

FISCAL NOTE

Ordinance/Motion: FY14 1st Supplemental Omnibus

Title: LOW INCOME FARE START UP

Requesting Agency: TRANSIT (EN_A46410)

This request is related to Low Income Fare start up work in 2014. It includes a mix of additional staff in Transit Pass Sales and other operating costs including Orca card stock and contracting with third party verification agencies.

	FY14	FY15	FY16	FY17	FY18
REVENUES					
CHARGE FOR SERVICES (R3400)		-3,966,047	-4,774,203	-4,750,023	-4,800,530
Total Revenue		-3,966,047	-4,774,203	-4,750,023	-4,800,530
EXPENDITURES					
WAGES AND BENEFITS (51000)	474,832	882,746	906,964	928,805	951,234
SUPPLIES (52000)	132,394	180,611	186,029	191,610	197,358
SERVICES-OTHER CHARGES (53000)	162,600	1,015,452	1,045,915	1,077,293	1,109,612
Total Expenditure	769,826	2,078,809	2,138,908	2,197,708	2,258,204
Net Impact	-769,826	-6,044,856	-6,913,111	-6,947,731	-7,058,734

Notes

1) Per Ordinance #17757 the Fiscal Note assumes both start-up and some of the ongoing costs associated with the Low-Income Fare Program. These assumptions are detailed below:

- Ongoing operating costs for wages were increased by 2% each year and all other operating categories were increased by 3% each year.

- Revenue impacts in out years begin in 2015 when the program launches. Revenue loss is associated with more trips taken at a lower rate of fare per the transit fares elasticity model.

- Estimated capital expenditures related to this program can be accommodated within existing project appropriations and a request has been made to PRB concerning scope change. Expenditure categories include Orca vendor programming work (\$95,000), preliminary database development (\$317,770), tenant improvements (\$150,000) and "Orca To Go" expansion (\$90,000).

- These estimated costs will be updated in the low-income fare implementation plan report to be submitted to council on June 1, 2014.