MOTION 15600

King County Metro

Income-based Fare Program Implementation Plan

Attachment A

December 2019

King County
METRO
Moving forward together

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1 Executive summary

BACKGROUND & METHODOLOGY

In response to a King County Council proviso in Ordinance 18835, the Executive proposes to launch a new, income-based fare program in mid-2020. This program will build on the successful ORCA LIFT program by adding an additional ORCA LIFT tier that provides fully subsidized annual transit passes to the people in King County who are most in need—those with incomes at or below 80 percent of the federal poverty level (FPL) who are enrolled in other benefit programs.

FACTORS THAT INFORMED THE PROGRAM IMPLEMENTATION PLAN

Public input

As Metro began development of a new income-based fare program, it sought guidance from a Stakeholder Advisory Group and from potentially eligible program participants through community conversations and an online survey. The broad themes that Metro heard from this process are: resources should be focused on the people most in need; Metro should partner with human service agencies; regional integration is critical; access to fast, frequent, and safe service is also very important; Metro should conduct effective outreach and education about reduced-fare programs; and work around affordability should be customer-centered.

Guidance from academic and private sector experts

Metro worked with a number of experts as it developed the proposed program. Metro hired consultants to assess peer agency low-income programs and to analyze customer and demographic data. Metro also leveraged existing partnerships and research projects to evaluate uptake, usage, and cost of fully subsidized fares relevant to the proposed fare program. These and other research efforts will continue to inform program implementation.

Data and market research

Metro gathered data and conducted research to better understand current needs for affordable transit service as well as barriers to meeting those needs. Key findings:

- Affordability of transit and transportation is a key racial justice issue.
- The increasing cost of living in King County exacerbates the need for affordable transportation.

- Mobility for low-income populations depends on availability of high-quality alternatives to driving.
- Existing data does not make it clear how important lower fares are for populations with low-income compared to other priorities like service hours, speed, and reliability.
- More work is needed to ensure those who are eligible for all of Metro's lowest fares are able to access and use them.

Equity impact review

In developing the proposed program, Metro is guided by King County's Equity and Social Justice strategies, focusing on "invest in community partnership" and "invest upstream where needs are greatest." Program development encompassed the first three phases of King County's Equity Impact Review Process.[1] Metro will conduct the remaining two phases[2] after the program is implemented.

The proposed program is designed to improve access to the County's determinants of equity for people with low incomes, a disproportionate number of whom are people of color, Native American or indigenous.[3] The program will provide direct access to the transportation determinant and Metro anticipates that customers will also experience improvements in other determinants, including housing, economic development and jobs, and health and human services through improved mobility.

PROGRAM IMPLEMENTATION PLAN

Individuals served by the program

The proposed program will serve people in King County whose income is at or below 80 percent of the FPL and who are enrolled in one of the state or agency benefit programs that can verify their eligibility. Roughly 54,000 people in King County will be eligible for the program in the startup year, with expansions in subsequent years.

Program design

The program design is based on these principles, which were prioritized by the stakeholders: focus on the needs of customers who cannot afford current fares; provide effective education and outreach to the target population; make it possible for partner agencies to administer; give customers a manageable transition to the new program; avoid stigmatizing or burdening customers; and be integrated with the ORCA system.

The program will provide a one-year transit pass, on an ORCA LIFT card. Metro will also make the pass available on Regional Reduced Fare Permit (RRFP) cards for eligible RRFP customers. King County will subsidize Metro's services and customers will be able to use the same card for lower fares (LIFT and RRFP) on other regional

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[1] Phase 1 – Scope. Phase 2 – Assess Context. Phase 3 – Analysis and Decisions

[2] Phase 4 – Implement. Phase 5 – Ongoing Learning

[3] U.S. Census Bureau 2013–2017 ACS 5-Year Estimates

transit systems. Sound Transit is considering joining Metro in this subsidy program, subject to Board approval.

People who are enrolled in state benefit programs that use the ≤80 percent of the FPL income threshold will automatically qualify for the program and can enroll through Department of Social and Health Services (DSHS), Catholic Community Services (CCS), and Public Health-Seattle & King County (Public Health) offices. In subsequent years, Metro will expand the program by partnering with other human service agencies and benefit programs.

Estimated program costs

With this program, Metro aims to make a meaningful investment to improve mobility for customers with low-incomes while continuing to invest in transit service and accessibility. At the root of the issue is income inequality and regional poverty – issues that Metro cannot solve on its own. Mobility is essential to move people out of poverty and change economic and health outcomes. The success of this work hinges on consistent and sustainable funding, which requires conversations with partners at the state, local, and private sector levels. The Executive looks forward to additional conversations with County Council in 2020 about sustainable funding for this program.

The net costs of the proposed program are expected to be approximately $6 million in 2020, $18 million in the 2021-2022 biennium, and $20 million in 2023-2024. Because the product is subsidized, as customers ride the system, the value of the pass will be returned to Metro as revenue.

Potential policy changes

This program requires an ordinance change to add an income-based fare subsidy component to the low-income transit fare program. Metro’s Mobility Framework will guide updates to existing guiding documents and policies, such as Metro’s strategic plan and long-range plan, that may pertain to Metro’s income-based fare efforts.

Marketing and enrollment

Metro and its partner agencies will conduct targeted education and marketing to eligible customers. Working with community organizations to develop accessible information and materials, they will reach out to people where they are and create materials that explain in plain language and images where people can obtain and use the subsidized pass. Metro will establish enrollment goals and report on performance as part of a three-phase evaluation and adjustment process.

Partnership with human service agencies

In the startup year, Metro will partner with DSHS, CCS, and Public Health to enroll customers through state benefit programs. After the startup year, Metro plans to release a call for partners—human service agencies or community-based organizations—to expand the program to income-qualified clients who they serve.

Interface with existing fare programs

The new program will leverage the success of ORCA LIFT, including its network of enrollment agencies and its processes for verifying identity and eligibility and for obtaining and distributing ORCA LIFT cards.

Program evaluation

Metro will procure an independent consultant to lead an evaluation of the program's success, considering program implementation, fidelity, outcomes, and impact. Evaluation findings will be used to inform continuous process improvements, program adjustments, and expansions. By employing participatory evaluation strategies, Metro will increase engagement with human service partners and priority populations to better understand their needs and experiences.

Integration with the ORCA system

Metro designed the program so that eligible customers can easily use their ORCA card on Metro services and also enjoy lower fares (LIFT and RRFP) on other transit systems. Integration of the subsidized fare with the ORCA card system offers additional advantages, such as enabling collection of data that will help Metro evaluate the program, being familiar to participating agencies and customers, not stigmatizing riders with low incomes, and reducing fraud. Potential changes in the Next Generation ORCA system may enhance program delivery.

CONCLUSION AND NEXT STEPS

By serving people who have very little or no income and cannot afford Metro's existing low-income fare programs, the proposed program will fill a gap. It will be an important addition to Metro's existing suite of reduced-fare options as the agency continues to work toward a future where all King County residents, regardless of barriers, have affordable, integrated, accessible, and equitable transportation options.

2 County Council proviso

This report responds to the following proviso in the 2019-2020 King County budget adopted by the King County Council.[4]

The King County Council appropriated $1.9 billion for Transit in the 2019-2020 budget and adopted proviso P3, below, concerning development of an income-based fare program:

Of this appropriation, $1,000,000 shall not be expended or encumbered until the executive transmits an income-based fare program implementation plan and a motion that should approve the income-based fare program implementation plan, and the motion is passed by the council. The motion should reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the motion.

A. The income-based fare program implementation plan shall be informed by:

1.Input from an income-based fare stakeholder group convened by the Metro transit department and that includes participants from populations that experience low income, to include but not limited be to: representatives from communities of color, immigrants and refugees and limited-English-speaking populations; youth; students attending postsecondary educational institutions and in job training and apprenticeship programs; affordable-housing residents; low-income King County employees; and representatives from human service providers. The Metro transit department shall solicit from the councilmembers and the executive suggestions of possible participants for the stakeholder group. The stakeholder group should provide input on: barriers to accessing transit for low-income individuals; program alignment with the Metro transit department's policy objectives; pricing; eligibility; verification and other business processes; funding and partnership opportunities; and program evaluation. The stakeholder group should consider and evaluate providing no or very low cost access to transit for residents earning one hundred thirty-five percent of the federal poverty level or less;

2. Guidance from academic or private sector experts in designing and evaluating programs to improve access to economic opportunities for low-income individuals;

3. Data and market research on the transportation needs and access barriers of low-income populations in the Metro transit department's service area; and

[4] King County Adopted Budget, Ordinance 18835, Section 109, Transit, P3, p. 128.

4. King County's Equity and Social Justice Strategic Plan.

B. The income-based fare program implementation plan shall include:

1. A description of an income-based fare program, including, but not limited to:

a. individuals who would be served by the program, including income eligibility and demographics;

b. how the program would be designed, including fare media to be used and income-verification methods;

c. estimated program costs and proposed funding sources and potential partners, including a discussion of tradeoffs between using resources for such a program compared to other purposes such as transit service hours. Proposed funding of the program shall adhere to the Metro transit department's fund management policies, including maintaining a farebox recovery minimum of twenty-five percent;

d. potential policy changes that would be needed to implement an income-based fare program;

e. how the program would be marketed to eligible populations, including enrollment goals and regular performance reporting. Enrollment shall be as low-barrier as possible in terms of proof of qualifications and ability to enroll;

f. how the Metro transit department will partner or seek partners to market the program, enroll eligible populations, and whether there should be program cost sharing. The program should be coordinated with human service provider agencies in order to streamline participants' access to a range of income-based services; and

g. how this broad income-based program is proposed to interface with existing fare programs such as ORCA LIFT, the human services ticket program and the passport and business choice account programs;

2. A description of how the program will be evaluated, including collecting data on rider demographics and travel needs, and will develop performance goals and reporting; and

3. A discussion of whether or how the income-based fare program will be integrated with the ORCA system, including the financial, policy or technological barriers to implementing an income-based fare program within the ORCA system and the potential for future enhancements to an income-based fare program with implementation of Next Generation ORCA.

The executive should provide an oral briefing to the mobility committee, or its successor, on the progress of developing the program by June 30, 2019, and should file the income-based fare program implementation plan and a motion required by this proviso by September 30, 2019, along with any necessary legislation to implement the program by March 31, 2020, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the mobility committee, or its successor.

3 Background & methodology

BACKGROUND

Founded in 1973, King County Metro Transit (Metro) is one of the nation’s 10 largest transit agencies. Metro provides more than 123 million passenger rides annually on a wide range of services, including approximately 200 bus routes, Dial-a-Ride Transit (DART), the Seattle Streetcars, paratransit service for people with disabilities (Access), a commuter vanpool program, and the King County Water Taxi. The American Public Transportation Association named Metro the Outstanding Public Transportation System of the Year in 2018, recognizing its innovative leadership in mobility services, green practices, and programs for customers with low incomes. Metro has provided a reduced fare for seniors since its first year of operation, and since then has developed an array of discounted-fare programs with the goal of enabling everyone in King County to use public transportation.

In 2012, King County convened a task force made up of transit riders with low incomes, social service agencies, and others to consider new fare options that may help meet mobility needs. One of the task force’s recommendations was to create a new reduced bus fare for riders with low incomes.[5] In response, in February 2014, the Executive proposed and the Council approved the creation of a low income transit fare program.[6] The Council also created a Low Income Fare Program Implementation Task Force to advise Metro on an implementation plan. This task force proposed that the program include the following key elements: a $1.50 flat fare, regardless of zone or time of day, available to individuals with household incomes at or below 200 percent of the federal poverty level (FPL), and implemented in partnership with third-party agencies to determine eligibility and enroll customers.[7] Following this recommendation, Metro and Public Health created an innovative partnership, leveraging Public Health’s experience conducting outreach and income verification to streamline enrollment. After the Council approved the Executive’s implementation plan, Metro introduced a new low income fare category, ORCA LIFT, in March 2015.

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[5] King County Low-Income Fare Options Advisory Committee: Final Report and Recommendations: www.kingcounty.gov/depts/transportation/low-income-options.aspx

[6] King County Ordinance 17757

[7] Low-Income Fare Implementation Task Force, www.kingcounty.gov/transportation/kcdot/MetroTransit/AdvisoryGroups/LowIncomeFare.aspx

Currently, approximately 60,000 individuals are enrolled in ORCA LIFT. While most customers surveyed have been highly satisfied,[8] even that reduced fare has been unaffordable for some people with no and very low incomes.[9] In a 2018 report to Council,[10] Metro evaluated potential programs to increase transit affordability for various categories of people who might benefit and concluded that a comprehensive, income-based approach to fares is the most in line with King County's equity goals and guiding documents, laying the groundwork for this Income-Based Fares Program Implementation Plan.

METHODOLOGY

Metro's methodology was informed by consultation with a Stakeholder Advisory Group and potentially eligible program participants, guidance from experts and peers, and evaluation of existing conditions using market research and data analysis, and the King County Equity Impact Review Tool. Using these inputs, Metro and stakeholders evaluated options for providing fully or partially subsidized transit to residents whose income is no more than 138 percent of the FPL[11].

Internally, Metro engaged various teams to ensure the feasibility of stakeholder recommendations, design a program that responded to feedback, and coordinate this effort and major projects such as Metro's Mobility Framework. Metro also consulted with the Executive Leadership Team, Councilmembers, Council staff, the King County Offices of Performance, Strategy & Budget and Equity & Social Justice, and King County Departments of Public Health and Community & Human Services.

The public input process was guided by two independent facilitation consultants, Sarah Tran and Wendy Watanabe. With their expertise in social justice and racial equity as well as connections to the community, the consultants and Metro designed a meaningful public engagement process that enabled Metro to design a program centered on the needs of those who would be served.

Feedback from stakeholders and the consultants from the start was that the engagement process should be centered on the needs of the customer. With additional time and resources, Metro would have liked to act on that feedback and to have designed a more comprehensive and thorough engagement strategy that placed the experience and voices of those this program is designed to serve at the center of decision-making. In the future, when Council directs Metro to conduct engagement, Metro would like to work with them to design and resource the engagement process to best center on the needs of the customer.

The Office of Equity and Social Justice and Mobility Framework Equity Cabinet recommended that Metro provide compensation to community members for their

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[8] 2016 survey of 435 ORCA LIFT users

[9] 2018 Rider/Non-Rider Survey, Income-based fares survey

[10] King County Metro Transit, Making Metro More Affordable and Accessible, September 27, 2018

[11] The low-income fare proviso in Ordinance 18835 required consideration of an income-based fare program for residents earning 135% FPL. Ordinance 18930 changed the eligibility threshold for an income-based fare program from 135% of the FPL or below to 138% of the FPL or below.

time and expertise. Metro provided compensation to members of the Stakeholder Advisory Group, but ran into challenges with compensating stakeholders in a timely manner. Metro is learning from this experience and working to improve the process for how stakeholders (both community-based organizations and individual community members) are compensated for providing their input, expertise, and lived experience in Metro’s engagement processes.

4 Factors that informed the program implementation plan

STAKEHOLDER AND PUBLIC INPUT

Metro, along with independent facilitation consultants Sarah Tran and Wendy Watanabe, conducted a robust stakeholder process and additional public engagement to guide development of the proposed program. A full description of the public engagement process and key findings can be found in Appendix A.

Stakeholder Advisory Group

Metro convened a Stakeholder Advisory Group of 31 organizations representing a variety of populations, including communities of color, immigrants and refugees, limited-English-speaking populations, people with disabilities, youth, students attending post-secondary educational institutions and on-the-job training and apprenticeship programs, affordable-housing residents, and representatives from human service providers. Metro consulted with the Executive, County Councilmembers, and the King County Office of Equity and Social Justice about the stakeholders to include prior to convening the group. The full list of stakeholders is in Appendix B.

The Stakeholder Advisory Group met four times from March 2019 to August 2019, and were the leading source of input for program development.

Additional public engagement

Metro also engaged with potential customers who would be served by the program via community conversations and an online survey. For the community conversations, Metro contracted with six community-based organizations[12] representing populations most disproportionately affected by poverty. The survey was distributed through email/text alerts to riders of routes designated as low

[12] Byrd Barr Place, Casa Latina, Chief Seattle Club, Mother Africa, Open Doors for Multicultural Families, and Urban League of Metropolitan Seattle

income,[13] to Stakeholder Advisory Group participants to share with the people they serve and represent, and offered to customers who had been issued multiple fare evasion violations by King County Metro Fare Enforcement in 2019 as a way to resolve their violation.

Themes that informed program development

Through these engagement efforts, five major themes were identified:

- **Focus resources on the people most in need.** Provide a bigger benefit for a smaller population with greater needs based on income, rather than a smaller benefit for a larger population.

- **Partner with human service agencies and consider their capacity limitations.** Leverage existing human service agency partners for verification of eligibility and enrollment in the program; this is more convenient and comfortable for customers. Consider how to support agencies in this role, as many do not have the resources needed to take on this work.

- **Regional integration is critical for a good customer experience.** Recognize that customers use multiple transit systems and cannot always distinguish the difference between them. Develop a product that can be designed as Metro-only,[14] but that would allow for Sound Transit to participate if they choose. With increasing system integration, many riders with low incomes use Sound Transit as well as Metro, and a Metro-only pass could be confusing. However, a Metro-only pass would still have value to customers, and any steps toward reducing transit costs for riders with low incomes are urgently needed and should be taken even if Sound Transit is unable to participate.

- **Price isn't the only concern—fast, frequent, and safe service are just as important.** Provide a sustainable benefit that does not impact Metro's ability to provide and grow service. Fare discounts are a great benefit for people who have ready access to Metro services, but many people who have low incomes are being displaced to less-dense areas of the county,[15] which are traditionally underserved by transit, creating new challenges for Metro in meeting mobility needs.[16]

- **Conduct outreach and education to make it easy for people to learn about and use new and existing reduced-fare programs.** Many

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[13] From the 2018 System Evaluation report: Census tracts are designated as low-income or not low-income. Low-income tracts are those where a greater percentage of the population than the countywide average has low incomes (less than 200 percent of the FPL, depending on household size). Routes are designated as low-income if a route's proportion of inbound boardings occurring in low-income tracts is greater than the systemwide proportion.

