a trip to the mall, so the trips should be coded differently. Lyft and Uber might extend their differential pricing beyond certain times of the day to certain types of trips. Trips to the mall could have a longer pickup window; customers could choose a shorter pickup window but pay extra.

- Agencies should charge more for high-quality service. The federal government requires that all paratransit service be no more than twice as expensive as fixed-route transit.<sup>36</sup> This one-type-fits-all approach benefits nobody, but until federal policy changes, local agencies must follow the law. Agencies still can charge the maximum for certain trips to encourage riders to use the service more efficiently. Milwaukee can charge up to \$4.50

per one-way trip. Madison can charge up to \$4. (Currently, Milwaukee charges \$4 and Madison charges \$3.25). Paratransit is expensive, and increasing the fee will help decrease the taxpayer subsidy.

There are other hurdles as well.

Federal law requires that Uber and Lyft serve all types of customers, which is not how the service is set up in the Boston area. To be the sole provider of paratransit service, additional Uber and Lyft vehicles would need to be outfitted with wheelchair lifts, wider doors and supplemental restraint systems. Not having the correct vehicles could lead to a lawsuit and a federal order to change paratransit providers.

Currently, Uber and Lyft are not qualified to transport certain customers, including those dependent on oxygen tanks and those needing physical assistance to reach vehicles. To become the sole provider, the ride-sharing services would need to become qualified to transport passengers with flammable liquids and to escort passengers from the dwelling to the vehicle. This requires driver training.

Transit providers also may need different insurance coverage. To receive federal funding, drivers are expected to have commercial-level insurance. Uber and Lyft could work with insurers to provide a mid-level of coverage. The coverage would cost more than if the ride-sharing companies are operating in taxi mode but less than a bus-like paratransit vehicle capable of transporting eight or more people.

Additionally, some classes of vehicles may not be eligible. Uber and Lyft already limit how old vehicles can be, depend-

ing on the area.<sup>37</sup> But smaller vehicles, including subcompacts, may not receive federal approval for paratransit because of limited space.

Transit providers that receive federal funds also must allow unions. While these private-sector unions are similar to public-sector unions in worker protection and pay, public-sector unions may view this as a loss of turf and fight the private-sector unions. Labor may view Uber and Lyft as a first step toward eliminating human jobs (through automated vehicles, for example) and fight any changes. Some Uber and Lyft drivers have tried to unionize in cities such as Seattle. Thus far, pro-union forces have failed, but the appeals process may go to the U.S. Supreme Court. Unions tend to significantly increase costs. Transit that does not receive federal funding would not be required to allow unions.

Finally, using ride-sharing services to provide paratransit service requires political leadership. The transit agency does not need formal authority from the Federal Transit Administration, the governor or a city's mayor, although having that support would help. The transit authority CEO will need to advocate for reform and be prepared for opposition from public unions and transit riders. The CEO will have to seek board consensus. To help build support, he or she could reach out to the transit riders advisory board that most agencies have.

The federal government can help by issuing an executive order or including a provision in a future surface transportation bill increasing funding and/or decreasing regulations for paratransit service that has increased rider satisfaction and decreased costs.

## Conclusion

Transit officials in Wisconsin have an excellent opportunity to reform and improve their transit systems by creating partnerships with ride-sharing companies. Transit agencies should not duplicate the MBTA's trial program part by part but learn from the mistakes and customize a program for each region's geographic area.

In Milwaukee and Madison, transit agencies would partner with Uber and Lyft for ride-sharing for the elderly and disabled. In other metro areas, Uber and Lyft would replace the limited number of

fixed-ride routes now offered. Transit agencies would transition from providing service to serving as mobility managers that coordinate service, a move that all transit agencies should be implementing.

Making the change will not be easy. However, the alternative of the status quo of mediocre service at increasingly unaffordable costs is not a realistic option. Transit agencies should consider this new partnership.



## About the author

**Baruch Feigenbaum** is assistant director of transportation policy at the Reason Foundation. He has a diverse background researching and implementing transportation issues including revenue and finance, public-private partnerships, highways, transit, high-speed rail, ports, intelligent transportation systems, land use and local policy-making. He earned his master's degree in transportation planning with a focus in engineering from the Georgia Institute of Technology.

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