TRIP REDUCTION PROGRAM

Cost Study

2012

Maricopa County Air Quality Department

Travel Reduction Program /
Voluntary Vehicle Repair
& Retrofit Division
1001 North Central Ave.,
Suite 550
Phoenix, Arizona 85004
Phone: 602-506-6750
Fax: 602-506-6669

Maricopa County Trip Reduction Cost Study (2012)

Introduction

Arizona Revised Statutes (§ 49-583) reference the ability of the Task Force to consider unique circumstances and costs when reviewing an employer'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 last report (**2010**) calculated the average expense for all participating employers. The **2007** study was a sampling that focused on the average cost for specific industries. The **2005** version was also a sampling that reported average costs based upon employer size (workforce).

Methodology

Cost and employee/driving-age student data were compiled from 1,101 plans approved by the Task Force during the 2012 fiscal year (July 2011 through June 2012).

Cost data is extracted from figures supplied by the employers 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 employers may incur expenses starting and/or expanding teleworking (i.e. equipment/supplies), most employers 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 not collected.

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 less activity than budgeted (i.e. emergency ride home, pollution advisory awards and new enrollment bonuses), other measures can and often do exceed budget limits (i.e. bus or carpool subsidies). While employers 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 employers that have missed drive-alone targets and participated for multiple years:

Below Average Expense – In this scenario, staff would typically ask the employer 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 employer'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/mode) to confirm consistency with survey history and audit results. Staff may ask an employer 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 employers 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 employer 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 $21.55 per employee/student (vs. $20.45 in 2010). The average size of participating employers/schools is 672 (vs. 603 in 2010).

While the statute doesn't specify that cost data should be refined by size, location or industry, staff has found employers are typically most interested in the average expense for their industry. When staff is seeking a significant plan enhancement and the employer is objecting to additional expenditures, staff should continue to generate current, industry-specific data. That additional effort should help both staff and the Task Force make informed recommendations and decisions.

Maricopa County
Air Quality Department

Travel Reduction Program /
Voluntary Vehicle Repair
& Retrofit Division
1001 North Central Ave.,
Suite 550
Phoenix, Arizona 85004
Phone: 602-506-6750
Fax: 602-506-6669

TRP Plan Expense Data

Reporting Period: Plans Approved ***July 2011 – June 2012***

All Organizations

Total:	1101*
Average Size:	672
Average Expense / Person:	**$21.55**

Employers (*ex-Schools*)

Total:	1035
Avg. Size (Employees)	480
Avg. Expense / Employee:	**$26.30**

Schools/Colleges (Public/Private)

Total:	66
Avg. Size**	3685
Avg. Expense**:	**$11.85**

** There are approx. 1185 participating employers*

*** Staff and driving-age students (if applic.)*