[14] A Metro-only product would be valid on Metro-operated services, including Metro Bus/DART, first/last mile, Water Taxi, Access, Seattle Streetcar, and Monorail.

[15] www.communitiescount.org/index.php?page=suburban-poverty

[16] Consistent with recommendations included in Metro's Mobility Framework. Public engagement indicated the importance of fast, frequent, and safe service.

communities are unaware of the transit services, options, and reduced fares that are available to them. Community-based organizations and community leaders are valuable sources for such information and can reach customers where they are. Additionally, customers living with cognitive disabilities and mental health challenges may need additional assistance, so Metro can better serve them by integrating with existing programs and making sure the program is easy to use and understand.

Metro worked with the Stakeholder Advisory Group to identify and evaluate several options. Many of the potential program options did not move forward because the difficulties in implementing them, or challenges that customers might experience, outweighed the benefits.

- For example, *partially subsidized program options* were evaluated and rejected by the Stakeholder Advisory Group. The process to offer these options would be extremely burdensome for customers, human service agencies, and Metro. Since Metro cannot add a new fare category until Next Generation ORCA, a new "lower LIFT" fare for a portion of the ORCA LIFT population is impossible. Without the ability to add a new fare category, Metro would need to manage the subsidy manually and customers would need to come to Metro's pass sales office each month to purchase a reduced-cost pass. Selling the passes in the community is not possible since there is not enough current ORCA system-compatible equipment available to purchase and partner agencies cannot act as intermediaries. Most importantly, though, a partially subsidized option would not meet the needs of customers with no and very low incomes.

- As another example, a *flash pass* (non-ORCA card that customers would show to a bus operator) was considered and rejected both because it would stigmatize customers and since it would not be connected to ORCA, would not work on other transit systems or enable Metro to track usage to determine if the program is meeting its goals.

The Stakeholder Advisory Group also advised Metro on the *income eligibility threshold*. As required, Metro and stakeholders considered setting program eligibility at ≤138 percent of the FPL. This threshold aligns with Medicaid expansion, so has a relatively simple mechanism for income verification. However, stakeholders agreed that an income threshold of ≤138 percent of the FPL would not meet the criteria it had defined: focus resources where the needs are the greatest and do not overwhelm agency partners. As a result of the Stakeholder Advisory Group's advice and consultation with human service agency partners and DSHS, the Executive is proposing an income eligibility threshold of ≤80 percent of the FPL.

The ≤80 percent of the FPL income threshold has similarly simple verification; it would align this program with six state benefit programs[17] that have income eligibility requirements at or below this level, so clients could automatically qualify. In addition, the entities that would be doing income verification and enrollment at

[17] Temporary Assistance for Needy Families (TANF)/State Family Assistance; Refugee Cash Assistance (RCA); Aged, Blind, or Disabled Cash Assistance (ABD); Pregnant Women Assistance (PWA); Supplemental Security Income (SSI); and Housing & Essential Needs (HEN).

program launch can meet the demand and are willing to rapidly implement it in mid-2020. In 2021, Metro proposes to expand eligibility to other agencies that may use different income verification methods, while maintaining income eligibility of ≤80 percent of the FPL.

See Table 1 for a comparison of the number of potential customers in King County within each potential income thresholds.[18]

Table 1 Poverty eligibility thresholds in King County[19]

	People ages 6+ in King County	Single adult	Family of 4	
50% FPL	4%, 83k people	$6,245	$12,875	
80% FPL	**7%, 140k people**	**$9,368**	**$19,313**	**This program**
100% FPL	9%, 184k people	$12,490	$25,750	
30% AMI	12%, 236k people	$23,250	$33,200	Subsidized housing
138% FPL	**13%, 261k people**	**$17,236**	**$35,535**	**Medicaid**
200% FPL	**20%, 396k people**	**$24,980**	**$51,500**	**ORCA LIFT**

The proposed program is supported by the Stakeholder Advisory Group and responds to their advice to focus resources on the greatest need, provide benefits quickly and effectively, have low barriers for enrollment, leverage client relationships with partner human service agencies, and remain sustainable.

GUIDANCE FROM EXPERTS

Metro sought guidance from academic and private sector experts in several ways, and utilized these findings to develop the potential program options considered by the Stakeholder Advisory Group.

Metro initiated a small consultant contract and selected a team comprising Nelson\Nygaard and BERK & Associates to conduct an assessment of peer agency low-income programs (see: Appendix C, Peer Transit Agency Analysis) and to analyze relevant customer and demographic data, which supported the development of an Existing Conditions Report (see: Appendix D, Report on Existing Conditions).

[18] Federal Poverty Level (FPL) is a measure of income issued each year by the Department of Health and Human Services and is used to determine eligibility for certain programs and benefits, including healthcare and state benefits. It does not take into account regional differences in cost of living. ORCA LIFT is tied to FPL, which streamlines enrollment. Area Median Income (AMI) is set by the US Department of Housing & Urban Development to determine eligibility for assisted housing programs. It is adjusted for a given regional area so would vary by county.

[19] Federal Poverty Level population estimates are based on 2017 American Community Survey (ACS) 1-Year data; Area Median Income population estimates are based on HUD tabulation of the 2017 ACS 5-Year data.

First, the assessment of peer agency programs included an initial review of 44 agency programs and in-depth interviews with six transit agencies.[20] These programs were selected based on their operating environment, budget, services offered, and innovative approaches to fare policies and included a mix of subsidy levels, discount structures, and target population groups.

Key findings from the peer assessment include:

- It is important to incorporate discounts into the existing fare structure and to design programs to be easily scalable and expanded.
- It is difficult to compare costs between programs since agencies evaluate costs differently, especially with respect to foregone revenue.
- Many discount programs are supported by cost-sharing with cities, counties, partner organizations, grants, or through dedicated sales tax measures; few are fully funded by the transit agency alone.
- Programs that offer multiple or variable reduced rates based on income are most effective at ensuring program investments are made where the need is greatest.

Second, Metro has a strong research partnership with the Wilson Sheehan Lab for Economic Opportunities at the University of Notre Dame (LEO), the University of California, Irvine (UCI), and the Regulation, Evaluation, & Governance Lab at Stanford Law School (RegLab). Findings from current research efforts helped to inform assumptions around the proposed program's uptake, usage, and cost:

- A study in partnership with DSHS, where Metro is randomizing distribution of cards valid for up to five months of transit to clients enrolling in state benefit programs. This research project is providing early insights as to how participants who have access to fully subsidized transit use their ORCA cards compared to the control group, which received a standard ORCA LIFT card loaded with $10 in value.
- A second study conducted with King County Department of Public Defense, Seattle Municipal Court, the King County Correctional Facility, and King County District Court is analyzing whether fully subsidized ORCA cards provided to defendants at release after arraignment could reduce the rates at which they fail to appear for scheduled court hearings, as transportation is frequently cited as a barrier.

These research efforts are ongoing, with results expected in mid-2020. The studies will provide additional insights about transit needs, usage, and barriers that will help Metro shape delivery of the proposed program (see: Appendix E, List of research efforts).

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[20] Calgary Transit in Calgary, Canada; LA Metro in Los Angeles, CA; Miami-Dade Transit in Miami, FL; Metro Transit in Minneapolis, MN; San Francisco Municipal Transportation Agency (SFMTA) in San Francisco, CA; and Santa Clara Valley Transportation Authority (VTA) in Santa Clara, CA

Finally, programs for customers with low incomes are important to increasing electronic fare media access and speeding boarding by reducing on-board cash payments. In 2018, the Center for Advanced Study in the Behavioral Sciences at Stanford University convened several jurisdictions that were considering or implementing low-income fare programs. As a result of this convening, Metro is now leading a community of practice with jurisdictions across the United States to exchange information and research regarding income-based fare programs. This exchange will continue to be helpful in keeping abreast of innovations in other jurisdictions and in Metro's understanding of how income-based fare programs impact outcomes.

DATA AND MARKET RESEARCH

Before starting program development, Metro and the consultant team gathered data and conducted market research to better understand the current needs for affordable transit service and the barriers to meeting those needs.

Full results can be found in the Report on Existing Conditions in Appendix D. Notably:

- **The affordability of transit and transportation is a key equity issue**. The King County population has major disparities in income and wealth by race. As a result, people with low incomes, people of color, and Native American, indigenous, immigrant, and refugee communities are disproportionately reliant on public transportation.[21]
- **The need for affordable transportation is exacerbated by the increasing cost of living in King County** and is most acutely experienced by families and larger households. A family of four in Seattle must earn 350 percent of the FPL to attain self-sufficiency.[22] Transportation costs can make up a significant portion of a family's budget at lower income levels and require families to forgo travel or trade off other important investments in their well-being. As these populations increasingly move from expensive urban areas to more affordable and less dense areas, they face longer travel distances and less abundant transit service.
- **Mobility for low-income populations depends on the development of high-quality alternatives to driving**. Travel by car and car ownership are by far the largest transportation expenses for most households.[23] Metro's research found that among all income groups, transit service improvements (including more routes, real-time information, and faster, more frequent service) ranked highly as factors that would encourage transit ridership.

[21] U.S. Census Bureau 2013-2017 ACS 5-Year Estimates, Table S1703: Selected Characteristics of People at Specified Levels of Poverty in the Past 12 Months

[22] www.selfsufficiencystandard.org/Washington

[23] https://www.pewtrusts.org/~/media/assets/2016/03/household_expenditures_and_income.pdf

Service quality—particularly service availability, frequency, and travel time—is the most important driver of overall rider satisfaction.[24]

- **Existing data does not make it clear how important lower fares are for people with low-incomes as compared with other priorities.** Fewer than one in 10 respondents at or below 200 percent of the FPL strongly agree that the fares are too expensive, but 60 percent of the same respondents said they would ride more if the fare was lower.[25] Buying monthly ORCA LIFT passes for a family of four at 80 percent of the FPL would use up 13 percent of total household income—a significant expenditure.
- **More work is needed to understand and further reduce the barriers of enrolling and using Metro's lowest fares for those who are eligible.** Metro's Rider/Non-Rider survey indicates that while nearly half of LIFT-eligible riders are using available reduced fare or school/employer programs; roughly half report paying the full fare. While there could be many reasons for this, a third of LIFT-eligible respondents said the fare structure and payment processes are difficult to understand.[26] Additionally, more than half of all LIFT customers who load value onto their ORCA card load $10 or less at a time and pay for each ride they take; these customers do not benefit from the potential cost savings offered by current pass products, such as monthly passes.[27]

EQUITY IMPACT REVIEW

In alignment with the King County Equity and Social Justice Strategic Plan, Metro utilized the Equity Impact Review (EIR) tool. This tool helps to identify, evaluate, and communicate the potential impact - both positive and negative - of a policy or program on equity.[28] The discussion below of how Metro incorporated elements of the County's Equity and Social Justice Strategic Plan refers to the following five phases of the EIR Process:

- Phase 1: Scope. Identify who will be affected
- Phase 2: Assess equity and community context
- Phase 3: Analysis and decision process
- Phase 4: Implement. Are you staying connected with communities and employees?
- Phase 5: Ongoing learning. Listen, adjust, and co-learn with communities and employees

The proposed program aligns with the County's principle of advancing a pro-equity policy agenda. Its goal is to expand access to the County's "determinants of equity"—specifically transportation and mobility—so all people have opportunities to thrive. Metro anticipates that while transportation and mobility will be the direct outcomes of the program, customers will in turn experience increased access to

[24] King County Metro 2018 Rider/Non-Rider Survey

[25] King County Metro 2018 Rider/Non-Rider Survey

[26] King County Metro 2018 Rider/Non-Rider Survey

[27] January 2018 - April 2019 ORCA LIFT data

[28] 2015 Equity Impact Review Process Overview

other determinants of equity that transit and mobility can provide (*Phase 2 – Assess Context*). These include housing, economic development, and jobs, and increased quality of and access to health and human services.

In developing the proposed program, Metro implemented King County's Equity and Social Justice strategies for working toward this vision: "A King County where all people have equitable opportunities to thrive." Metro focused most heavily on two of these strategies: invest in community partnership (*Phase 1 – Scope*) and invest upstream where needs are greatest (*Phase 3 – Analysis and Decisions*). Metro used those strategies in combination with the principles of targeted universalism: Metro defined the outcomes it envisions (access to transportation and mobility for all) and worked with community partners to identify obstacles faced by specific groups (focusing on the scope of this inquiry: people for whom the fare is unaffordable).

Based on feedback from community partners and King County leadership, Metro developed a program that is focused on where needs are greatest, in line with One King County's strategies to advance equity and social justice. As described earlier, the Stakeholder Advisory Group played a role in helping Metro determine the level of subsidy and to narrow the eligibility threshold from ≤138 percent to ≤80 percent of the FPL (*Phase 3 – Analysis and Decisions*). Once the target population was defined, stakeholders provided valuable input on ways to reduce barriers to access, sharing their experience of what would not work for people and alternative methods for how to best reach customers (*Phases 2 – Assess Context* and *3 – Analysis and Decisions*).

One of the key learnings from partner organizations is that administering a program that is overly administratively burdensome can create more inequities. In response to this feedback (*Phase 3 – Analysis and Decisions*), administrative responsibility for the ORCA cards will shift to Metro and cost-sharing with human service agencies is not proposed.

Also as described above, Metro worked closely with community partners and stakeholders to understand how best to reach this population and how to refine the program so it serves people with the greatest needs. Metro engaged with community partners and customers to understand existing conditions, obtained feedback on different program approaches, and compensated them for their time and expertise. Metro will continue to engage with community partners to provide feedback on program development, expand program reach, communicate important updates, and co-create informational materials (*Phase 4 – Implement*). Metro aims to expand the program via a call for partners; this will be an important opportunity to ensure that the work remains equity-centered and that Metro is advancing equitable outcomes (*Phase 4 – Implement*). Metro will also utilize evaluation data and work with community partners to evaluate and expand the program after the startup year. The experience of community partners and customers will be integral to determining necessary system and process adjustments and to inform who is and is not being served by the program (*Phases 4 – Implement* and *5 – Ongoing Learning*).

5 Program implementation plan

Informed by work with the Stakeholder Advisory Group and outreach to the community, the Executive is proposing a new program that will leverage existing low-income fare infrastructure to provide a fully subsidized year of transit service to those most in need—people who have incomes at or below 80 percent of the FPL and are enrolled in a state or agency benefit program. To implement this proposal, Metro will add a new ORCA LIFT tier that provides fully subsidized annual transit passes for Metro-operated services (as well as Sound Transit if they choose to participate in the program; see: Regional integration*).* Customers will be able to use the E-purse on the same card to pay the standard reduced fare for services on transit agencies not participating in the program (see: Figure 1).

In the startup year, clients of six state benefit programs that have income eligibility set at ≤80 percent of the FPL will automatically qualify for the program. They will be able to enroll at Department of Social and Human Services (DSHS), Catholic Community Services (CCS) and Public Health – Seattle & King County (Public Health) sites across the county. In subsequent years, Metro will expand the program to include community agencies who can enroll income-qualified clients who they serve.

INDIVIDUALS SERVED BY THE PROGRAM

The proposed income threshold for this program was determined in consultation with stakeholders and agencies that provide services and benefits to people with low incomes (see: Input from an income-based fare Stakeholder Advisory Group). The goal is to make barriers to enrollment as low as possible. DSHS advised Metro that six state benefit programs have an income threshold criterion of ≤80 percent of the FPL: Temporary Assistance for Needy Families (TANF)/State Family Assistance; Refugee Cash Assistance (RCA); Aged, Blind, or Disabled Cash Assistance (ABD); Pregnant Women Assistance (PWA); Supplemental Security Income (SSI); and Housing & Essential Needs (HEN). **King County clients enrolled in these benefit programs will automatically qualify for the program** and can enroll at 17 DSHS, CCS, and Public Health sites across King County (see: Appendix F, Map). Metro intends to expand locations in subsequent years.

Roughly 54,000 people in King County, including 16,000 (29%) who are under the age of 18, receive the state services listed above and would be eligible for the program in the startup year. Eligible participants are 29% Black/African-American, 6% American Indian/Alaska Native, 29% White, 19% Asian, <1% Native Hawaiian and Other Pacific Islander, and 13% Hispanic/Latino.[29]

These benefit programs serve a demographically diverse population that closely matches the demographic makeup of individuals with low incomes, although Black/African Americans are somewhat over-represented in DSHS eligible programs at nearly 29% in comparison with 13% of individuals at 80 percent of the FPL. However, since there will still be gaps in who is served, Metro will look to expand the program in the second year to include community agencies that reach customers within the ≤80% of the FPL threshold who are not served by state benefit programs (for more information about expansion, see: How Metro will partner with human service agencies).

PROGRAM DESIGN

As a result of input from stakeholders, potential customers, academic and private sector experts, peer transit agencies, and human service agency partners, the Executive is proposing a program that aims to:

- Serve the highest need
- Be simple for customers to access and use
- Recognize that fares are not the only barrier to mobility
- Leverage existing systems, structures, and partners to launch as quickly as possible
- Increase the use of income as a basis for setting fares
- Provide for integration with other regional transit systems
- Ensure program and transit system sustainability
- Be evidence-based, enabling Metro to learn and adapt to achieve desired outcomes and the greatest impact

These principles are in line with feedback from stakeholders (see: Appendix A, Public Engagement Report), the intent of County Council's proviso, Metro's internal goals for equity and inclusion, and the County's Equity and Social Justice Strategic Plan.

The proposed program reflects these principles. **It will provide a fully subsidized transit pass for people who meet the income criterion and receive benefits from human service agencies. The pass will be good on all Metro-operated services for a year and customers can use the same pass to access reduced fares on other transit systems.**

Human service agency partners will verify income and eligibility, enroll clients, provide passes, add clients to the ORCA LIFT registry, and distribute information about how to use the pass and how to add E-purse value to ride on other transit systems. Metro will make changes to the ORCA LIFT registry to support this program, establish a Metro-owned ORCA Business Account to purchase the passes, load the passes on an ORCA card, and manage the cards. An ORCA Business Account makes it possible to monitor where annual transit passes are distributed, allows for

[29] King County Race/Ethnicity of DSHS Clients All Ages State Fiscal Year 2017

the annual transit pass to be added remotely after eligible customers are enrolled and given a card, and streamlines card management, including replacement of lost and stolen cards.

