



## Maricopa County Travel Reduction 2016 Cost Study

### **Introduction**

Arizona Revised Statutes (§ 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 2010, 2012 and 2014 cost studies 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 1,068 plans that were approved during calendar year 2016. If an organization had two plans approved in that period, the latest submission was used (i.e. a total of 13 plans were excluded, which left 1,055 unique plans). Each organization was also reevaluated 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 either the plan or the headcounts supplied during the annual survey. Total budgets were determined by tallying 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, EV charging stations and showers) are typically not reported in the plan.

In addition to calculating an average cost for the entire set of plans, the data was also sorted by industry to arrive at an average cost for 31 distinct groups.

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 student headcount and incentive budgets were combined with the employee figures. Plan review for this industry typically focuses on both groups because the student drive-alone rates tend to be significantly above the rates for high school students. In addition, funding for student incentives in this category is often embedded with the budgets for employee incentives, which would make it difficult to extract student-only costs.

### **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 aren't 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 \$27.50 per person (vs. \$29.09 in 2014). One key-factor that contributed to the decline from the 2014 average was the exclusion of one large governmental organization due to the timing of their annual plan submission/approval. Had that plan been included in this study, the average would be just under \$30 per person. The median expense for this study was \$12.21 per person, which will be the benchmark used during the plan review process.

The following table displays the average expense and single occupancy vehicle (SOV) 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 rates of those organizations to their peers helps to assess their progress and the need for new or enhanced plan incentives.

		<b><u>AVERAGES</u></b>	
<b><u>INDUSTRY</u></b>	<b>Cost</b>	<b>SOV Trip %</b>	<b>SOV Miles %</b>
Administrative & Support Services	\$18.90	75.51	73.87
Air & Ground - Service and Support	\$23.75	80.94	81.03
Arts & Entertainment	\$26.85	84.39	83.75
Auto/Truck - Sales and Service	\$22.42	88.41	88.10
Automation & IT - Support, Sales	\$12.64	76.48	75.39
Builders - Home, Small Structure	\$11.32	77.62	76.90
Cities, Towns	\$63.73	81.15	79.81
Cleaning Services	\$10.33	72.25	78.21
Consumer Retail	\$8.85	83.71	86.76
County, State & Federal	\$62.58	76.20	74.70
Engineering, Design & Consulting	\$39.45	79.13	78.62
Financial Services & Insurance	\$27.98	78.18	76.64
Food/Beverage - Processing & Handling	\$27.96	76.21	78.41
Grocery - Retail	\$5.27	79.97	86.16
Grocery - Wholesale	\$14.19	87.22	87.06
Health Services & Facilities (non-hospital)	\$14.87	82.78	82.65
Higher Education & Training	\$48.84	81.68	82.25
Hospitality & Recreation	\$35.40	76.00	78.32
Hospitals	\$21.19	78.36	78.29
Landscaping	\$2.34	63.74	62.79
Legal & Accounting Services	\$89.86	80.50	77.97
Manufacturing - High-Tech	\$16.89	81.38	79.87
Manufacturing - Low-Tech	\$19.49	77.57	77.51
Pre-K - Grade 12 Schools	\$2.36	85.49	86.43
Publishing & Printing	\$41.79	77.43	76.30
Religious & Charitable Organizations	\$33.23	77.89	78.10
Senior / Acute Care & Rehabilitation	\$12.46	78.45	80.65
Specialized Products / Trades	\$25.09	81.94	82.17
Trucking, Storage or Transport	\$10.40	89.27	89.87
Utilities, Broadcast & Communications	\$27.83	81.47	80.50
Warehousing / Distribution	\$8.85	78.07	78.28

*\* Industry SOV rates generated using commute analysis data for sites that surveyed between October 2015 and September 2016 (employees only, non-weighted 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.*