

# Michigan Mobility Challenge

## Wheels to Work Mobility App-Hope Network

### Report

**Current State:** The W2W application development has been completed, the app tested on a small scale with a limited number of riders and is currently scheduled to be moved to Hope Network servers. The application is not currently active while this project waits in the queue. Additionally, resources are currently focused on finding new services to replace lost ridership due to the pandemic. We continue to sustain operating losses and we are under a hiring freeze for admin staff. This means that existing staff are filling two, or even three roles, and are stretched extremely thin. We took a major financial risk to improve driver wages in an effort to help with recruitment and retention. These remain very difficult as we find expectations have greatly expanded among candidates. Short staffing means that we are not as responsive to new opportunities as we wish we could be and the constant struggle to man seats wear greatly on the team. For fiscal 2022, we proposed, and the Board accepted, an operating budget with a substantial financial loss for the year. The budget was accepted in the belief that the effects of the pandemic will finally moderate during the course of this year and that our efforts to seek out new business will be successful.

Following is a statement regarding some of the observations and lessons learned through this process.

**Short Development Window:** The window to form partnerships, review and or develop proposals and submit final projects was quite short. In retrospect, a longer window would have supported a better project proposal. We entered into an agreement with a technology provider to develop an application that we had worked with previously. Not understanding the complications surrounding API integration (see below), we might have made a different decision when confronted with the details. Reflection suggests that in our rush to cement a proposal key issues did not receive sufficient review.

**Multiple Projects a Distraction:** With the announcement of the sunset of 3G networks, we found ourselves thrust into an emergency rush to find replacement hardware and software to support our scheduling and dispatching functions. Preparing and managing the procurement process taxed our team and diverted attention away from this project. With managing our other capital projects, we learned that we faced constraints on resources and that too many projects only led to poor execution. It would have been helpful for us to have a staff person dedicated to the oversight and management of the project.

**Software Integration:** Our original workplan called for the API integration of the Wheels to Work application into our existing scheduling platform NovusDR. (Milestones 3:12). While discussions with TripSpark indicated their willingness to support that integration, costs to make this possible were excessive and not accounted for in our workplan. The final decision was made to use the application as a stand-alone system. While not the best solution, since it required maintaining two separate software platforms, the team felt that our Wheels to Work program would eventually require partitioning from our other service offerings because of its unique service requirements and more expansive geographical reach.

**COVID Disruption to Wheels to Work Model:** The advent of COVID had an immediate and devastating impact on all of our service delivery but particularly with Wheels to Work. We experienced immediate ridership reductions in the neighborhood of 75%. Social distancing rules that we imposed greatly impacted our ability to maintain adequate rides per hour. The resulting financial strain required the lay-off of 50% of our driving workforce and reductions in our admin team of four positions, with those responsibilities being divided up between the remaining admin staff. There were serious discussions about the possibility of closing transportation altogether as we were looking at a budget shortfall of over one million dollars. These disruptions meant that staff energy and effort were focused almost entirely on cost reductions, eliminating inefficient service, and keeping the doors open long enough to survive until a return from COVID. As part of that effort costs and rates for the W2W program were restructured and the model adjusted. At the beginning of the pandemic, ridership for Wheels to Work dropped from an average of 12,000 rides per month to around 2,000 rides per month. With such massive reductions in ridership and given the fact that the program covered a large geographical footprint in Kent County, and beyond, our ride efficiencies dropped dramatically and the cost to provide each ride doubled. The program began to hemorrhage money. In an effort to keep the program alive we announced price increases to the participating companies, and as one would expect, this also suppressed demand. We are now two full years into the pandemic and ridership has still not returned to pre-pandemic levels. While our senior transportation has rebounded robustly, transportation for Community Mental Health is still at 50% of pre-pandemic levels and W2W ridership is averaging about 3,000 trips per month. While we have seen a slight rebound for W2W, we recognize that the program will not have the same draw at current rates. We are working hard to find new sources of temporary support that will allow us to once again restructure and lower the costs to participating companies. It is our belief that if we can return to more concentrated rider densities, we will be able to return to financial sustainability. We simply do not have the current capability to sustain the operational losses necessary to lower rates to attract new business at this time.