The proposed program can launch in mid-2020. This is slightly later than the March 2020 date specified by the proviso because the ORCA system vendor cannot add this product to the system until its scheduled June maintenance release.[30]

With this program, Metro will subsidize the fare on Metro-operated services. Customers will be able to use the same card for lower fares (LIFT and RRFP) on other regional transit systems (see: Figure 1). Note that the program could be expanded to include Sound Transit (see: Regional integration) if they choose to participate.

[30] A request to change the implementation date indicated in the Proviso is forthcoming.

Figure 1 Fare payment by transit agency/service

Fare fully subsidized

King County METRO
Trailhead Direct – Park. Ride. Hike.
Via to Transit
King County Water Taxi
Access Transportation
Seattle Center Monorail
Seattle Streetcar

Program participants pay LIFT fare

Kitsap Transit
Community Transit
Everett Transit

Program participants pay full adult fare*

Pierce Transit
Taxi Scrip
King County Metro Vanpool

Program participants pay no more than LIFT fare**

Sound Transit

* LIFT fares are not offered on these services
** If the Sound Transit Board chooses to participate in this program, eligible customers will ride for free. Otherwise, they will receive the discounted ORCA LIFT fare.

Fare media to be used

An annual pass was chosen because it will be easier for recipients to manage than a shorter-term pass, and more efficient for Metro and partner human service agencies to administer (for a detailed analysis about why Metro and the Stakeholder Advisory Group determined that an ORCA product was the best fit, and for the design elements that will be put in place to increase security, see: Integration with ORCA).

The primary fare media is an ORCA LIFT card. But in order to ensure that RRFP customers (seniors and people with disabilities) continue to receive the best value on other transit agencies and to eliminate the need to carry a separate card, Metro will also utilize RRFP fare media for eligible cardholders. Youth customers who are recipients of one of the eligible benefit programs can receive the annual pass on an ORCA LIFT card. Stakeholders strongly voiced the need for a streamlined, seamless experience for users, and the proposed program is designed to assist qualified clients immediately. The customer experience will vary based on the fare media, and these processes are expected to be streamlined in Next Generation ORCA.

Metro expects that most customers will receive the product on an ORCA LIFT card and enroll through an agency partner (in the startup year, this includes DSHS, CCS, and Public Health). Metro will supply enrolling agencies with ORCA LIFT cards that are pre-loaded with five all-day passes so customers can leave the agency with an active card that can be used immediately. Within five days, the annual pass, valid for unlimited rides on Metro service, will be loaded onto the card by Metro and available for use, valid for up to one year. This process was designed intentionally to ensure that customers have the full 12 months of the pass benefit and to mitigate security concerns about high-value product storage, since the cards to be stored at human service agency locations are loaded with all-day passes instead of the more highly valuable annual pass.

For RRFP customers who would like the annual transit pass added onto an RRFP card instead of an ORCA LIFT card, enrolling human service agencies will collect the RRFP customers' information and enter it in the ORCA LIFT registry. Within one week, customers will be able to pick up or have mailed to them a new RRFP card that will have the annual transit pass loaded and ready to use. Once customers receive their new RRFP card with the annual transit pass, they will be able to have a fully subsidized fare on participating transit services and receive a Regional Reduced Fare on remaining transit agencies. This will enable RRFP customers to carry one card, and ensure their customer experience is as simple as possible—a priority for stakeholders.

As explained earlier, Metro will take administrative responsibility for the ORCA cards instead of asking human service agencies to manage the cards. This includes staff time in the back-end to work within the technological limitations of the current system and create a seamless experience for customers. Having Metro administer card preparation, distribution, and replacements was based on strong stakeholder and partner feedback about capacity limitations at human service agencies. This design will require additional Metro staffing, which is reflected in the estimated program costs.

Income verification methods

Partner human service agencies will verify income and enroll clients in the program. In the startup year, DSHS, CCS, and Public Health will qualify clients based on their enrollment in six state benefit programs that already have the income criterion of ≤80 percent of the FPL. Customers will only have to provide proof of identity—with several types of documentation accepted—and proof of enrollment in one of the six eligible state benefit programs.

Many customers with low-incomes are struggling to survive, and stakeholders clearly stated that Metro can alleviate the burden on the customer by integrating the proposed program with existing program enrollment processes, streamlining the number of places and times someone has to visit.

In subsequent years, Metro will issue a call for partners to expand to reach people who are served by other benefit programs. Partnering human service agencies will continue to be responsible for verifying income at ≤80 percent of the FPL.

ESTIMATED PROGRAM COSTS

The Executive is proposing to fully subsidize the cost of the annual transit pass, providing them at no cost to qualified individuals. As described earlier, Metro and the Stakeholder Advisory Group considered a partially subsidized pass, but rejected this approach because administration would be overly burdensome for customers, human service agencies, and Metro, and does not meet the needs of customers with no and very low incomes.

Because the product is subsidized, as customers ride the system, the value of the pass will be returned to Metro as revenue. Available program options are constrained by the architecture of the current ORCA system. The only available ORCA product type, an “Agency Only” pass, is preset to return 100 percent of revenue to the Metro Transit Operating Fund. Eligible modes are governed by the ORCA definition of “Metro-Operated” services: Metro Bus/DART, Water Taxi, First/Last Mile, Access, Seattle Streetcar, and Monorail. For implications if Sound Transit partners with Metro in the proposed program, see: Regional integration.

This proposal, to subsidize transit for people with no and very low incomes, is one action that Metro can take to ensure equitable access to transit for King County residents. At the root of the issue is income inequality and regional poverty – issues that Metro cannot solve on its own. Nevertheless, mobility is essential to move people out of poverty and change economic and health outcomes. Metro is committed to prioritizing investments that connect those who need it most to jobs, school, housing, healthcare, and recreation. Income-based, subsidized fares are a component of the solution but a regional and reliable network that connects communities to opportunities is also necessary.

The success of this work hinges on consistent and sustainable funding, which requires conversations with partners at the state, local, and private sector levels. The

Executive looks forward to additional conversations with County Council in 2020 about sustainable funding for this program.

Program costs

The net costs of the proposed program are expected to be approximately $6 million in 2020, $18 million in the 2021-2022 biennium, and $20 million in 2023-2024.

Table 2 Projected net program costs

Net Impact	2020	2021-2022	2023-2024
Expenses	$30M	$78M	$82M
Revenue (subsidized by Metro)	$24M	$60M	$62M
Net costs	$6M	$18M	$20M

Expense details

The total program costs are estimated to be $30 million in 2020. Council has already appropriated $10 million as part of the 2019-2020 budget, so if needed, Metro would seek additional budget authority in a supplemental request. Program costs are expected to increase to $78 million in 2021-2022 biennium and $82 million in 2023-2024.

Table 3 Projected categories of expenses

Estimated expenses	2020[31]	2021-2022	2023-2024[32]
Transit passes[33]	$27M	$72M	$76M
Wages & benefits[34]	$700K	$3M	$3M

[31] Year 2020 totals reflect necessary start-up costs including hiring of core staff no later than May and additional customer service staff as additional participants are enrolled in the program, space modifications, materials development and printing, early evaluation set up, and outreach work with partners and participating enrollment sites.

[32] Beginning in 2023, the Next Generation ORCA transition may allow alternative subsidy mechanisms, but current assumptions assume the continued fare subsidy program.

[33] The subsidy value of day passes (5 passes at $4 each), immediately active, plus an annual LIFT pass ($756 per participant per year) which could take up to five days to activate. After 2022, Next Generation ORCA may allow additional rates of fare that would remove the need to pre-load value (the five all day passes) to each card.

[34] Metro staff to administer the program and coordinate customer service. Managing the annual transit pass to work within the technological limitations of the current system and create a seamless experience for customers will require significant back-end staff time that cannot be met by existing staff. To prepare the cards for distribution, staff will need to place the order for cards with five all-day passes, then load the passes onto the cards, enter the cards into the ORCA LIFT registry, and mail the cards to enrollment agencies. Then once customers have been verified and enrolled, staff will need to remotely load annual passes to their cards by working within the ORCA system and ORCA LIFT registry. Once customers receive their cards, Metro will continue to take administrative responsibility for managing the cards by having dedicated staff available with the appropriate access to manage this special account, replace lost cards, and resolve customer concerns on an individual basis. Metro anticipates the ratio of staff people to individual customers to be roughly 4,000 to 1.

Card stock[35]	$150K	$150K	$150K
Evaluation[36]	$750K	$1M	$500K
Professional services[37]	$300K	$500K	$500K
Tenant improvements[38]	$500K		
Partner transit agency reimbursements[39]	$500K	$1M	$1M
Total expense	**$30M**	**$78M**	**$82M**
Adopted budget appropriation	$10M		
Supplemental appropriation request anticipated in 2020 (est.)	**$20M**		

Revenue details

The program is expected to return revenue of $27 million in 2020, offset by a $10 million assumption in revenue established by the Council in the current biennium. This revenue is subsidized by Metro. Revenue is expected to increase to $60 million in 2021-2022 and $62 million in 2023-2024 as the program ramps up. Existing Metro bus and DART riders who switch to the new subsidized product will reduce bus fares by $3 million in 2020, increasing to $12 million in 2022-2023, and $14 million in 2023-2024.[40]

Table 4 Projected revenue (subsidized by Metro)

Revenue Impact	2020	2021-2022	2023-2024
Metro	$27M	$72M	$76M
Lost revenue (Bus / DART)	($3M)	($12M)	($14M)
Total revenue impact	**$24M**	**$60M**	**$62M**
Adopted budget revenue	$10M		
Supplemental revenue backing for 2020 appropriation request (est.)	**$14M**		

[35] Card production (new and replacement), freight, local taxes, and international tariffs.

[36] Staff and consultant services to study and report on program effectiveness.

[37] Materials and promotions, a contingency for financial support for enrolling human service agencies, and an estimate for required vendor changes to the ORCA system.

[38] Estimate for one-time space configuration.

[39] As described earlier, this fare product will be available on all Metro-operated services, including the Seattle Streetcar and Monorail. This expenditure category would allow revenue sharing with these partner agencies if agreements are not met for their participation in the subsidy.

[40] Metro anticipates a relatively small lost revenue impact to the other modes due to the small proportion of ORCA LIFT riders and the size of the programs.

Tradeoffs

As described earlier, the Stakeholder Advisory Group considered the tradeoffs between using resources for this program and other purposes, such as transit service hours. The public engagement process made it clear that price is not the only concern for people who would be served by this program. Fast, frequent, reliable, and safe service is just as important, and fare discounts will not be effective if people are unable to access service or find out about the benefits available to them.

Responding to the Stakeholder Advisory Group's recommendation to focus resources where the needs are the greatest, Metro established an income eligibility threshold of ≤80 percent of the FPL and a simple verification process that could be sustained. With this program, King County aims to make a meaningful investment to improve mobility for low-income customers while continuing to invest in service and accessibility.

Potential partners

ORCA is a regional product, intended to make public transportation in the Puget Sound region fast, easy, and seamless. Customers can use one ORCA card to pay for trips on King County Metro buses, King County Water Taxi, Seattle Monorail, Seattle Streetcar, Community Transit, Everett Transit, Kitsap Transit, Pierce Transit, Sound Transit, and Washington State Ferries. An income-based reduced fare is already available to customers via the ORCA LIFT program on all ORCA partners, with the exception of Pierce Transit and Washington State Ferries.

With the new proposed program, enrolled income-qualified customers will be able to access Metro services at no charge. Subject to board approval, Sound Transit services can be included as well. If an agreement is met with Sound Transit to include their services in the proposed subsidy, then Metro and Sound Transit will work together to determine how to address revenue and expenses. When new technology is available in Next Generation ORCA, the other regional transit agencies can join the program. Metro has briefed the other ORCA agencies about the proposed program and described how they can be a partner in the future (see: Regional integration).

As described earlier, Metro aims to partner with human service agencies for enrollment and distribution of cards to eligible customers. In the launch year, DSHS, CCS, and Public Health will administer the program for clients of the six income-qualified state benefit programs. These agencies currently enroll the vast majority of clients in ORCA LIFT and have agreed to implement this new program in mid-2020 without additional financial resources.

POTENTIAL POLICY CHANGES

Metro developed this program proposal concurrently with the creation of its Mobility Framework, which was required by King County Motion 15253 and submitted to Council on October 31, 2019. The Mobility Framework includes guiding principles and recommendations for how Metro and partners can achieve a regional mobility system that is innovative, integrated, equitable, and sustainable. Two of the guiding principles directly relate to the income-based fares effort: *invest where the needs are the greatest* and *align investments with equity, sustainability, and financial responsibility*. The recommendations from King County Metro's Mobility Equity Cabinet, as detailed in the Mobility Framework report, also support efforts to develop an equitable, income-based approach to fares that ensures affordability and accessibility for those who need it.

The Mobility Framework will guide updates to existing plans and policies that may pertain to Metro's income-based fare efforts. These include Metro's Strategic Plan, long-range plan (METRO CONNECTS), Service Guidelines, and budget (Metro's 2021-2022 biennial budget proposal and ongoing regional planning efforts to fund and implement METRO CONNECTS). Input from this effort, as well as additional community engagement, will shape these policy updates.

This program requires an ordinance change to add an income-based fare subsidy component to the low-income transit fare program.

MARKETING AND ENROLLMENT

Marketing

The success of the proposed program depends largely on culturally appropriate, multilingual, and visual communication. Rather than distributing program information to the mass market, a highly targeted marketing approach was endorsed by the stakeholders as a more effective, customer-centric tactic.

Metro will strive to reach people where they live and receive services, and will involve community partners and customers in determining needs and transcreating materials. Metro will also draw on its experience launching ORCA LIFT and maintaining ORCA LIFT's prominence in the marketplace. Metro will work with partners to co-translate materials into King County's tier 1 and tier 2 languages (Amharic, Arabic, Chinese, Korean, Oromo, Punjabi, Russian, Somali, Spanish, Swahili, Ukrainian, and Vietnamese).

Expected materials include brochures, in-language direct mail, posters, targeted radio and print ads, social media, and web. The materials will use simple language and images that describe the program's eligibility criteria, its features and benefits, how to obtain and use the product (including adding E-purse value for riding on other transit agency services), and what to do if the pass is lost or stolen.

Enrollment goals and performance reporting

Approximately 54,000 people will be eligible for the proposed program in the startup year, based on their enrollment in the six state benefit programs. However, Metro assumes first-year enrollment of 35,000, with second-year enrollment and renewal of 45,000, with the program reaching an annual total of 50,000 participants in 2022. Metro will use evaluation data to expand the program in subsequent years and will report on performance at the end of the startup year (2020) and when full outcome evaluation data is available (2022).

PARTNERSHIPS

In the startup year, Metro plans to partner with DSHS, CCS, and Public Health, who will be making in-kind contribution by verifying eligibility and distributing fully-subsidized annual transit passes to clients of six state benefit programs. These agencies will be crucial partners in rolling out the new program smoothly. They are currently partnering with Metro to enroll clients in ORCA LIFT, serve the target population, and are willing to rapidly expand enrollment to the new program in 2020. They have been working with Metro in developing the program design, providing valuable guidance on the proposed model. The three agencies are also willing and able to take on unexpected challenges that might arise during the startup year and to work with Metro to refine and adjust systems for efficiency.

DSHS, CCS, and Public Health will have a total of 17 sites across King County where qualified clients can obtain their subsidized annual transit pass (see: Appendix F, map). DSHS will enroll customers in the new program when they go to a DSHS office to enroll in or renew state benefits, or anytime in between. CCS and Public Health will enroll customers who present letters verifying their eligibility for one of the six state benefit programs.

After the startup year, Metro aims to expand the program to other human service agency partners, and will release a call for partners in 2020. The goal will be to expand the program’s reach to communities that are not served by the six state benefit programs. The income threshold will remain at ≤80 percent of the FPL. New partner agencies will be able to automatically enroll clients if the agency has a benefit program that has an income qualification of ≤80 percent of the FPL. Agencies that have benefit programs without income qualifications or at levels that are different than ≤80 percent of the FPL would be responsible for verifying income eligibility for the subsidized transit pass.

In the call for partners, Metro will identify priority populations, clearly explain the requirements, and explain how it will choose participating programs. Applicant agencies will be asked to describe the population that they intend to serve, verify that they can meet the requirements, and indicate if they need financial or other support from Metro to implement the program. The Stakeholder Advisory Group noted that human service agencies often have limited resources, and encouraged Metro to provide financial support for their critical outreach and enrollment services. Metro will include this support in its program budget.

An interdisciplinary team, including but not limited to Metro, community partners, and the King County Office of Equity and Social Justice, will evaluate the proposals. They will use the criteria in the call for submittals to determine the best partners for expansion. This team will also include Sound Transit if they choose to participate in the program.

As the program continues, Metro will monitor who is and who is not being served and will seek additional partner agencies to address unmet needs. The goal will be to streamline customer access to a range of services; making the product available where customers already receive services and benefits is one way to do that.

Metro is proposing to fully subsidize the new pass and not ask human service agencies to share the cost. As described earlier, Metro presented a cost-sharing model similar to the Human Service Ticket program to the Stakeholder Advisory Group. The group rejected this model due to concerns that cost-sharing within the limited budgets of human service agencies serving the most vulnerable populations could further exacerbate inequities. The stakeholders also noted that if Metro fully subsidized the pass, it would free up additional resources for agencies to help their clients. However, while Metro is not proposing cost sharing now, it may consider this approach in future years based on evaluation data.

INTERFACE WITH EXISTING FARE PROGRAMS

The proposed program will leverage the ORCA LIFT program's success, including its network of enrollment agencies, procedures for verifying identity and eligibility, and process for distributing ORCA LIFT cards to qualified customers. Partner enrollment agencies will screen customers to confirm identity and verify eligibility for the program. Eligible customers, including youth, can use their card to access Metro services free of charge and enjoy LIFT rates for remaining transit agencies (see: Figure 1). Eligible customers that have an active RRFP card can request to add the annual transit pass to their RRFP card. Customers wanting the annual transit pass on their RRFP card will be mailed a new RRFP card, loaded with the annual transit pass, to have their fare subsidized on Metro services and enjoy RRFP rates at remaining transit agencies.

