



Maricopa County Travel Reduction 2019 Cost Study

Introduction

Arizona Revised Statutes (ARS) §49-583 reference the ability of the Travel Reduction Program (TRP) Regional Task Force to consider unique circumstances and costs when reviewing an organization's proposed TRP plan. Periodic evaluations 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 cost studies from 2010 through 2016 calculated the average cost using budgets for each organization that had a plan approved during a 12-month period. 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

Budgets and headcounts were compiled from 1,194 plans that were approved during fiscal year 2019 (FY19). If an organization had two plans approved in that period, the latest submission was used (i.e., a total of 44 plans were excluded, which left 1,150 unique plans). Each organization was also evaluated to determine the industry classification that appeared to best describe the focus of operations at the site(s) covered by the plan.

Employee counts were taken from an employer's approved plan. Total budgets were determined by calculating amounts supplied by the organizations in plan Sections 1 through 7. Those sections cover drawings, new or frequent participant bonuses, emergency rides, events, preferred car/vanpool parking, subsidies, and other TRP-related efforts. While some organizations may incur expenses starting or expanding teleworking (i.e., purchase of equipment/supplies), most do not report those costs in their plan. Likewise, ongoing operating and maintenance costs for site amenities (i.e., daycare, bike racks, and showers) are typically not reported in the plan. Since the development of Electric Vehicle Charging Station (EVCS), more companies are installing EVCSs on their campuses and have begun adding the cost of installation, maintenance, and warranty into their plans (Section 7).

In addition to calculating an average cost for the entire set of plans (all TRP employers), the data were also sorted by industry to arrive at an average cost for all 31 distinct groups. To give a comparison for each industry group, the average cost per person for all TRP employers is \$24.13.

For the Pre-K to Grade 12 category, the average was calculated using just the employee headcount and incentive budget (i.e., the very limited funds directed exclusively at driving-age students were extracted). There were two reasons for excluding student data for this category: 1) the plan review for high schools typically focuses on improving employee incentives because their drive-alone rates are usually well-above the student rates and; 2) it ensured each organization in the group could reasonably be compared to the entire group (i.e., the efforts of a K-8 district could be measured against a high school district).

For the Higher Education & Training category, the students are excluded from the headcount and any budget incentive for employee figures. While plan review for this industry typically focuses on both groups, for the purposes of this study only employees are included to compare all industries alike. Unlike previous years, where funding for student incentives in this category were often embedded with the budgets for employee incentives, TRP staff has made efforts to separate the two budget incentives and calculate all numbers for only employees.

Assumptions

All funds listed in the plan were expended and no labor costs were included. While some measures often generate expenses below the budgeted amount (i.e., emergency ride home, prizes linked to pollution advisories, new enrollment bonuses), others can and often do exceed their budget (i.e. subsidies, point programs, events). While organizations are not required to continue an incentive that has reached its spending limit, many do in order to maintain continuity, interest, and participation.

Results

The average annual expense for this study was \$24.13 per person (vs. \$27.50 in 2016). One key factor that contributed to the decrease from the 2016 average was the re-evaluation of subsidy budgets and what the companies put on their plan; in particular the bus subsidy. TRP staff worked closely with employers' Transportation Coordinators (TC) to ensure that all subsidies were documented correctly and fully expended.

Since each industry can typically have the same commuting patterns within their group, the industry average budget will be the benchmark used during the plan review process. This allows for schools to be compared to schools (average budget is \$2.50 per person) and Legal and Accounting compared to each other (average budget is \$96.45 per person).

The following table displays the average expense and single occupancy vehicle/miles traveled (SOV/MT) rates by industry. Organizations that rely on low-cost measures (i.e., telecommuting, compressed schedules, premium parking, showers) often submit plans that propose limited expenditures. Comparing the SOV/MT rates of those organizations to their peers helps to assess their progress and the possibility for new or enhanced plan incentives for the current cycle year.

Average by Industry

INDUSTRY	Cost	SOV Trip %	SOV Miles %
Admin / Support Services	\$19.40	75.24	74.81
Air & Ground Svcs & Support	\$29.42	77.36	78.26
Arts/Entertain. Organizations	\$28.26	78.31	79.37
Auto/Truck Sales/Service/Parts	\$22.45	86.01	85.62
Automation/IT Support,Sales	\$19.74	74.51	73.50
Builders - Home, Small Structures	\$7.36	74.05	72.35
City Municipalities	\$73.18	80.05	79.01
Cleaning Services	\$11.43	67.12	71.42
Consumer Retail	\$7.17	79.79	82.38
County, State, Fed. Agencies	\$72.50	67.54	65.24
Engineering,Design,Consulting	\$42.44	77.77	77.54
Financial Services & Insurance	\$24.90	74.29	72.76
Food/Beverage-Process/Handling	\$24.88	69.68	71.57
Grocery (Retail)	\$4.87	67.82	72.62
Grocery (Wholesale)	\$14.76	85.02	85.04
Health Svc Ops (non-hospital)	\$15.65	77.23	77.62
Higher Education / Training	\$19.05	70.31	74.57
Hospitality & Recreation	\$47.75	73.11	75.50
Hospitals	\$25.67	71.18	70.55
Landscaping and Horticulture	\$4.00	45.56	46.83
Legal & Accounting Services	\$96.45	77.16	74.72
Manufacturing/Design High-Tech	\$15.77	79.69	79.09
Manufacturing/Design Low-Tech	\$16.34	75.97	76.51
Pre-K thru Grade 12 Schools	\$2.50	68.44	72.18
Publication / Printing Service	\$35.65	70.52	70.19
Religious & Charitable Organ.	\$35.91	72.92	72.95
Restaurants	\$9.88	69.26	71.03
Senior & Acute Care / Rehab.	\$16.37	72.46	74.98
Specialized Products / Trades	\$26.83	79.16	80.11
Trucking, Storage & Transport	\$10.16	81.05	82.13
Utilities, Broadcast & Commun.	\$29.43	78.03	77.39
Warehousing-Distribution	\$11.29	79.40	79.59

** Industry SOV rates generated using commute analysis data for sites that surveyed between July 2018 and June 2019 (employees only and includes the statistical penalty applied to sites that failed to reach a 60% response rate). The SOV trip rate is calculated by dividing the number of SOV trips by the total trips taken for all commuters. The SOV miles rate is calculated by dividing the number of SOV miles traveled by the total number of miles driven by all commuters. Both of these rates are aggregated for a company (e.g., if an employer has more than one site, the SOV trips are totaled for all sites, then divided by the total trips for the same sites).*