



Response to Questions on the FY 2010 County's Line of Business & Schools Program Review Processes Fall 2008

Request By: Supervisor Cook

Question: What options exist for continuing the *Seniors-on-the-Go!* program in FY 2010 with increased fees?

Response: The FY 2010 Advertised Budget Plan proposed the elimination of the *Seniors-on-the-Go!* program. It is difficult to entirely offset the current \$226,123 requirement associated with the operational cost of this program; however the market may support an increase in the current pricing of taxi coupon booklets. Currently, each *Seniors-on-the-Go!* customer pays \$10 for a coupon book. The book contains 11 coupons, each worth \$3 for a total book value of \$33.

Assuming a fixed book value of \$33, if the customer cost was increased from \$10 to \$15 per book, savings would result from a lower County share of the cost of actual coupons redeemed. This \$5 change in customer cost would result in an estimated \$40,871 savings to the County from a lowered County share of total costs (assumes sales continue to grow at the same average rate as FY 04 to FY 08, approximately 6%/year). If the customer cost was increased from \$10 to \$20 per book, this \$10 change in customer cost would result in an estimated \$81,742 savings to the County from a lowered County share of total costs (assumes sales continue to grow at the same average rate as the past 4 years).

Either the \$5 or the \$10 increase in the user's purchase price could decrease the number of purchases and subsequently the utilization of the program. A senior who purchased 16 books (the maximum number) in FY 2008 paid \$160 (or \$0.91 per coupon). If the price per book goes up to \$15, then the same senior would pay \$240 (or \$1.36 per coupon). If the price goes up to \$20 per book, the same senior would pay \$320 (or \$1.82 per coupon).

However, even at a higher \$20 price, the program offers a greater discount on taxi rides than a senior would receive otherwise (most taxi companies offer a general 10 percent discount to all seniors). So it is likely even at a higher cost that many seniors would continue to use the *Seniors-on-the-Go!* Program.

The sensitivity analysis below shows the implications to the amount of General Fund support required depending on the number of coupon book projected to be sold:

Projected No. of Coupon Books Sold	General Fund Support Required at:		
	\$10/Book	\$15/Book	\$20/Book
8174 (continued 6%/year sales growth assumed from FY08 to FY10)	\$226,123	\$185,252	\$144,381
7275 (assumed no growth in sales from FY08 to FY10)	\$205,442	\$169,067	\$132,692
6428 (6%/year sales reduction assumed from FY08 to FY10)	\$185,961	\$153,821	\$121,681

Based on prior years' growth rates in coupon book sales, an adjustment in the program to charge \$20 per coupon book would require continued General Fund support of \$144,381.