Regardless if loaded onto a LIFT card or RRFP card, the annual transit pass will subsidize Metro fares for Metro bus/DART, first/last mile, Water Taxi, Access, Seattle Streetcar, and Monorail. Metro will evaluate how this program interfaces with monthly programs such as vanpool to determine how the subsidy could be utilized.

Over time, the proposed program may reduce reliance on Human Service Tickets since many customers would qualify for the subsidized pass. This would allow for tickets to be distributed to other customers of human service agencies, and potentially could reduce the overall need for the one-time-use paper tickets. Evaluation data from the proposed program, as well as from other Metro efforts, can inform future changes to the Human Service Bus Ticket Program.

PROGRAM EVALUATION

To best meet customer needs and ensure the sustainability and effectiveness of this new program, Metro is planning to implement the program quickly, engage in continuous evaluation, make adjustments as needed, and ensure that decisions about program expansion are based on data and evaluation.

Metro is planning to procure an independent consultant to lead a participatory evaluation of the program's success, considering program implementation, fidelity, outcomes, and impact. Metro and the consultant will work together on all aspects of the evaluation, including establishing baseline measures, developing performance goals, conducting activities, and making recommendations.

- Key program implementation measures could include assessment of participation among priority populations, experience of partner human service agencies, impacts to other transit systems, program costs, and opportunities to improve program delivery.
- Key impact measures could include increased mobility for participants and longer-term determinants of equity, such as improved quality of life and access to healthcare, social services, and employment. Metro and the consultant will employ participatory evaluation strategies, conduct quantitative and qualitative research with customers and human service agency partners, collect rider demographics (including but not limited to geography, race, ethnicity, income, and employment status), and analyze ORCA data and other relevant information sources.

In the startup year that will begin in mid-2020, Metro will launch the program rapidly in partnership with DSHS, CCS, and Public Health and make continuous process improvements. At the end of this first half-year, Metro will review the consultant's initial evaluation, which will include initial outcomes and experiences of customers and community partners, to inform priorities for program expansion and adjustments for more effective program delivery.

In 2021 and 2022, Metro will expand the program to more customers and enrollment sites. Metro and the consultant will continue to evaluate process and impact and make process improvements. At the end of 2022, Metro and the consultant will develop an impact evaluation report, with qualitative and quantitative data and feedback from customers and community partners. Metro will utilize these findings to report on outcomes to County leadership, Council, and other regional transit agencies and to consider additional program adjustments and changes to program size, scope, product, and eligibility.

In addition, Metro will continue to gain insights from the research projects underway with the LEO, UCI, and RegLab in 2019 and 2020. Findings from these projects will provide data relevant to establishing a baseline, the need or benefit for expanding the program to include higher income levels, differences in usage by geographic area, and other information to support successful program delivery. Findings from these research efforts and from the implementation of the new program will help Metro learn more about transit affordability and the investments that are most important to enhancing mobility for priority populations.

These collective efforts will give Metro an opportunity to increase engagement with priority populations and better understand their needs and experiences.

INTEGRATION WITH ORCA

As stated earlier, the Stakeholder Advisory Group emphasized that regional integration is critical for enabling customer mobility throughout the region. One of the key tenets of the ORCA system is "One Regional Card for All," and Metro intentionally designed the proposed program to let customers use the same card and enjoy lower fares (LIFT and RRFP) on other transit systems.

Metro customers will find it easy to use the fully subsidized pass on an ORCA card—they will simply tap their card and ride, and can add E-purse value for use on other transit systems and services. The new program will provide clear materials that describe the product and where and how it can be used.

In the proposed approach, Metro is leveraging the infrastructure of the ORCA LIFT program and delivery infrastructure, while enabling Metro to collect crucial data to evaluate the impacts of the program on Metro, partners, and customers. Integration of the subsidized fare with the ORCA card system offers other advantages as well. Human service agencies and customers are familiar with this fare media, and some customers who will qualify for the fully subsidized fare already have ORCA LIFT cards. The subsidized fare card will look like other ORCA cards; no "low-income" stigma will be attached (see: Appendix G).

The use of ORCA cards will also reduce fraud. Eligibility will be closely tied to benefit programs that have already verified the client's income and identity. Client information will be matched against and entered into Metro's ORCA LIFT registry to ensure only one card per client is issued. The subsidized annual transit pass will be added to an ORCA card only after the customer has been verified, enrolled, and shows proof of identity and can be cancelled if it is lost or stolen.

Potential future enhancements in the Next Generation ORCA system (launching in 2021) may also benefit program recipients and overcome some of the challenges in the current ORCA system. Some of the potential benefits of Next Generation ORCA include: ability to pay a reduced fare via a mobile app, ability to have funds and products loaded instantly (reducing or eliminating the time it takes for the annual transit pass to be loaded onto a customer's account), adding other transit systems to the subsidy, and adjusting the ORCA LIFT fare structure. In addition, in Next Generation ORCA the E-purse associated with a card can be managed by different entities. So human service agencies, another government agency, or a family member will be able to easily add E-purse value to a program participant's card.

REGIONAL INTEGRATION

In developing this proposal, Metro briefed the leadership and staff of the regional transit agencies: Community Transit, Everett Transit, Kitsap Transit, Pierce Transit, and Sound Transit, as well as the Seattle Department of Transportation. As described earlier, the product would include fully subsidized rides on Metro-operated services and could be configured to also subsidize trips on Sound Transit services if Sound Transit agrees to participate. In Next Generation ORCA, the product could be changed to include all of the regional transit systems if they choose to participate. Metro will provide outcome evaluation findings to inform these decisions. Until then, customers can add E-purse value for a reduced rate on other transit systems.

Metro has engaged closely with Sound Transit in program design, and Sound Transit staff have attended Stakeholder Advisory Group meetings to hear directly from partners. Ultimately, Sound Transit's participation is contingent on their Board's approval. If Sound Transit's board approves participation in the program, Metro will enter into a formal agreement to solidify decision-making and cost-sharing.

6 Conclusion and next steps

With this program, Metro aims to provide fully subsidized transit on participating services to people in King County who are most in need. At program launch in mid-2020, 54,000 people in King County—people with incomes at or below 80 percent of the FPL and are enrolled in six state benefit programs—will be eligible and can enroll at 17 DSHS, CCS, and Public Health locations. In 2021, Metro will engage other human service agencies or community-based organizations to expand the program to income qualified clients who they serve. By leveraging the ORCA LIFT program's success and linking the program to other existing benefit programs, Metro will be able to launch the program rapidly and effectively.

By serving people who have very little or no income and cannot afford Metro's existing low-income fare programs, the proposed program will fill a gap. It will be an important addition to Metro's existing suite of reduced-fare options as the agency continues to work toward a future where all King County residents, regardless of barriers, have affordable, integrated, accessible, and equitable transportation options.

In the months leading up to the mid-2020 program launch, Metro will be working on numerous program details. These include:

- Transmitting an ordinance to add an income-based fare subsidy component to the low-income transit fare program
- Expanding Metro staff capacity to administer the program
- Making necessary changes to the ORCA system to make the product available in mid-2020
- Procuring and preparing cards
- Working with DSHS, CCS, and Public Health to clarify responsibilities and procedures for the program launch
- Developing a plan for expansion in the second program year
- Working with stakeholders to develop a targeted and effective multilingual and culturally appropriate communication strategy
- Developing an evaluation plan and procuring an evaluation consultant
- Continuing negotiations with Sound Transit about their participation

7 Definitions

All-day pass: Accepted for regular service on public buses, trains, streetcars, and water taxis throughout the Central Puget Sound region.

E-purse: Value on an ORCA card that allows customers to pay for trips one at a time.

ORCA (One Regional Card for All): A smartcard that is used to pay the fare on buses, trains, and ferries in the Puget Sound region.

ORCA business account: An account that businesses or agencies use to purchase, distribute, and load value onto ORCA cards via online portal with options to provide employees with a subsidy or pre-tax benefit.

ORCA LIFT card: An ORCA card associated with the ORCA LIFT program, which allows customer to ride up to 66% discount on participating transit agencies.

ORCA LIFT program: Metro's reduced fare program for customers at or below 200% of the FPL.

ORCA LIFT registry: Electronic system used by verifying ORCA LIFT agencies to track and issue ORCA LIFT cards, manage inventory, and ensure that a customer does not receive multiple cards.

Regional Reduced Fare Permit (RRFP): Provides seniors over 65 and people with disabilities a 50%+ discount on buses, trains, and ferries throughout the Puget Sound region on sixteen participating agencies. The permit can be used as a flash pass so customers can pay by cash or as a smartcard, similar to ORCA.

Youth card: Allows youth between the ages of 6–18 years of age to ride at a discount on all ORCA services.

Appendix A: Public Engagement Report

Income-based fares

Public Engagement Report

Prepared by

King County Metro Transit

Strategic Communications and Engagement

October 2019

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Public Engagement Overview

Metro conducted a robust stakeholder process and additional public engagement to guide the development of the income-based approach to fares that would provide no or very low cost access to transit to residents earning less than 138% of the federal poverty level.

Metro convened a Stakeholder Advisory Group of 31 organizations representing a variety of populations, including human service agencies, community members, and community-based organizations who represent target populations such as immigrants and refugees, college students, affordable housing residents, and people with disabilities. This group was the primary driver and guidance for the program development.

In addition to the Stakeholder Advisory Group, Metro contracted with six community-based organizations representing those most disproportionately affected by poverty to conduct engagement with community members who would potentially qualify for this program. Metro also conducted an online survey with an option for respondents to self-identify as being at less than 138 percent of the federal poverty level. This ensured that Metro could center the experience and input of no to very low income customers in the decision making process.

The stakeholder advisory group met four times from March 2019 to August 2019 and were the lead source of input for program development.

Who helped shape the recommended program?

- Stakeholder advisory group
- Customer engagement:
    - Income-eligible customers from historically underrepresented populations including Native Americans, African Americans, Hispanic/Latinx, immigrants, and refugees, including those with disabilities – through community-based organizations contracts
    - Online customer survey from self-identified, potentially income-eligible customers

Engagement Goals

- Advance equitable decision-making by engaging and involving transit-dependent and traditionally underserved populations in shaping policies and programs designed to improve their access to transit.
- Empower the providers, stakeholders, and people who will benefit from this program to shape it to best serve them.
- Cultivate a robust relationship between community stakeholders who represent low-income riders and Metro.

Desired Outcomes of Engagement

- Create a program that is centered on the needs of the target population
- Develop strong relationships with community stakeholders working with and representing low-income riders that extend beyond the income-based fares program.

Stakeholder Advisory Group

Metro convened a Stakeholder Advisory Group to provide input and expertise as Metro designed an income-based fare option for residents who cannot afford the current reduced fare programs. In developing this list, Metro created the initial list from organizations that had previously participated in other fares-related engagement efforts. Metro then solicited input from County Councilmembers and their staffers, the Office of Equity and Social Justice, and the King County Executive about which groups and individuals to include in this process.

The Advisory Group included human service agencies, community members, and community-based organizations who represent target populations such as immigrants and refugees, college students, affordable housing residents, and people with disabilities. The full list of stakeholders is in Appendix B. Some stakeholders were unable to participate through the whole process but were kept on the email list and were invited to give feedback outside of the workshops. Metro staff met with several stakeholders outside of the workshops to get their feedback if they were unable to attend.

Engagement consultants

Metro contracted with two facilitation and equity and social justice consultants, Sarah Tran and Wendy Watanabe, in order to provide strategic advice on inclusive engagement, facilitation and equity and social justice for the stakeholder workshops. Tran and Watanabe provided valuable strategic advice and input/review of the workshops' design, agendas and materials as well as crucial debrief meetings after each workshop to determine key themes, and next steps for options development.

Stakeholder engagement process

The stakeholders met four times in 2019 (March, April, June, and August) to guide and refine the proposed program design, weigh in on options, and indicate their level of support for the final recommended program. The group was a mix of stakeholders who have been frequently engaged in previous efforts around transit and fares, while others were entirely new to Metro's engagement processes and programs/fares.

Staff from King County (Metro, County Council, Executive's Office, Public Health, Community and Human Services), other jurisdictions (City of Seattle), and transit agencies (Sound Transit) were invited to attend and observe the Stakeholder Advisory Workgroup in order to increase transparency and hear directly from stakeholders.

Over the course of four workshops, the group provided their input and expertise on the following:

- Barriers to accessing transit for low-income individuals including their lived experience and challenges
- Existing Metro policies and objectives
- Funding and partnership opportunities with customers, social service agencies, other transit agencies, and community-based organizations
- Priority program design principles
- Potential program options with tradeoffs, including a free-to-user product to residents under 138% of the federal poverty level
- Pricing, eligibility, and verification through partner agencies
- Program evaluation
- Long-term vision for making transit more affordable for those with the highest needs (and lowest incomes)

Workshop 1: Defining the problem of affordability; reaching the no to very low income population

The stakeholders received an overview of the scope of the proviso, the rationale for pursuing an income-based approach to fares, overall program goals, and information about Metro's current reduced fare offerings in the context of affordability in King County. Stakeholders offered feedback on:

- Barriers facing low-income customers in King County
- Best ways for reaching customers who may or may not already know about existing reduced fare options
- How to reach people who cannot afford the current reduced fare options

Stakeholders spent time discussing the needs of the target population, which are diverse depending on their lived experience. They reported that all in this population struggle with the negative effects of not having access to transit. The systems in place are centered on white, able, and resourced people, leaving those in this income range to struggle with barriers ranging from language, literacy, mental health, being undocumented, displacement, gentrification, lack of awareness of reduced fare options, inaccessibility of transit service for those with disabilities, racism from other customers and operators, and nontraditional or variable work schedules.

Stakeholders felt strongly that the income-based fare program should be centered on those most in need.

Stakeholders prioritized design principles for the program:

1. Center the needs of customers for whom the current fares are unaffordable
2. Include adequate resources of education and promotion efforts that effectively reach the target population

3. Be possible to administer for partners who would be doing verification and enrollment
4. Have a manageable transition for customers between current fare products and the new program
5. Not stigmatize or cause undue burden on customers
6. Be integrated with the ORCA system

Workshop 2: Feedback on program concepts

Metro presented four broad program concepts based on the design principles heard in the first workshop and the feedback given about why existing programs were unaffordable or not reaching their target populations. Metro identified several advantages and challenges with each concept, and stakeholders asked clarifying questions. Stakeholders then provided input on the concepts, summarized below.

1. Metro fully subsidizes a free monthly pass to participants of programs serving the lowest-income and no-income populations [0-50% of the FPL]
    a. Stakeholder feedback:
        i. Leverage connections between customers and providers as they enroll or receive other services.
        ii. Consider the needs of people with disabilities, limited English proficiency.
        iii. Safety/fraud – high value item could lead to robberies.
2. Metro offers a partial subsidy of ORCA passes for purchase by human service agencies [0-138% of the FPL]
    a. Stakeholder feedback:
        i. Agencies may not have capacity or budget to purchase products for their clients and administer the program, particularly those serving the most vulnerable.
        ii. Scarcity and availability are concerns. This concept is most similar to the Human Service Ticket Program, and the paper tickets are always in demand.
        iii. Agencies have concerns and questions about implementation.
3. Metro partially subsidizes passes and sells them directly to eligible customers who enroll in the program. Due to limitations in the current ORCA system, purchase locations would be limited to Metro offices or ORCA To-Go locations]
    a. Stakeholder feedback:
        i. Limiting it to Metro offices only is too difficult to access [geography and hours are too limited].
        ii. A partial subsidy does not serve the highest need [meet the need for people with no income].
4. Metro lowers the LIFT fare for the entire LIFT population [Metro is unable to lower the LIFT fare for a portion of the population until Next Generation ORCA,

so a lowering of the fare would need to be done for the entire LIFT passenger type]

a. Doesn't serve the highest need or address needs of people with no income

Overall feedback:

- Stakeholders did not like any of them as standalone options – they would prefer to see a combination of options (especially Option 1 and Option 4 together).

Stakeholders then discussed several key questions in small groups and generated ideas on how to do eligibility and verification for the program. The feedback is summarized below from those conversations.

Focus resources on most in need

- Strong support for a bigger benefit for fewer people [free-to-user], rather than a smaller benefit for a larger population
- Customers with low incomes are more reliant on transit, consistently report that they would ride more if the fare was less, and that human service tickets are limited and hard to access

Build capacity and compensate agencies/organizations for administering program

- Divided on the issue of agency copay; an agency copayment for the transit product would allow Metro to serve more people. However, many agencies, especially those serving the most vulnerable, don't have staff capacity, resources, or funds available to take on this extra body of work
- Integrating and leveraging existing human service agency partners for verification, enrollment, and distribution is better for the customer than requiring that they come to Metro
- Community-based organizations (CBOs) serving immigrants, undocumented immigrants, and refugees should also participate; many people don't feel comfortable or safe giving income eligibility information to organizations outside of trusted CBOs (i.e. Open Doors for Multicultural Families, Casa Latina)

Regional integration: critical for customer experience

- From customer engagement, nearly every low-income rider uses Metro, most also use Sound Transit
- A Metro-only pass could be confusing, result in increased fare evasion on other transit systems and require customers to carry multiple cards – especially for those with disabilities, limited English, etc.
- Risk for increased fare violations on other transit agencies if customers don't understand that the pass is not valid on their services.
- However, a Metro-only product is still greatly preferred over nothing

Price isn't the only concern – fast and frequent service is just as important

- There's a lack of awareness and understanding about reduced fares, where/how to load money; over half of people eligible for LIFT pay the full fare instead for not paying the proper fare[5]
- Customers place high value on service and safety, some low-income customers rank them above fare discounts

Outreach and education – reach people where they are, leverage relationships with trusted CBOs, make it easier to learn about reduced fare programs

- Education and outreach will be very important – if people don't understand how the pass works, they may throw it away, not use it properly, or be cited by other transit agencies
- There's an overall lack of awareness and knowledge about reduced fares and ORCA
- It will be important for Metro ensure language access and work with CBOs serving specific racial/ethnic groups to raise awareness
- Metro reach people where they are: libraries, community colleges, schools, and to leverage existing CBOs, human service agencies, and other partners for marketing and outreach
- Human service agencies are integral for outreach and enrollment and Metro must pay partners for their time

Workshop 3: Customer engagement findings, concept development (universal vs. targeted approaches)

In this workshop, Metro reported out the findings from the customer engagement through the online survey and community conversations through contracts with six community-based organizations.

