TRIP REDUCTION PROGRAM

Cost Study

2014

Maricopa County Air Quality Department

CLEAN AIR MAKE MORE

Maricopa County
Trip Reduction Program
Let's Clear The Air

Maricopa County
Air Quality Department

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Introduction

Arizona Revised Statutes (§ 49-583) reference the ability of the Task Force to consider unique circumstances and costs when reviewing an organization's proposed TRP plan. Periodic reviews of average costs can help staff address budget-related concerns during the plan review process and provide a benchmark for the Task Force when assessing whether a plan should be approved.

History

The previous two studies (**2010, 2012**) calculated the average expense for all participating organizations. The **2007** study was a sampling that focused on the average cost for specific industries. The **2005** study was also a sampling that reported average costs based upon workforce size.

Methodology

Cost and employee counts were compiled from 1,089 plans approved by the Task Force during the 2014 fiscal year (July 2013 through June 2014). If an organization had two plans approved in that period, the most recent (current) submission was used. If the organization extended financial incentives to their driving-age students (many schools do not), their driving-age students are included in the tally of individuals covered by the plan's budget.

Cost data is extracted from figures supplied by the organizations in Sections 1 through 7 of the approved TRP plan. Those sections cover drawings, enrollment/usage awards, emergency rides, TRP events, preferred car/vanpool parking, subsidies and other TRP efforts. While some organizations may incur expenses starting and/or expanding teleworking (i.e. equipment/supplies), most do not report those costs as part of their plan. Likewise, construction, operating and maintenance expenses for site amenities (i.e. daycare, bike racks and showers) are typically not reported in the plan.

Employee and driving-age student counts are taken either from the approved plan or the counts supplied during the annual survey.

Assumptions

All funds budgeted in the approved plan are expended and no direct/indirect labor costs are used. While some measures typically have lower costs than budgeted for (i.e. emergency ride home, pollution advisory awards and new enrollment bonuses), others can and often do exceed budget limits (i.e. bus or carpool subsidies). While organizations aren't required to continue an incentive that has reached its budgeted cap, many do in order to maintain continuity, interest and participation.

Budgets and Plan Review

The following are common budget-related scenarios that arise during plan review, especially among organizations that have missed drive-alone targets and participated for multiple years:

Below Average Expense – In this scenario, staff would typically ask the organization to enhance the proposed plan by adding a new measure and/or increasing funding to an existing measure. As part of the review, staff would first consider the drive-alone (SOV rate) trend and how an organization's use of effective, low-cost strategies might affect the overall budget. Common low-cost, effective strategies include telecommuting, compressed work schedules, showers/lockers and strategically-located carpool parking.

Average Expense – In this scenario, staff would typically focus on how the funds are being allocated (by measure and mode) to confirm consistency with survey history and audit results. Staff may ask an organization to shift funding to other measures, ease qualification guidelines and/or expand the modes that can participate (especially if the SOV trend is flat/rising).

Above Average Expense – Some organizations in this scenario are candidates for a review that focuses on refining/streamlining plan incentives. In some instances, staff has been able to offer recommendations to help control/reduce costs by changing award/subsidy qualifications, changing frequencies and/or capping payouts. It's possible some of the monies saved can be moved to different incentives that focus on other modes or recruiting new participants.

Summary

The average annual expense for this study is $29.09 per employee/driving-age student ($21.55 in 2012 and $20.45 in 2010).

The average plan covered approximately 667 employees/driving-age students (672 in 2012 and 603 in 2010).

Factors that likely affected results include a rise in transit fares, steady improvements in the economy that helped organizations restore or initiate incentives and more detailed expense reporting provided by several large institutions.

While the statute doesn't specify that cost data should be refined by size, location or industry, staff has found organizations are typically most receptive to comparing plan funding to their industry's average. Staff will refer to the following table during plan review to assess if a significant enhancement should be requested.

	SIC		Average		Use for Plan Review		Employers	Avg SOV	Avg SOVMT
	1200	Ag, Livestock, Landscaping	$3.16		$3.16		3	65.81	61.11
Public Admin.	2100	Cities	$10.21		$10.21		15	78.32	76.94
	2200	County, State and Federal	$162.53		$12.07		21	74.73	73.41
Construction	3100	Building/Home	$14.46		$12.07		8	81.93	80.89
	3200	Contractors	$12.15		$12.07		12	78.99	77.93
Manufacturing	4100	High Tech	$11.05		$11.05		63	78.68	77.70
	4200	Low Tech	$21.15		$12.07		111	74.03	73.83
	4300	Food	$15.53		$12.07		36	76.39	77.70
	4400	Publishing / Print	$23.13		$12.07		10	78.49	77.73
Transp/Commun/Utilities	5100	Airline, Auto, Livery	$7.22		$7.22		21	79.33	79.44
	5200	Trucking, Courier	$11.38		$11.38		34	87.49	87.69
	5300	Phone/TV/Radio, Utilities	$11.37		$11.37		33	80.05	78.81
Wholesale/Retail	6100	Auto Sales/Service	$24.57		$12.07		82	84.51	84.49
	6200	Distribution	$10.07		$10.07		34	77.60	77.57
	6300	Products (Retail)	$6.82		$6.82		31	79.94	83.24
	6400	Grocery Wholesale	$13.85		$12.07		5	85.76	85.83
	6500	Grocery Retail	$3.74		$3.74		7	79.16	85.44
Services	7100	Financial, Consulting, Advertising	$19.57		$12.07		287	76.84	75.50
	7200	Hospitality	$29.05		$12.07		91	73.47	74.94
	7300	Health Svc (Hospital, Sr. Living)	$14.19		$12.07		95	75.52	76.11
	7400	Health Svc (Physicians, Labs)	$8.77		$8.77		8	82.91	83.01
	7500	Religious / Non-profit	$16.40		$12.07		21	70.59	72.37
	7600	Arts & Entertainment	$28.51		$12.07		11	79.85	81.94
Education	8100	K-12 Public / Private	$2.37		$2.37		52	77.59	78.89
	8200	Trade Schools	$12.69		$12.07		3	70.05	69.66
	8300	Colleges / Universities	$19.38		$12.07		23	77.82	79.48
		$12.07 is average 'per employee' expense for all FY2014 plans (30 highest budgets removed)							