

2026 Proposed Budget Changes

Department: Public Transportation

Brief Title of Budget Change: AnchorRIDES (Paratransit) Services Contract Increases

Executive Manager Priority Ranking:
Department Priority Ranking: 1

Program:	Amount: \$	\$4,400,000
Tax or Non-Tax Supported: Both	Impact on Revenue:	Yes
Change in Positions: None	Recurring or one-time savings:	No
# positions vacant: N/A		
# positions filled: N/A		

Briefly describe the program's services.

AnchorRIDES provides essential transportation for some of Anchorage's most vulnerable communities. Funded through federal, state, and local sources, this federally mandated paratransit service enables hundreds of riders to reach medical care, shop for groceries, attend school, and participate in community activities. With few affordable, accessible transportation options in the region, AnchorRIDES fills a gap that private providers cannot meet.

The program provides ADA-compliant paratransit (federally mandated), and senior citizen transportation.

Service is offered in two areas.

- The Core Service Area covers the ADA federally required zone within three-quarters of a mile of any People Mover fixed route.
- The Premium Service Area operates beyond this boundary, including West of Sand Lake Road to Kincaid Park, East of Elmore Road and south of O'Malley Road, and Northwest of Wisconsin Street.

The Public Transportation Department (PTD) contracts with the Chugiak Senior Center to provide trips in Chugiak and Eagle River.

Describe the proposed budget increase/decrease.

The contract with MV Transportation, the vendor operating AnchorRIDES, expires at the end of this year. MV Transportation will not honor the one-year extension price in the current agreement and is proposing a higher rate. They cite several factors, the largest being ongoing labor negotiations with the Teamsters and expected wage increases. Under their proposal, the per-trip cost would rise from \$26.59 to \$33.02, and fixed costs would increase by \$500,000 annually.

Based on current ridership of 15,000 trips per month, this would raise annual costs by \$4.4 million. The original contract assumed only 8,000 trips per month, but demand for the service has grown every year.

With this short timeline, there are no other vendors able to take over service before the current contract ends. Federal law requires that we provide ADA paratransit trips. In addition to meeting this mandate, the Public Transportation Department has historically expanded AnchorRIDES to include senior transportation for medical appointments, pharmacy visits, and other essential trips. A State of Alaska grant offsets the cost of some senior trips, but the number of trips provided far exceeds what the grant covers.

Maintaining the current level of service under MV Transportation's proposal would allow us to continue operating both People Mover bus service and AnchorRIDES at today's levels.

- ~6,260 monthly ADA trips
- ~4,785 monthly senior medical trips
- ~4,649 monthly senior other trips

An alternative option, accepting a smaller \$1.4 million budget increase, would cut service to only the federally required ADA trips and the limited number of senior medical trips funded by the State of Alaska grant.

- ~8,140 monthly ADA trips (reflecting a likely 30% increase as seniors seek ADA eligibility)
- ~1,500 senior medical trips (# of trips paid for with the State of Alaska grant)
- Elimination of ~6,056 senior trips per month.
- Reduced service area limited to the ADA core zone

Describe the impact on the level of services delivered to citizens/customers.

(Quantify the change in service—i.e. applications will be processed in 14 days instead of current 7.)

No Impact to AnchorRIDES riders:

\$4,400,000: budget increase necessary to continue existing paratransit service at established levels riders are familiar with and rely on receiving. Anything less will result in a loss of access to people who are dependent on this service.

Federally Mandated Service Only:

\$1,400,000: minimum budget increase needed to meet federal ADA requirements. It would remove service for any rider who does not meet ADA eligibility within the Core Service Area and eliminate all service in the Premium Service Area. It assumes approximately 8,140 trips per month; however, trip demand could increase as many current senior riders are expected to apply for and qualify under federal ADA eligibility standards. Any trips above 8,140 per month would create a budget shortfall and put compliance with federal requirements at risk.

If no budget increase:

\$0: People Mover bus routes would need to be cut to reduce the federally mandated paratransit service area, which extends three-quarters of a mile on either side of a bus route. The most likely reductions would be routes south of Tudor Road.

Amount of funding that will remain with the program after this change.

\$4,400,000

Describe the criteria used to prioritize this budget increase / reduction.

Paratransit service is required by federal law within three-quarters of a mile of any fixed-route People Mover service. Failure to meet this mandate would jeopardize federal funding that supports the department's operating and capital programs, risking major service reductions and the potential loss of all public transportation services.