Metro also updated the stakeholders on analysis done on the preferred concepts from the second meeting. Metro shared the reasoning for taking a targeted approach to the problem of affordability for the no to very low-income population. This means determining where needs are greatest in accordance with the feedback we gathered from community-based organizations, the online survey, and the stakeholders.

Stakeholders learned about Metro's fiscal policies and gave feedback on what Metro should continue to collectively champion in the coming months. Stakeholders strongly expressed a desire for regional integration. At the end of the meeting, the hope was to conclude with a shared path forward based on what the group supported. However, it was determined that due to the complexity of the information presented, it was important to meet one more time.

Workshop 4: Program proposal feedback and a long-term vision for affordable access to transit and mobility

In the final workshop, Metro presented a program proposal based around a phased approach to start where the needs are the greatest. The proposal presented was the same as the proposal in this report. Stakeholders then discussed the pros and cons of the proposal, who is and is not served by the proposal, and how to reach those who are not being served by it on a small scale.

The group was largely supportive of the proposal and the plan to do a robust program evaluation. Stakeholders expressed support for the proposal because of the product's integration with other reduced fare programs, and the annual pass being less burdensome for the customer and human service agencies who would be doing enrollment. Stakeholders were supportive of the program's connection with human service agencies, and that the program is in the ORCA system so customers could use the same card for other transit agencies.

Stakeholders asked Metro to continue to work on making Metro's services more accessible for people with disabilities. They also asked about whether the program would include Access Paratransit users, and where the funding would come from for this program. They were also concerned about communicating how to use the product to customers because it is only available on Metro; customers riding on other transit services would need to pay either a LIFT rate or RRFP rate.

Stakeholders brought up several creative ways to promote the program including partnering with fare enforcement and at non-participating agencies. They also asked several important questions for the project team and Council to consider around the capability of the service to handle additional new riders, how the program will reach those who are not enrolled in case managed programs and how the program can include innovative mobility services.

Staff asked the group how they would like to be involved moving forward. Stakeholders marked their preferences on their evaluation forms, which were turned in at the end of the meeting or distributed online. A third of participants expressed interest in learning more and potentially participating in the first round of implementation. Several other participants expressed a desire to collaborate with Metro on marketing and outreach for improving the way that people can find the right fare program for them.

During the second half of the meeting, Metro staff wanted to ensure that the work this group has done around affordability will be utilized in Metro's plans and policies moving forward. Metro staff collaborated with the stakeholders on a vision of what affordable access to transit and mobility will look like in the long-term. A draft was pre-populated with feedback from the three previous workshops, customer engagement through the online survey and community-based organizations, and from staff. Metro will use this document as the strategic vision and guidance as it relates to affordability when updating Metro's policy documents in line with the Mobility Framework (to begin at the end of 2019 through summer 2020).

Below is a short summary of the vision including strategies and indicators of success generated by the stakeholders.

Draft vision

All King County residents, including low-income, people with disabilities, communities of color, immigrants and refugees, and LGBTQIA+, have affordable, integrated, accessible, equitable transportation options to improve their economic, health, and social outcomes and opportunities.

Draft goal areas

- Outreach, education, and marketing
- Cost and Income
- Changes/improvements to existing reduced fare programs
- Regional integration
- Partnerships
- Others

Goal area: Outreach, education, and marketing

- Language barriers, age, geography and/or disabilities are not barriers for accessing transit or paying the right fare
- People can easily find out what fare they should be paying and what mobility options are available to them, in their own communities
- Community-based organizations are hubs for information about mobility options for their communities

Goal area: Partnerships

- Integrate subsidized transit benefits into other social service programs
- Trusted CBOs and social service agencies:
- Have strong partnerships with Metro
- Are trained on transit options and services on an ongoing basis
- Educate customers about transit options and fares
- Help Metro determine eligibility
- Help customers identify and enroll in the best fare program for their needs
- Flexibility for customers who aren't involved with agencies
- Improved coordinated transit services aligned with new mobility options
- One King County – increase synergy and coordination between King County departments and other transit agencies across departments, transit agencies, and efforts

Goal area: Cost and income

- More flexibility and ways to pay fares and/or reload ORCA cards
- View transit as an essential need, funding for it is built into services and programs
- Find sustainable funding sources for subsidized transit benefits
- Sliding scale fares
- At planned fare increases, use as an opportunity to further our affordability goals

Goal area: Changes/improvements to existing reduced fare programs such as ORCA LIFT, Regional Reduced Fare Permit, and Youth.

- Address affordability for those at benefit/subsidy cliffs (e.g. ensure that transit is still affordable for those just above the LIFT threshold of 200% of federal poverty level)
- Center fare payment options, distribution, and products on people's needs
- Make it easy to understand what fare options are best for the customer
- Make it easier for families to afford and use transit
- Longer LIFT eligibility period (currently must renew every 2 years)

Goal area: Regional integration

- Seamless customer experience between all transit systems using ORCA
- Includes non-profit and other services
- Create joint-board to centralize program with other public transportation enterprises
- Fare capping in Next Generation ORCA
- Same fare structure across agencies

Goal area: Other

- Metro and Council should continue working for better and equal access to transit for all
- Door to door support for those who need it
- Better marketing for letting customers know about their rights

Indicators of success:

- All vehicles are physically accessible
- All geographies have equal access (route, time, etc.)
- All riders know all transit options/programs available
- Increased language and literacy access
- Integrate transit providers to provide similar accessible services
- Elected officials (including King County Council) understand the physical experience of riding transit on different transit systems.

Public Feedback Summary

In addition to the stakeholder process, Metro worked with community-based organizations and conducted a customer survey to solicit additional input from community members in the 0-138% of the FPL income range.

Customer engagement through community-based organizations

Metro contracted with six community-based organizations (CBOs) to engage potentially eligible community members in providing input on needs, barriers, and options being considered. Metro selected organizations that represented populations[1] who have not recently been engaged with Metro and work with populations that are most disproportionately impacted by poverty, including Native Americans/Alaska Natives, African Americans, immigrants, refugees, people with limited-English proficiency and/or disabilities and undocumented immigrants. The organizations that Metro contracted with were Byrd Barr Place, Casa Latina, Chief Seattle Club, Mother Africa, Open Doors for Multicultural Families, and Urban League of Metropolitan Seattle. Organizations gathered input from participants in effective, culturally sensitive ways, and documented their findings to Metro. By doing two rounds of engagement, Metro was able to talk to the same participants twice to show them how their feedback was used in the program development and decision-making.

Round one feedback:

CBOs chose a method of engagement suited to their mission and population – this varied from community conversations, one on one interviews, and facilitated focus groups in language.

Participants: 118

Demographics: All participants had incomes at or below 138% of the federal poverty line, and 14% of respondents that reported their income earn less than $1,000 annually. A third of respondents had permanent housing that they were renting, but a significant number (about 14%) had no permanent housing. Nearly all participants except for two identified as people of color. 35% identify as American Indian or Alaska Native, 26% as Black or African American, 12% as Hispanic or Latino/a, and another 12% as Middle Eastern/North African. Slightly more men gave responses than women (no one self-identified as trans or non-binary), and the largest age group to respond was between 51-60 years old. The primary languages spoken were English, Spanish, Arabic, French,

[1] Their work was not statistically valid customer research and not a statistically valid representation of Metro ridership or King County constituents as a whole. CBOs reached 118 participants in the first round of engagement and 73 of the same participants in the second round of engagement.

and Swahili as well as several native languages like Lakota and Navajo. 37 percent of participants identified as having a disability. Of those who gave a zip code, 32 percent of participants lived in south King County in cities like Auburn, Covington, Kent, and Tukwila. 62 percent lived within the Seattle city limits.

Key findings:

In the first round of engagement, Metro aimed to answer the following questions:

• Who finds the fares unaffordable? How does the fare impact the participant's use of transit?

• What are the most convenient places and ways to access information and fare products?

• How important is lowering the fare itself, relative to other types of improvements (i.e. more frequent service, reliability, etc.)?

What Metro learned about travel needs and barriers:

- **Nearly all participants use Metro services, and more than half also use Sound Transit** (light rail and express buses). Between 10-15% take the Water Taxi, State Ferries, or transit service in other counties.
- **More than half take Metro multiple times a day and use it for most of the travel needs.** Major barriers included:
  - Lack of weekend service
  - Multiple transfers
  - Transfer window is too short
  - Can't afford the fare
  - Bus takes too long
  - Not enough service in their area
  - Difficult to travel with children (also more expensive)
  - Having a disability makes it difficult to use transit
- Customers used Metro for a variety of travel needs including medical appointments, employment, and school.

What Metro heard regarding affordability:

- **Over half of the participants said the fare always/sometimes prevents them from riding transit.** Many rely on cash or paper tickets. Some of the barriers included:
  - Difficulty in getting to their jobs or appointments without a fare in the first place
  - Difficulty reloading value on ORCA cards

    - Negotiating with operators or taking a risk and riding without the fare, which leads to negative fare enforcement experiences (especially around racial profiling)
- While many participants are aware of LIFT, RRFP, youth fares, the application process is still confusing. Many agencies do not have enough paper tickets. Participants prefer to have help from trusted CBOs serving their community to help them through the process.
- Nearly 70% could afford to pay anywhere between $10-35 a month for a monthly pass, but emphasized that there are still people who cannot afford to pay anything who should receive a free pass. Other comments included:
    - Income often varies month to month (i.e. seasonal workers)
    - Families should have a better discount.

If participants received a free Metro-only pass:

- Almost everyone would use it. Some said they would still use it, even if they had to pay on other systems because of how often they use Metro. Reasons they would not use it include:
    - Still too expensive on other transit systems
    - Not enough service in their area

Best ways to reach customers [ranked in order of the results]

Enrollment/verification: Social service agencies were preferred because participants trust the organizations to help them navigate the application process and with their information.

1. Social Service agencies (especially organizations serving a specific community like Iraqi Community Center and Chief Seattle Club)
2. Libraries
3. Clinics/medical appointments
4. Metro office
5. Online
6. Food Banks
7. Churches/mosques/temples

Easiest way to get information about reduced fares or discounts:

1. Social Service agencies
2. CBOs
3. Media (TV/radio)
4. On the bus or at bus stops
5. Shelters/day centers
6. Schools

Ranking the most important priorities when it comes to transit:

1. Being able to get to my destination more quickly
2. Service more often/frequent
3. Stop locations more convenient
4. Lower fares
5. Others: Safety, earlier/later service, ability to use other services, fewer transfers

<u>Round two feedback:</u>

Metro engaged with the same six organizations to speak with the same community members that they spoke with previously in round one. The CBOs gave participants an update about how Metro used their feedback from the first round to shape the program development. The questions asked in this round of engagement aimed to understand how these customers would use a subsidized Metro-only product and what barriers or complications still exist for them. Again, CBOs chose a method of engagement suited to their mission and population – this varied from community conversations, one on one interviews, and facilitated focus groups in language.

Participants: **73** [primarily the same people from the first round]

Key themes:

Regional integration is critical. 75% of participants said it was critical for the product to be free on all transit systems. Reasons included:

- Less Metro service available in south King County and other places where people with low-incomes are being displaced. This means they are more reliant on other transit systems like Sound Transit to get to their destinations.
- A third of participants said they had difficulty knowing how to ride and pay for other transit systems.
- People could access more employment opportunities if they are not worrying about how to get around.

Even with a fully subsidized product, participants ranked the following barriers:

1. Can't afford the fare for other transit systems
2. Understanding how to use and pay on the other transit systems is a challenge, especially for families, people with disabilities and limited English proficiency
3. Limited knowledge of how and where to load additional value on their ORCA card

Families still need more affordable access to transit. Some have children with disabilities or have disabilities themselves, language barriers and cultural barriers, which makes transit a difficult option.

Customers had major equity concerns about who would receive a fully subsidized Metro pass if the income-based fare program was limited by quantity or product type (e.g. unlimited pass or set number of rides per month). Reasons included:

- The Latinx/Hispanic group said they thought that their population would not rank as highly in priority. They said people experiencing homelessness and/or with disabilities would more likely to be seen as a higher priority to receive a fully subsidized Metro pass.
    - Some worried that they would not be able to get a pass in time before a “cap” was reached; they preferred everyone get some sort of limited benefit (like a few rides per month), **if** there were not enough passes to go around.
- Over half of the participants said they would use the pass if it had a limited number of Metro-only rides, but that they still would not be able to pay for more trips.
    - This reinforces what we heard in the first round –even with a free pass or limited number of rides on Metro, people would still not be able to afford transit if they had to pay on other transit systems. Providing an unlimited transit pass (albeit Metro-only) is still highly useful to this population.
- Usage of the Seattle Streetcar:
    - Only organizations based in Seattle had participants who occasionally used the Seattle Streetcar (such as Casa Latina and Byrd Barr Place).

When asked if they knew how to load money onto an ORCA card, several participants answered yes. Most answered no and gave the following reasons:

1. No, it’s not convenient
2. No, I don't know where to load it
3. No, I know how to load value but can’t afford it
4. No, I don't know how to load value

Additional comments included wanting more flexibility for loading value including on a mobile device or at libraries. This resonates with the previous findings in round one.

When asked for the most convenient ways to re-verify income eligibility, participants ranked the following methods:

1. Phone call
2. Online
3. In person
4. Text

Spanish speakers preferred to do the re-verification in person so that they could have a Spanish speaker, but others said that an online option would be more convenient and save an extra trip.

Customer survey of those at or below 138% of the FPL

In order to hear from more members of the public, Metro distributed an online survey to the stakeholder advisory group, through an email alert to Metro routes designated as "low-income"[1], Metro's fare violation program,[2] and social service agencies. The survey was primarily administered online through Public Input, a public engagement platform in English and Spanish. Paper copies of the survey were available upon request to organizations to administer to their clients in English and Spanish. The survey was open between May 10 and June 10. The survey asked similar questions to the CBO engagement. The survey included questions to determine income levels based on household in order to filter down to those who self-identified incomes between 0-138% of the FPL.

Who Metro heard from:

Total responses: 1,263

Customers reporting incomes between 0-138% of federal poverty: 299 respondents

Paper surveys from social service agencies: 55

Demographics for those reporting incomes between 0-138% of federal poverty: More than half the respondents identified as white, and 13 percent identified as Asian American. Less than 10 percent identified either African-American, multi-racial or Latino/Latina/Latinx and less than 5 percent as American Indian/Alaska Native. 77% live in permanent housing while a remaining 16 percent are currently unhoused or other circumstances. 62% of respondents were women, 31 percent were men and 4 percent identified as non-binary. 48% identified as having some type of disability (mobility, cognitive, vision, hearing or other).

Comparison of demographics to the King County population from 0-138% FPL respondents:

The demographics of the 0-138% survey are relatively close to that of the King County 2017 ACS 5-Year Estimates Data. Around 53% of King County residents identify as white, which means they are overrepresented in this survey by about 11%. Latino/Latina/Latinx and Asian populations are also underrepresented in this survey by about 11 percent and 8 percent, respectively. Women are also slightly overrepresented in this sample with 62 percent in the survey compared to 54% countywide. People with disabilities are represented adequately in this survey with nearly 48% of those 0-138% FPL identify as having a disability compared to 20% of residents countywide.

What Metro heard:

See results from those who self-identified as having an income at or below 138% of the FPL: https://publicinput.com/Report/iejascdlugs

What Metro learned about travel needs, barriers and affordability for everyone who self-identified having incomes between 0-138% of federal poverty:

- Nearly all participants take Metro and over half take Sound Transit light rail. 35% use Sound Transit buses and 30% take Washington State Ferries.
- About 50% use Metro multiple times a day, and 24% use Metro 3 to 6 days a week.
- The majority of participants (71%) use Metro for most or all of their transportation needs.
- 38% use RRFP, 26% pay the full fare of $2.75 and 25% pay LIFT ($1.50)
- More than half (57%) paid their fare with an ORCA card, but loading value and getting the original card was difficult. 30% paid cash and the rest used paper tickets, did not pay, or other methods.
- Just over half the participants (52%) say the fares are somewhat not affordable or not at all affordable.
- Awareness of reduced fare programs is very high for LIFT and RRFP (70-75%), but enrollment is still a barrier. In some cases, paper tickets were still more useful but agencies often do not have enough tickets to meet the demand.
- Cost sometimes or often prevented more than half (54%) of respondents from riding Metro. Reasons included:
  - Can't afford the fare
  - Transfer windows are too long in areas with infrequent service
  - Some walk to their destination due to the cost or to avoid fare enforcement
- 54% can pay between $10-35 a month for a monthly pass

Best way to purchase or reload bus passes [in order of the most responses]

1. Grocery store or convenience store
2. Ticket vending machine at a light rail station
3. Mobile product on smartphone
4. Community Center or library
5. Metro office
6. Community-based organizations

Easiest way to get information about reduced fares [in order of the most responses]

1. Online
2. Social service agencies
3. TV/radio
4. Community-based organizations
5. Community newspapers

Rank the most important priorities when it comes to transit [participants asked to rank the top 3]

1. Lower fares
2. Being able to get to my destination more quickly
3. Service/buses that come more often/more frequently
4. Reducing number of transfers
5. Improved safety on board the bus and at stops

Additional Outreach & Communications

Along with the Stakeholder Advisory Workgroup and outreach to potential customers, Metro will conduct ongoing outreach and communication to other regional and local groups and decision makers. These efforts include:

- A website where details about the process, timeline, and outcomes make the design of the approach and decision making transparent.
- Updates to elected officials and decision makers about the process and learnings.
- Briefings to regional and local groups as requested. These groups may include, but are not limited to:
    - KC Transit Advisory Commission
    - King County Mobility Coalition
    - King County Regional Transit Committee
    - Seattle Transit Advisory Board

Appendix B: Stakeholder Advisory Group members

Participated	
Alliance of People with disAbilities	Kimberly Meck
Arc of King County	Dorian Taylor
Byrd Barr Place	Martha Meyer and Rina Sau
Casa Latina	Araceli Hernandez
Capitol Hill Housing	Joel Sisolak, participated in first workshop
Catholic Community Services	Janet Hammer
CIRCC (Coalition of Immigrants, Refugees and Communities of Color)	Sameth Mell, participated in first workshop
Global2Local	Niesha Brooks, participated in first workshop
Highline College (student)	Chalisa Thompson
Hopelink	Staci Haber
King County Housing Authority	Jenn Ramirez Robson
Low Income Housing Institute	Sasha Koeberling
Muslim Housing Services	Roble Abdinoor
Open Doors for Multicultural Families	Joy Sebe; participated in CBO-contracted public engagement and fourth workshop
Puget Sound Sage	Jessica Ramirez
Refugee Women's Alliance	Ayan Mohamed
Renton Housing Authority	Maria Chavez and Millie Phung
Seattle Colleges – North (student)	Mady Linh Lai
Seattle Colleges – Central (student)	Darron Lewis
Seattle-King County Coalition on Homelessness	Alison Eisinger and Hillary Coleman
SEIU 1199NW	Sybill Hyppolite
SEIU 775	Juan Torres and Brittany Williams
Sound Generations	Mark Smutny
Transit Riders Union	Katie Wilson
Transportation Choices Coalition	Hester Serebrin and Regina Dove
UFCW Local 21	Karsten Wise and Courtney Ramirez
UNITE HERE Local 8	Eunice How
University of Washington - UW Doorway Project	Noah Weatherton and Anna Humphreys
Urban League	Felisa Bryant
World Relief	Caitlin Wasley
YouthCare	Christopher Hanson, participated in first workshop
Invited; unable to participate	
21 Progress	Rainier Beach Action Coalition
El Centro de la Raza	Seattle Indian Health Board
Green River College	SEIU 925
International Community Health Services	Snoqualmie Valley Transportation
Mary's Place	World Mind Creation Academy
OneAmerica	

Appendix C:
Peer Transit Agency Analysis

May 2019

King County
METRO
Moving forward together

SOURCE: COMMUNITY TRANSIT

INTRODUCTION

Like nearly every public transit operator in the US, King County Metro cannot rely on farebox revenues alone – yet fare policy remains a critical component of a transit system's operations and revenues. Fare policies must balance competing needs, including:

- **Simple and integrated**, yet able to capture different types of trips and users
- **Affordable and equitable**, yet priced to ensure riders contribute their fair share
- **Convenient for riders**, without being overly burdensome for the agency to manage and administer
- **Revenue generating**, without driving away ridership

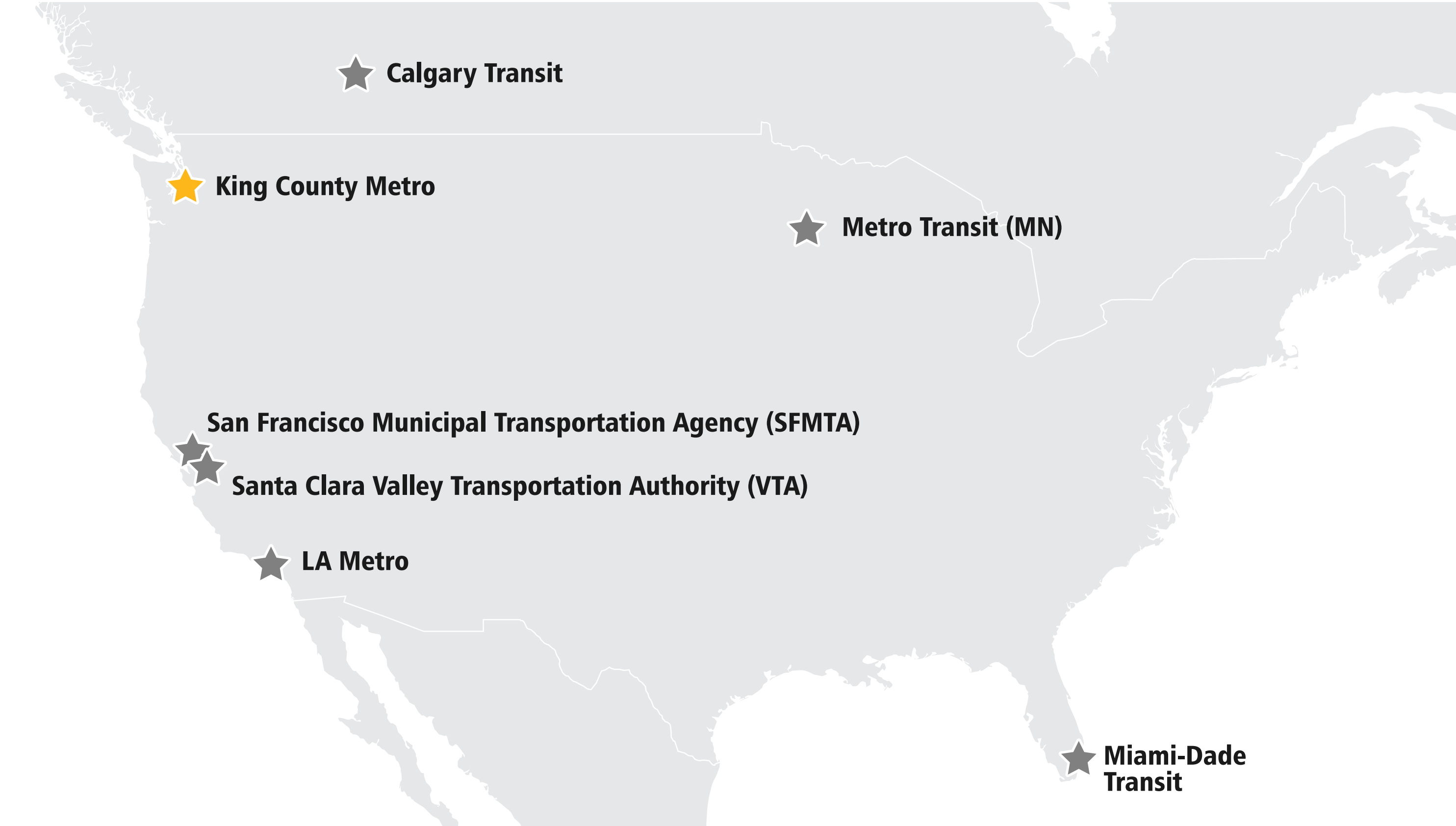
This Fare Program Peer Review identifies how these competing needs are addressed through **reduced fare programs, fare media usage, strategies to reduce dwell time, performance measurement, farebox recovery goals, and cash disincentive programs.**

Identifying these tradeoffs and innovative fare policies provides King County Metro with potential approaches to improve existing fare structure and performance measures to better serve their customers meet agency goals.

PEER AGENCIES INTERVIEWED

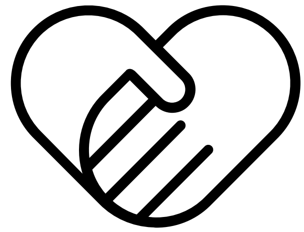
Peer agencies and associated low-income fare programs were selected based on their operating environment, budget, services offered, and innovative approaches to fare policies to ensure the greatest relevance for King County Metro. The identified peer fare programs include a mix of fare free and discounted services targeting low-income, senior, youth, and homeless populations. Some agencies administer multiple programs to offer different discount structures or target different population groups.

Agency	Location	Program
Calgary Transit	Calgary, CA	Fair Entry – City program for low-income populations including five programs with one application. Community and Neighborhood Services are responsible for eligibility process and database management.
LA Metro	Los Angeles, CA	Low-Income Fare is Easy (LIFE) program– Consolidated two previous low-income programs (Rider Relief and Immediate Needs Transportation Program, or INTP) in 2018 after being directed by board.
Miami-Dade Transit	Miami, FL	Golden Passport – Free service for seniors ages 65 and up. Transportation Disadvantaged (TD) – Free and discounted fare options for low-income residents.
Metro Transit (MN)	Minneapolis, MN	Transit Assistance Program (TAP) – Low-income annual pass allowing $1.00 flat fares.
SFMTA	San Francisco, CA	Lifeline – Low-income 50% off monthly pass. Free Muni – Free transit for youth, seniors, and people with disabilities at 100% Area Median Income (AMI).
VTA	Santa Clara, CA	Transit Assistance Pass (TAP) – 35% off monthly pass for low-income. United Pass for Life Improvement from Transportation (UPLIFT) – Free quarterly transit pass for homeless or at risk of being homeless.
King County Metro	King County, WA	ORCA LIFT – Reduced fare discounts for adults (19-64) with qualifying income. Fare discounts are roughly 50%, with most rides at $1.50



Agency	Urban Area Pop.	Percent Poverty	Enrollment	Uptake Rate	Program Cost
Calgary Transit	1,392,609	14.2%	60,000	60-70%	$1.8 million for Fair Entry program (hard to separate out transit portion), $1 million in foregone revenue
LA Metro	12,670,761	14.3%	50,000	12%	$14 million
Miami-Dade Transit	6,085,386	14.2%	Golden Passport – 209,000 (senior and low-income) TD – 5,444	Don't track eligibility or uptake	$18.5 million in foregone revenue
Metro Transit (MN)	445,076	13.4%	TAP – 5,000	1%	$1.3 million in foregone revenue
SFMTA	3,556,206	9.3%	Lifeline – 48,000 Free Muni – 118,358	Lifeline – 30% Free Muni – 75% youth, 95% seniors	$30.3 million ($29.7 million in foregone revenue)
VTA	1,802,777	7.4%	UPLIFT – 2,500 TAP – 1,000	UPLIFT and TAP are capped at 2,500 and 1,000, respectively	$200,000 for enrollment/ verification
King County Metro	3,436,084	9.2%	60,000	20-25%	$2.5 million, including agency payments, staff, and supplies; approximately $2 million in foregone revenue

ORIGIN/CHAMPION OF PROGRAM



Identifying the origins of low-income fare programs may indicate best practices for implementation and ensure they have staying power within the agency over the long-term. Peer agency programs have a variety of origins including maintaining equity during fare increases, pilot programs initiated through advocacy, and recommendations developed in long-range transportation plans.

Fare programs are often modified or adjusted over time to improve performance or address unintended consequences. A number of agencies initiated their low-income fare programs and later transferred the administrative responsibilities to another governmental organization, including Calgary Transit and VTA. Additionally, LA Metro combined multiple existing programs into one larger program, while SFMTA expanded their Free Muni program to include seniors and people with disabilities.

TAKEAWAY

- Several peers found it works best for another entity to manage and fund low-income programs
- Free-fare programs may be expanded over time
- There are benefits to streamlining programs

Agency	Origin/Champion of Program
Calgary Transit	Program began within Calgary Transit in 2011 to offset a fare increase needed to improve farebox recovery; was folded into the city's Fair Entry program in 2016 to streamline subsidy programs.
LA Metro	Rider Relief originated in 2008 to offset a fare increase (offered a $10 coupon, now $24). INTP was developed after social unrest in the early 1990s and offered discounts on certain types of trips (job interviews, food banks, etc.).
Miami-Dade Transit	TD program began in 2002 as a compliance measure for state funding. Golden Passport was a voter-approved initiative to provide free service to seniors, funded by a ½ cent sales tax.
Metro Transit (MN)	Came out of the Thrive MSP 2040 Plan and began with research and pilot programs. Used $1.00 fares and saw an increase in ridership during off-peak hours; made the pilot permanent in 2017.
SFMTA	Lifeline was established in 2002 to offset a general fare increase for low-income residents. Free Muni started as a pilot resulting from youth advocacy. Expanded to include seniors and people with disabilities in 2015.
VTA	Programs emerged out of advocacy in 2012 and evolved into current iteration. Determined it was more efficient for Santa Clara County to take over program administration from VTA.
King County Metro	In January 2014, the King County Executive proposed an ordinance to increase all existing Metro fares and added a new low-income fare category effective March 1, 2015, now called the ORCA LIFT program. King County's adoption of the ORCA LIFT program for King County residents with low income stemmed from a fundamental commitment to promote fairness and opportunity and to eliminate inequities in King County.

ELIGIBILITY

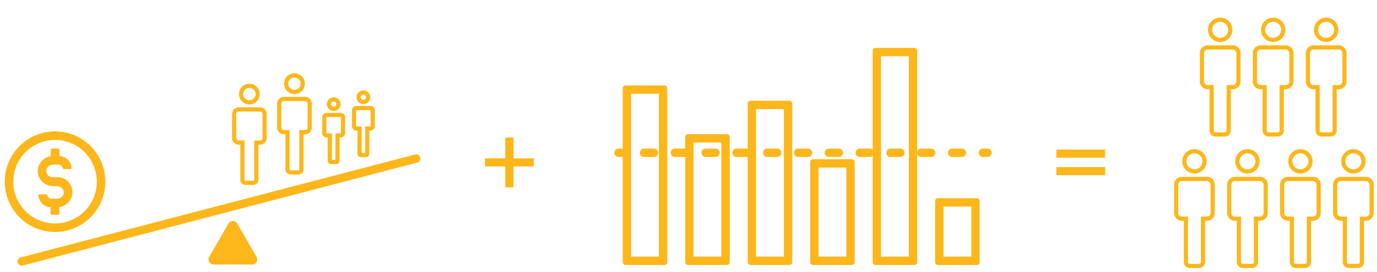
Program eligibility requirements are a key determinant of which population groups are targeted. Most agencies use some measure of income for eligibility. Some offer discounts or free service to all members of a particular demographic or, in the case of VTA's UPLIFT program, to homeless individuals being case-managed by a partner organization.

Income eligibility thresholds for low-income fare programs are most commonly in the range of 200% and 150% of the Federal Poverty Level (FPL). The major exceptions among peer agencies are Calgary Transit, which uses the Canadian Low-Income Score (LICO) and Metro Transit (MN), which uses 50% of the Area Median Income (AMI), also the standard used by local housing organizations.

Eligibility verfication and fraud prevention are discussed later in this document.

While low-income qualification under Federal Poverty Level and Area Median Income are similar, using both metrics for qualifications increases the eligible population.

Agency	Program Eligibility
Calgary Transit	85% of low-income cut off (LICO – Canadian low-income threshold)
LA Metro	HUD Low-Income definition for LA County, 80% of Area Median Income (AMI).
Miami-Dade Transit	200% and 150% of FPL.
Metro Transit (MN)	185% of FPL or 50% of AMI (which is the standard used by local housing organizations). Have accepted some riders who are below 200% of FPL if they receive services from a partner organization that has at least 85% documented as under 185% FPL.
SFMTA	Lifeline – 200% of FPL, mirrors income eligibility for existing social service programs. Free Muni – 100% Bay Area AMI; over 90% of youth and most seniors/disabled are eligible. All self-verification. Not worth the administrative cost required to verify with such a high percentage eligible.
VTA	TAP – 200% of FPL – 1,000 passes available each month UPLIFT – Must be case-managed by a partner agency who can provide one of the 2,500 quarterly passes.
King County Metro	200% of FPL



STRUCTURE & DISCOUNT

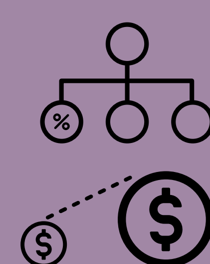
Discount structures used in peer programs include offering flat fares for single rides, free fares to discounted monthly passes, and a sliding scale discount based on household income level. Calgary Transit takes an innovative approach by providing several bands of discounts based on income level. LA Metro allows riders to select different discount options based on their need or ability to pay upfront costs for monthly or weekly passes. The 20 single rides loaded onto a TAP Card option offered by LA Metro is particularly beneficial for easing the burden on unbanked riders. Removing the upfront costs required for discounted weekly and monthly passes simplifies the fare structure and allows unbanked riders to more easily use the program and access the system.

LA Metro also operates in a region with numerous other transit providers. when LIFE participants make transfers to other services, the agency provides reimbursements. This has created a significant administrative burden, requiring 8-10 FTEs to work on the back end of the program.

Agency	Program Structure & Discount
Calgary Transit	Sliding scale based on income: Band A (50% of LICO, customer pays 5%) Band B (Income at 85%, pays 35%) Band C (100%, pays 50%)
LA Metro	Choose between: $24 discount on a monthly pass, $6 off weekly passes, or 20 single rides loaded onto a TAP Card (beginning 7/20/19)
Miami-Dade Transit	Free for seniors Free below 150% of FPL 50% discount between 150% and 200% of FPL
Metro Transit (MN)	Riders pay $1.00 fare, a 30-70% discount depending on time of day and service type
SFMTA	Lifeline – 50% discount on a monthly pass Free Muni – Free
VTA	TAP – 35% discount on monthly pass ($25, normally $70) UPLIFT – Free quarterly transit pass
King County Metro	Riders receive a fare discount of approximately 50%, with most rides priced at $1.50

LESSONS LEARNED

- Incorporate the discount category into the fare structure to avoid reimbursements between agencies and associated administrative burden.
- Design programs to be easily scalable in terms of income verification, pass distribution, and validation by ensuring multiple locations and flexible enrollment options.



FARE PRODUCTS & MEDIA

Peer agencies offer their discount programs through electronic smartcards or validated flash passes. Metro Transit (MN) and VTA are unique in providing annual passes and quarterly passes, respectively. Longer-term discount passes such as these may help retain participants and encourage program use by reducing the burden associated with repeated validation and monthly payments for transit passes but may increase the risk for fraudulent use.

Two common fare media identified in this review were smartcards linked to an individual's online account containing their low-income fare status, and flash passes, which require a photo ID to be printed on the pass. The smartcard option provides the rider with greater anonymity and may result in improved program uptake if riders feel more comfortable enrolling and using this type of pass while providing the agency with better ridership and usage data.

Prior to the flash pass, the SFMTA Lifeline program used monthly paper passes and had several reports of fraudulent pass usage. The program used this as an opportunity to switch to the photo ID flash pass, and as a result, monthly pass sales decreased from approximately 22,000 to 18,000.

VTA found that lost passes can be a recurring issue when working with homeless populations through the UPLIFT program. The agency recommended ensuring a pass replacement procedure is established prior to initiating any low-income fare program specifically targeting the homeless population.

Agency	Program Fare Products & Media
Calgary Transit	Smartcard with monthly pass
LA Metro	Smartcard with monthly pass, weekly pass, or 20 ride pass
Miami-Dade Transit	Smartcard with free-fare single ride or discounted day, week, month, and annual passes
Metro Transit (MN)	Smartcard valid for 1-year with access to $1.00 fares
SFMTA	Lifeline – Photo ID flash pass with a validation sticker (previously a monthly paper pass) Free Muni – Smartcard linked to rider's account
VTA	TAP – Smartcard with monthly pass UPLIFT – Quarterly flash pass requiring a validation sticker
King County Metro	Smartcard with reduced fare single ride, day pass, or month pass.

TAKEAWAY

Peer agencies have taken fraud prevention into account by:

- Automatically deactivating duplicate cards registered to the same individual (LA Metro)
- Allowing the agency to conduct periodic audits and remove duplicate cards (Metro Transit [MN])
- Allowing drivers to visually confirm the passengers identity based on a photo ID flash pass (SFMTA)

WHERE TO SIGN UP

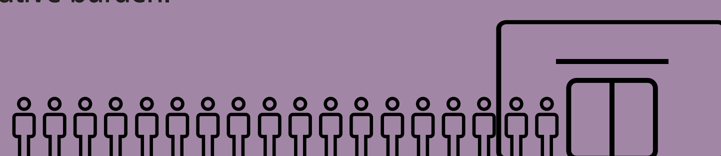
The enrollment, income verification, and pass distribution process for low-income fare programs can either create or eliminate significant barriers to entry for potential program participants. Generally, the less burdensome the enrollment processes and free-fare programs have led to higher uptake. For example, SFMTA's Lifeline program has a relatively burdensome enrollment process requiring in-person verification and monthly pass validation, while the Free Muni program is self-certified and can be done online or by mail.

Enrollment practices vary significantly; peer agency programs range from requiring in-person enrollment and income verification at municipal or partner locations to self-verified online and mail-in applications. In some cases, enrollment must be done with social services agencies or assigned caseworkers. Most agencies require income re-verification annually; however, SFMTA re-verifies incomes every two years to reduce the burden both on the rider and on the agency's administrative costs.

Agency	Sign Up Locations
Calgary Transit	Five in-person locations at city agencies.
LA Metro	Verification done at social service agency locations divided into six regions within the county. Fare options can be selected online or at any TAP Vendor once a passenger has the TAP card.
Miami-Dade Transit	Passes are distributed through qualifying non-profits/programs or directly by the agency. Partner verification is becoming more burdensome; currently transitioning focus to direct agency registration through an open enrollment period.
Metro Transit (MN)	Can sign up online, through the mail, at Metro service centers, TAP enrollment events, or through community partners and organizations.
SFMTA	Lifeline – verification required at SFMTA customer service center or Human Services Agency (HSA) office. Validation stickers can be purchased from these locations and several third party retailers. Free Muni – sign-up is online or by mail.
VTA	Partner with 45 different departments and agencies for outreach and enrollment.
King County Metro	Partner with human service agencies and non-profits to offer outreach and enrollment at over 70 locations. King County Metro spends approximately $1 million per year to work with partners.

LESSON LEARNED

The SFMTA Lifeline program was not designed to scale for growth. Initially all passes had to be purchased and validated at one location every month, which resulted in large lines and delays for customers. Expanding the program and incorporating third-party retailers required a significant administrative burden.



COSTS

While low-income fare programs exist to meet agency goals and promote a more equitable transportation system, there are costs associated with the programs in terms of foregone fare revenue, administration, and operations. Costs vary significantly between peer agencies, from as low as $200,000 to as high as $30 million annually. Generally, the bulk of costs are comprised of lost revenue, though it is not accounted for as a program cost by all agencies. For example, the Lifeline and Free Muni programs run by SFMTA cost a combined $30.3 million, $29.7 million (98%) of which is attributed to foregone revenue, while VTA's TAP program costs about $200,000 annually to administer and does not consider foregone revenue in their cost calculations.

Additionally, some of the administrative costs are borne by partner organizations. This reduces the financial burden for the agency but may limit the agency's ability to oversee some aspects of the program.

Each program evaluates costs differently. In some cases, like SFMTA, forgone revenue is considered; in others, like VTA, only administrative costs are considered.

Agency	Program Costs
Calgary Transit	Annual operating budget is $1.8 million for all Fair Entry programs, not just the transit program.
LA Metro	$14 million budget for 2019; previous two programs had annual budgets of $5 million each.
Miami-Dade Transit	Both programs cost about $500,000 annually for dedicated staff to run and about $18 million in foregone fare revenue attributed to the Golden Passport program. 90% of the TD program is funded by the state. Since the TD program is so heavily subsidized, this program does not assess foregone revenue.
Metro Transit (MN)	Currently, revenue loss is not very large and the program has no dedicated FTEs. Primary cost is $1.3 million in fare discounts. Total costs are expected to increase to $3-4 million per year once the program matures.
SFMTA	Lifeline – costs estimated at $8.3 million, of which $7.7 million is attributed to lost revenue. Free Muni – costs estimated at $22 million per year, including lost revenue ($20 million), labor ($280,000), printing ($30,000), and Clipper transaction fees ($1.6 million).
VTA	TAP – uses the county's Emergency Assistance Network (EAN) staff; pays EAN about $200,000 annually, but receives $300,000 annually from distributed TAP passes. UPLIFT – uses the county's Supportive Housing staff. VTA receives $150,000 annually for passes and employs two FTEs internally.
King County Metro	Metro's cost to administer the LIFT program is approximately $2.5 million a year, most of which goes to partner agencies for enrollment, staffing, and ORCA smart card transaction fees. Foregone revenue is approximately $2 million per year.

FUNDING SOURCES

Some low-income fare programs have dedicated funding sources through grants or local sales tax measures to offset financial impacts to the agency. Other programs without dedicated funding sources essentially “pay” for the programs through foregone fare revenue, which manifests as lower farebox recovery ratios.

Metro Transit (MN) and SFMTA do not have any on-going dedicated funding sources for their programs. SFMTA’s Lifeline and Free Muni programs are almost entirely paid for in lost revenue, while Metro Transit (MN) views their program as an extension of the existing Jobseekers and Homelessness programs. Other peer agencies have dedicated funding through sales tax measures, grants, or agreements with cities, counties, and partner organizations.

Very few of the peer agencies are taking on all of the costs themselves. Instead, program costs are shared with cities, counties, partner organizations, grants, or through dedicated sales tax measures.

Agency	Program Funding Sources
Calgary Transit	2/3 of Sliding Scale pricing is funded by a grant from the Government of Alberta ($4.5 million); 1/3 is funded by the city.
LA Metro	Additional funding made available through Measure M; existing funding from previous sales tax-based funding mechanism.
Miami-Dade Transit	Voter-approved ½ cent sales tax generates about $2.5 million per year. Additionally the TD program is 90% state funded through vehicle licensing fees, with a 10% local match.[1]
Metro Transit (MN)	No dedicated funding source. Ran pilot program on $250,000. View TAP as an extension of existing Metro Transit Jobseekers and Homelessness programs.
SFMTA	Funding for both programs mostly comes from lost revenue, general fund transfers, and parking revenue. Free Muni received a $2 million grant from Google to launch the pilot.
VTA	Office of Supportive Housing, Social Services Agencies, and the City of San Jose each pay for 1/3 of the program costs.
King County Metro	Funding for the LIFT program comes from the King County Metro General Fund.

1 State funding for the TD program comes from the TD Trust Fund overseen by the Commission for the Transportation Disadvantaged (CTD). Revenue sources feeding into the TD Trust Fund are appropriated by the state legislature and include: Motor Vehicle Registration Fees, Public Transit Block Grants, transfers from the Agency for Health Care Administration (ACHA), and transfers from the State Transportation Trust Fund (STTF). https://www.flsenate.gov/UserContent/Session/2011/Publications/InterimReports/pdf/2011-225ta.PDF

UPTAKE RATE

Uptake rate represents the percent of eligible participants who are enrolled or using each of the fare programs and is a general measure of how effective the agency is in getting eligible participants to enroll and participate in the program. Uptake rates are relatively high for Calgary Transit and SFMTA's Free Muni program, but are much lower for some of the other peer programs. For example, it is significantly more burdensome to enroll and use SFMTA's Lifeline program than the Free Muni program, which may account for some of the large gap in uptake rates between the programs. Key lessons learned for improving uptake include targeting outreach efforts around potential users and reducing the burden for enrolling, validating, and purchasing passes.

Metro Transit (MN)'s TAP program has a low uptake rate compared to other peer agencies and the agency has an explicit goal to improve uptake. Metro Transit plans to address low uptake by targeting program outreach within the refugee community and identifying alternative forms of income verification that may reduce the enrollment burden. The agency currently requires proof of income that may be unavailable for recently un-incarcerated, people pursuing GEDs, and refugees. Metro Transit (MN) is in the process of identifying additional strategies and partnerships to improve outreach and enrollment within these communities.

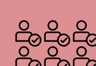
Agency	Program Uptake Rate
Calgary Transit	60,000 passes per month, representing 60-70% of Calgary's low-income population.
LA Metro	12% of eligible population is enrolled. About 50,000 are enrolled out of about 400,000 eligible.
Miami-Dade Transit	18-19% uptake. Roughly 50,000 enrolled out of about 262,000-280,000 eligible.
Metro Transit (MN)	Low uptake, regionally about 450,000 could be eligible but only seeing about 5,000 unique riders per month. Internal target is to hit 6,000. Currently focusing on outreach efforts to improve uptake.
SFMTA	Lifeline – Estimated 200,000 eligible and 18,000 per month purchasing pass. 30% of eligible population is enrolled, with 12% actively purchasing passes. Free Muni – Approximately 118,000 enrolled, representing 75% of eligible youth and 95% of eligible seniors; more than 14,000 people with disabilities enrolled (can't estimate uptake for this group).
VTA	Ridership and uptake is difficult to track due to a lack of electronic fare media, proof of payment system on LRT, and an inability to incorporate the programs into the Clipper smartcard.
King County Metro	Roughly 60,000 enrolled out of 250,000 eligible.

TAKEAWAY

SFMTA's Free Muni program has very high uptake rates which may be attributable to several factors:

- The fare is free/no-cost and transit ridership per capita is high

- The eligible populations are large



- Enrollment burden is minimized by allowing self-certification and online enrollment

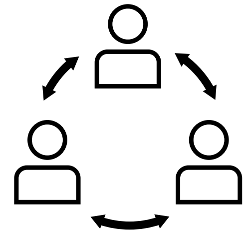
RIDERSHIP

Not every peer agency monitors program ridership or active participation; instead, many only monitor enrollment. Metro Transit (MN) is able to monitor ridership attributed to the program and found that it was successful in increasing off-peak ridership. The agency determined that program participants are less likely to travel during typical peak commute periods, and the program was successful in more evenly distributing trips throughout off-peak service hours.

Expanding program eligibility through multiple discounts and qualifying income bands increases the eligible population size and may lead to increased ridership.

Agency	Program Ridership
Calgary Transit	System ridership has decreased, so it is difficult to identify impacts of the program. Volume of sales has gone up, so the agency can deduce higher ridership (distributed about 60,000 passes per month in 2018). Adult low-income ridership is 13% of total ridership.
LA Metro	Unknown. Agency does not use ridership as a program metric.
Miami-Dade Transit	Ridership has been increasing, but can't determine if it's attributable to the programs. Golden Passport program has about 188,000 distinct active users per quarter.
Metro Transit (MN)	About 2 million rides taken since program inception in 2017, particularly in the off-peak time period; around 5,000-5,200 unique riders averaging about 30 rides per month.
SFMTA	Have not been able to identify ridership impacts. Issues with fareboxes have prevented them from accurately tracking program related ridership impacts. Lifeline – 48,000 enrollees; Free Muni – 118,000 enrollees
VTA	Ridership and uptake is difficult to track due to a lack of electronic fare media, proof of payment system on LRT, and an inability to incorporate the programs into the Clipper smartcard. Programs do have caps on participation: TAP – 1,000 per month; UPLIFT – 2,500 per quarter
King County Metro	Approximately 50,000 enrollees and 5.5 million boardings in 2018. Ridership has increased each year since program inception.

PARTNERS

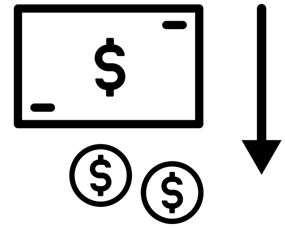


Partnerships are a key tool for enrollment, income verification, administration, funding, and pass distribution. Every peer agency has some kind of partnership with non-profit organizations, government departments, or third-party retailers to help promote or administer their fare programs. Miami-Dade Transit emerged as an outlier in that they have to provide additional oversight of their partner agencies to qualify for state funding and may be transitioning away from some of their partnerships to reduce this administrative burden.

Partnerships can also be used to encourage enrollment among specific demographics or communities, including immigrants and refugees. For example, SFMTA's Lifeline program partners with third party retailers to sell monthly validation stickers. A single third party retailer located in San Francisco's Chinatown neighborhood accounts for 40% of validation sticker sales. Fostering partnerships within immigrant communities may increase trust in the program and encourage outreach and enrollment within the community.

Agency	Program Partners
Calgary Transit	City of Calgary.
LA Metro	Partners with social service agencies to validate name, income, and demonstrate need. All funding is internal.
Miami-Dade Transit	Moving away from partner non-profit organizations. Oversight is too burdensome.
Metro Transit (MN)	Housing organizations, homeless organizations, and non-profits are partners. Certifying partners can set up the paperwork and promote the program, and some can also distribute passes.
SFMTA	San Francisco Human Services Agency is a partner for Lifeline income verification, in addition to other third-party retailers.
VTA	VTA partners with about 45 different agencies or county departments including Behavioral Health, Substance Abuse Unit, and Valley Health. The Office of Supportive Housing, Social Services Agencies are key partners that pay the county for their passes.
King County Metro	Partners with human service agencies and non-profits to verify identity and income, enroll customers, and provide new and renewal cards.

EFFORTS TO REDUCE CASH



Reducing cash payments generally reduces costs for transit agencies associated with collecting, counting, and depositing cash payments, but also raises equity concerns for low-income riders who may be unbanked or unable to afford the upfront cost of passes. Most peer agencies stated that low-income programs give them more flexibility to discourage cash payments, typically by allowing free transfers using electronic fare media only. However, most peer agencies do not have significant cash payment disincentives included in their fare policies.

Low-income programs are important components of cash disincentive programs to reduce disproportionate impacts on unbanked passengers who may rely more heavily on cash payments.

Agency	Efforts to Reduce Cash
Calgary Transit	No plan to actively disincentivize cash payments, but scheduled to release mobile ticketing in 2020 and are moving toward an open loop payment system for credit/debit cards.
LA Metro	None mentioned.
Miami-Dade Transit	Free transfers are available with smartcards, but not with cash. Metro Rail requires a smartcard to ride.
Metro Transit (MN)	Have considered cash disincentives with fare changes but nothing has been approved.
SFMTA	Having low-income programs gives them flexibility to disincentivize cash by providing a small discount on Clipper cards.
VTA	Electronic fare media includes free transfers, but cash does not.
King County Metro	Transfers to other systems in the region are only valid when using smarcards. Cash transfers can only be used on King County Metro services. Metro is currently partnering with a consultant to evaluate methods to reduce cash payments and encourage smartcard usage.

PERFORMANCE METRICS

Each agency has different priorities and goals associated with their low-income fare programs. As such, program evaluation metrics vary significantly between the peer agencies. Metrics include pass sales, average fare per boarding at a system wide level, ridership, farebox recovery ratio, uptake, and coverage. One of the starkest differences in agency priorities is exemplified in monitoring ridership—some agencies don't track it at all, while others use ridership as the primary evaluation metric for their program.

Agency	Performance Metrics
Calgary Transit	Only metric used is tracking sales.
LA Metro	Primarily average fare per boarding.
Miami-Dade Transit	Ridership and farebox recovery rate.
Metro Transit (MN)	Ridership and use of the program.
SFMTA	Uptake is the key evaluation metric used.
VTA	Farebox recovery is the overall measure.
King County Metro	Program enrollment and ridership are the primary metrics. Pass sales and average fare per boarding are also tracked.

TAKEAWAY

Farebox recovery goals and mandates vary:

- Calgary is mandated to recover 50%.
- Miami-Dade's transit tax has reduced the need to charge a fare for some rider groups, and the farebox recovery rate has correspondingly been dropping.
- Local sales tax in LA County designated 2% of revenue to reducing impacts on low-income riders.
- Generally, low-income programs require additional funding or high ridership to support the program without significantly reducing farebox recovery ratio.

FARE-FREE CONTEXT

Providing fare-free service for low-income riders and other disadvantaged population groups is a strategy used by some agencies, including Miami-Dade Transit, SFMTA, and LA Metro to a limited extent. Fare free programs may improve equity and achieve some agency goals; however, these policies generally come with steep financial implications. Generally, agencies with fare-free programs appear to pay for them through foregone fare revenue and lower farebox recovery ratios, rather than through a dedicated funding source.

Calgary Transit and SFMTA stated that they are not prepared to initiate or expand fare-free service options due to the high fiscal impacts to the agency reducing their ability to meet farebox recovery goals. Additionally, Miami-Dade Transit recommended using steep discounts and income restrictions instead of offering free service due to the financial impacts experienced as a result of the Golden Passport program, which is funded by a tax generating about $2.5 million per year, costs approximately $18 million in foregone fare revenue.

Agency	Fare Free Context
Calgary Transit	Not prepared for free fare—have to maintain a 50% farebox recovery rate. There is a push for free transit for seniors.
LA Metro	Only offer fare free service as 20-ride pass option. Costs are covered by local sales tax (Measure M).
Miami-Dade Transit	Free service for seniors and below 150% of FPL. Farebox recovery decreased, ridership increased, cost per mile decreased. Not interested in going entirely fare-free.
Metro Transit (MN)	No plans mentioned.
SFMTA	Agency has no plans to go a free fare for the Lifeline program; fiscal impact is too high.
VTA	No plans mentioned.
King County Metro	In response to a King County Council Proviso, Metro is exploring free or very low-cost transit options for people with no or very low incomes.

TAKEAWAY

Miami-Dade Transit would advise other agencies to use income limits and steep discounts rather than free service, particularly if the program covers a significant portion of the population. For example, the Golden Passport program provides free fares for all seniors, even if they have the means to pay. Fare free service is very difficult to remove once it is implemented.

AGENCY CONTACTS

Agency	Contact Information
Calgary Transit	Tess Abanto, Coordinator – Revenue Streams 403-537-7868 Tess.abanto@calgary.ca
LA Metro	Drew Phillips, Budget Director 213-922-2109 phillipsd@metro.net
Miami-Dade Transit	Robert Villar, Asst. Dir. Of Finance for Transit and Public Works 786-469-5168 Robert.Villar@miamidade.gov
Metro Transit (MN)	Andrea Kiepe, TAP Coordinator Andrea.Kiepe@metrotransit.org 612-349-7747 Mary Capistrant, Revenue Operations Supervisor Mary.Capistrant@metrotransit.org
SFMTA	Diana Hammons, Head of Revenue Diana.Hammons@sfmta.com 415-646-2572
VTA	Elisha Heruty, Program Manager – Office of Supportive Housing 408-793-0546 Elisha.Heruty@hhs.sccgov.org Rael Manlapas, Revenue Services Manager – Fare Programs and Systems 408-321-5619 Rael.Manlapas@vta.org

AGENCIES IN INITIAL REVIEW

Agency or Organization	Location	Low-Income Fare Programs
AC Transit	Oakland, CA	None
Big Blue Bus	Santa Monica, CA	LIFE low-income program
Broward County Transit	Plantation, FL	None
Calgary Transit	Calgary, ON	Low-income monthly pass program for seniors and general public
COTA	Columbus, OH	None
CTA	Chicago, IL	RTA Ride Free Permits
DART	Dallas, TX	Lone Star Monthly Pass
DART	Des Moines, IA	Opportunities Through Transit Monthly Pass, Refugee Pass
DART - Delaware	Dover, DE	None
DDOT	Detroit, MI	None
KCATA	Kansas City, MO	None
LA Metro	Los Angeles, LA	Several needs-based programs
LTD	Eugene, OR	Studying cashless fare program equity with Portland State University
Madison Metro Transit	Madison, WI	Low-income bus pass program
MARTA	Atlanta, GA	None
MBTA	Boston, MA	None
MCTS	Milwaukee, WI	None
METRO	Houston, TX	None
Metro	St. Louis, MO	None
Miami-Dade Transit	Miami, FL	Transportation Disadvantaged Program
Metro Transit (MN)	Minneapolis, MN	Transit Assistance Program monthly pass
MTA	Baltimore, MD	None
MTC	Bay Area, CA	Means-Based Fare Discount Program
MTS	San Diego, MTS	None
MTA	New York, NY	Low-income fare program
OCTA	Orange, CA	None
Pace Suburban Bus	Arlington Heights, IL	RTA Ride Free Permits
PSTA	St. Petersburg, FL	Transportation Disadvantaged Program, TD Late Shift
Ride-On	Rockville, MD	None
RTA	Cleveland, OH	None
RTA	Chicago, IL	RTA Ride Free Permits
RTD	Denver, CO	Low-income Program Study
SamTrans	San Carlos, CA	None
SEPTA	Philadelphia, PA	None
SFMTA	San Francisco, CA	Lifeline Program, Free Muni Program (Youth/Seniors)
SMART	Detroit, MI	None
SunTran	Tuscon, AZ	Low-income subsidy program
Transport for London	London, UK	None
TriMet	Portland, OR	Reduced Cost Fare Program
UTA	Salt Lake City, UT	Horizon Monthly Pass
Valley Metro	Phoenix, AZ	None
VIA	San Antonio, TX	None
VTA	Santa Clara, CA	UPLIFT Pass, TAP monthly pass
WMATA	Washington, DC	None

SUMMARY OF LOW-INCOME FARE PROGRAMS

Transit Agency	Low-Income Program(s)	Discount	Enrollment and Verification	Income Requirements
Big Blue Bus (Santa Monica)	LIFE Low-Income Program	50%	Community-based agencies	HUD standards
Calgary Transit	Fair Entry	50%-95%	City of Calgary Neighborhood Services	Sliding Scale
CTA (Chicago)	Ride Free Permits	100%	Illinois Dept. on Aging	Varies (up to $45,657)
DART (Dallas)	Lone Star Monthly Pass	50%	State agencies	State guidelines
DART (Des Moines)	Opportunities Thru Transit	60%-70%	DART	125% FPL
LA Metro	Immediate Needs Program	Up to $35/ month	Social service agencies	Set by participating organizations
LA Metro	Low-Income Fare is Easy (LIFE)	25%	Social service agencies	175-293% FPL
LA Metro	Support for Homeless Re-Entry Program	Free tokens	Social service agency	Set by participating organizations
Madison Metro Transit	Low-Income Bus Pass Program	50%	Customer self-certification	150% FPL
Miami-Dade Transit	Transportation Disadvantaged Program	100%	Miami-Dade Transit	150% FPL
Metro Transit (MN)	Jobseekers and Homeless Program	50% or more	Participating agencies	For job seekers and people experiencing homelessness
Metro Transit (MN)	Transportation Assistance Program (TAP)	30-70%	Metro Housing & Redevelopment Authority	185% of FPL or 50% of AMI
MTC (Bay Area)	Means Based Fare Discount Pilot	20%		200% FPL
MTA (NYC)	Fair Fares	50%	MTA	100% FPL
Pace Suburban Bus	Ride Free Permits	100%	Illinois Dept. on Aging	Varies (up to $45,657)
PSTA	Transportation Disadvataged Program	85-90%	PSTA	150% of FPL
PSTA	TD Late Shift	83% (up to $5)	PSTA	150% of FPL
RTD (Denver)	Low-Income Program (pending)	40%	RTD?	185% FPL
SFMTA (San Francisco)	Lifeline Program	50%	SF HSA	200% of FPL
SFMTA (San Francisco)	Free Muni	100%	Customer self-certification	100% of AMI
Sun Tran (Tucson)	Low Income Subsidy Program	67%	Sun Tran Special Services	100% of Lower Living Standard Income Level (LLSIL)
TriMet	Reduced Cost Fare Program	50%-72%	Partner Organizations	200% of FPL
UTA (Salt Lake City)	Horizon Monthly Pass	25%	State benefit agencies	Varies by benefit program
VTA (Santa Clara)	UPLIFT (homeless) Transit Pass	100%	County social services	Set by participating organizations
VTA (Santa Clara)	TAP	64%	Participating non-profits	Set by VTA 200% of FPL

SOURCE: KING COUNTY METRO TRANSIT

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King County Metro Fare Program

Appendix D:
Report on Existing Conditions

July 2019

King County
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Table of contents

EXECUTIVE SUMMARY

King County has experienced rapid growth, resulting in significant increases in prosperity for some, while deepening disparities by race and income for a significant portion of communities. Rising costs of living have also reduced affordability for many, including historically disadvantaged populations. People struggling to meet basic needs such as housing and food may also struggle to afford access to mobility.

This report summarizes what Metro knows about transit affordability, focusing on individuals at or below 138% of the federal poverty level[1] and priority populations identified by King County's Equity and Social Justice Strategic Plan.

Priority populations include people of color, low-income residents, limited or non-English speaking communities, and immigrants and refugees. These populations persistently face inequities in key economic, educational, and health indicators.

As a public agency, it's Metro's duty to identify how these priority populations use public transit, better understand the communities that are not well served by Metro's current programs, and prioritize and address barriers to mobility.

Findings from this report were used in the development of the income-based fare program proposal, submitted to the King County Council in late 2019.

KEY TAKEAWAYS

The affordability of transit and transportation is a key racial justice issue.
The King County population has major disparities in wealth by race. As a result, people of color, Native American and indigenous, immigrant, and refugee communities are disproportionately reliant on public transportation.

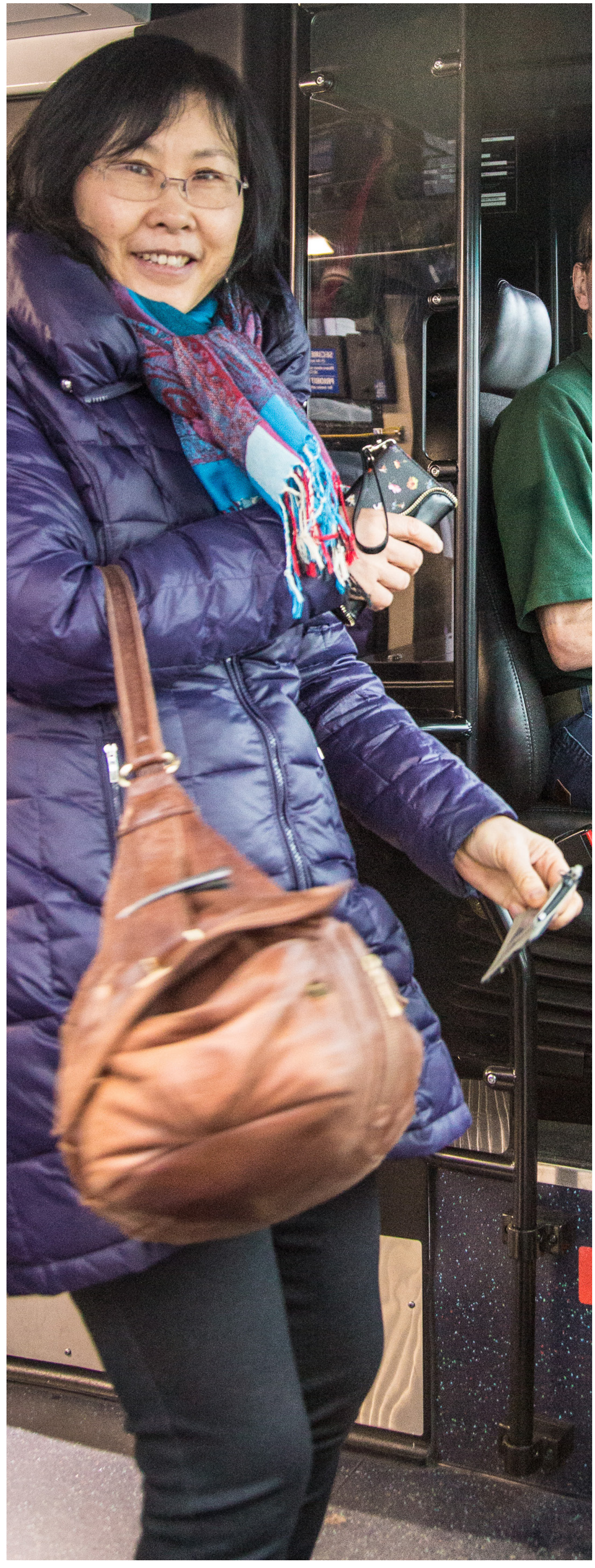
The need for affordable transportation is exacerbated by the increasing cost of living in King County.
A family of four in Seattle must earn 350% of the FPL to afford basic needs alone. As these populations increasingly move from expensive urban areas to more affordable and less dense areas, they face longer travel distances and less abundant transit service.

Mobility for low-income populations depends on the development of high-quality alternatives to driving.
Across all income groups, transit service improvements (including more routes, real-time information, and faster, more frequent service) ranked highly as factors that would encourage transit ridership. Access to high-quality, frequent transit service tends to be poorest in south King County, where much of the low-income population resides.

1 The King County Council has directed Metro to focus specifically on the population at or below 138% of the federal poverty level.

Existing data does not make it clear how important lower fares are for low-income populations.
According to Metro's Rider/Non-Rider Survey, fewer than one in 10 respondents at or below 200% of the FPL strongly agree that the fares are too expensive, but 60% of the same respondents said they would ride more if the fare was lower. Those that are enrolled in ORCA LIFT tend to load their cards with smaller increments rather than purchasing a monthly pass, making riding transit more inconvenient and potentially more costly.

Further work is needed to ensure that those who are eligible for Metro's lowest fares are using them.
There is a lack of awareness and understanding about Metro's ORCA LIFT fare program. Metro's Rider/Non-Rider survey indicates that over half of LIFT-eligible riders are paying the full adult fare, and a third of LIFT-eligible respondents said that fare payment is difficult to understand. Low-income riders are over three times more likely to be cash users and less likely to have an employer-paid ORCA card.



KING COUNTY'S AFFORDABILITY CRISIS

Affordability is a major issue for residents of King County. The rising cost of living, income inequality, and significant disparities by race in earnings and wealth are resulting in an affordability crisis that is particularly acute for communities of color. For a family in poverty, even the cost of a bus trip can be a burden. While this issue is most acute at the lowest income levels (50% FPL and 100% FPL), the high cost of living in the region means that there are affordability issues even for households above the current ORCA LIFT (Metro's low-income reduced fare program for those at or below 200% FPL) threshold (200% of FPL). These households also have less access to income-restricted social welfare programs and may be impacted by "benefits cliffs" (e.g. once their income rises above a certain threshold, they are no longer eligible for multiple benefits). The needs of this population should be explored further in future work.

Beyond affordability, low-income residents of the county are more likely to face other barriers to mobility that make accessing the transit network challenging. These include less transit service in some lower-income neighborhoods, complex trips requiring more transfers, and a lack of information about reduced fare programs that can be difficult to navigate, particularly for immigrants and refugees.

KING COUNTY IS DIVERSE AND EXPENSIVE

King County's population has grown rapidly, increasing from 1.5 million to 2.2 million people since 1990. People of color and foreign-born residents have led King County's growth. From 2000 to 2017, the percentage of white residents fell from 76% to 64%, while the proportion of the county's residents born in another country increased from 15% to 24%, with the most common countries of origin being China, India, and Mexico.[2] For immigrants and refugees, transit is an especially vital mode of transportation. Frequently coming from less auto-dependent cultures, immigrants and refugees tend to be more reliant on transit than other groups even after considering income and vehicle availability.[3]

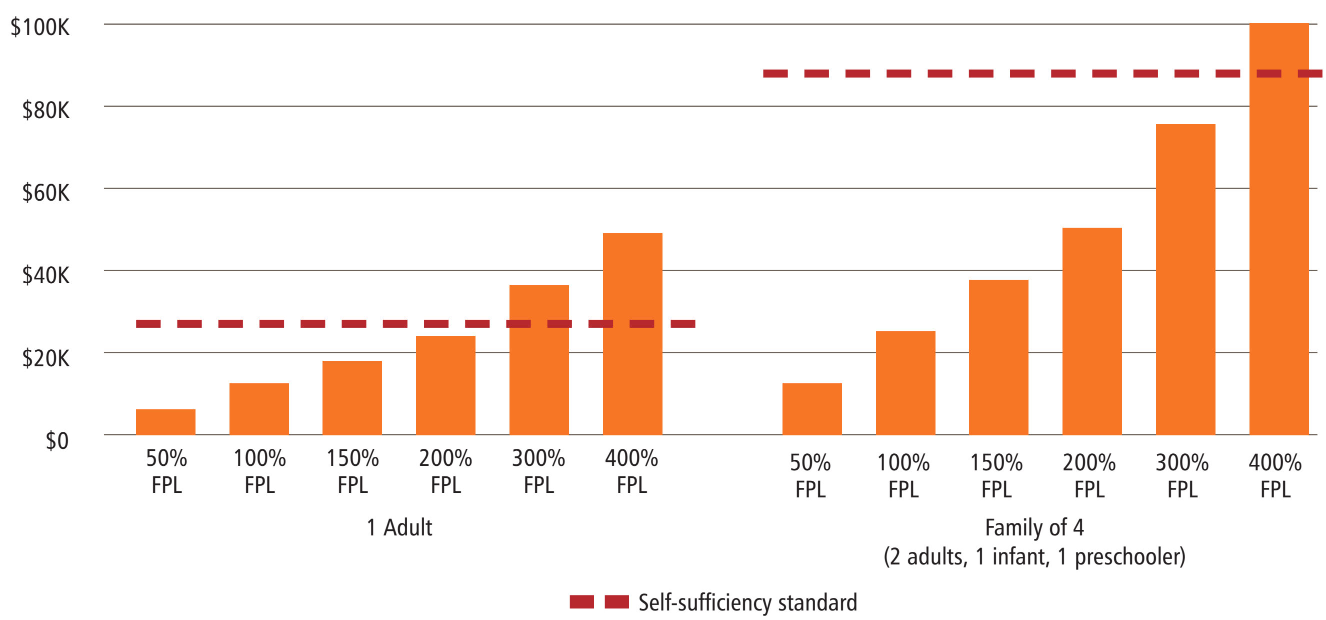
At the same, increasing costs have caused the county to become less affordable for those at the lowest income levels, particularly in the Seattle area.[4]

2 www.kingcounty.gov/independent/forecasting/King%20County%20Economic%20Indicators/Demographics.aspx

3 Blumenberg, E. and Evans, A. E. (2010). Planning for Demographic Diversity: The Case of Immigrants and Public Transit. *Journal of Public Transportation* 13(2): 23-45.

4 kingcounty.gov/~/media/initiatives/affordablehousing/documents/report/RAH_Report_Final.ashx?la=en

Figure 1. Seattle Minimum Household Expenses Compared to Poverty Level
Source: www.selfsufficiencystandard.org/Washington



Increasing Cost of Living

The self-sufficiency standard is an estimate of the minimum income needed to meet basic household expenses. According to this standard, a single-person household would need to earn over 200% of FPL to support essential needs in King County. For households with children (29% of households in King County), it is even more difficult. For a family of four with two young children living in Seattle,[5] the self-sufficiency standard was $86,359 in 2017. This family would need to earn 351% of FPL to support basic needs (Fig. 1), up from 302% in 2011.

A major factor in the rising cost of living is housing prices, which have increased dramatically throughout the county. The current median home value of $616,000 in King County has doubled since 2012.[6] Thirty-four percent of King County households are considered "cost-burdened," spending 30% or more of their income on housing. Housing costs are particularly acute for the lowest-income households. Eighty-five percent of households with incomes below $35,000 are cost-burdened in King County.[7]

5 The self-sufficiency standard divides King County into four regions. The King County - Seattle region is used as the example here, however the self-sufficiency standard for the other King County regions is similar or higher.

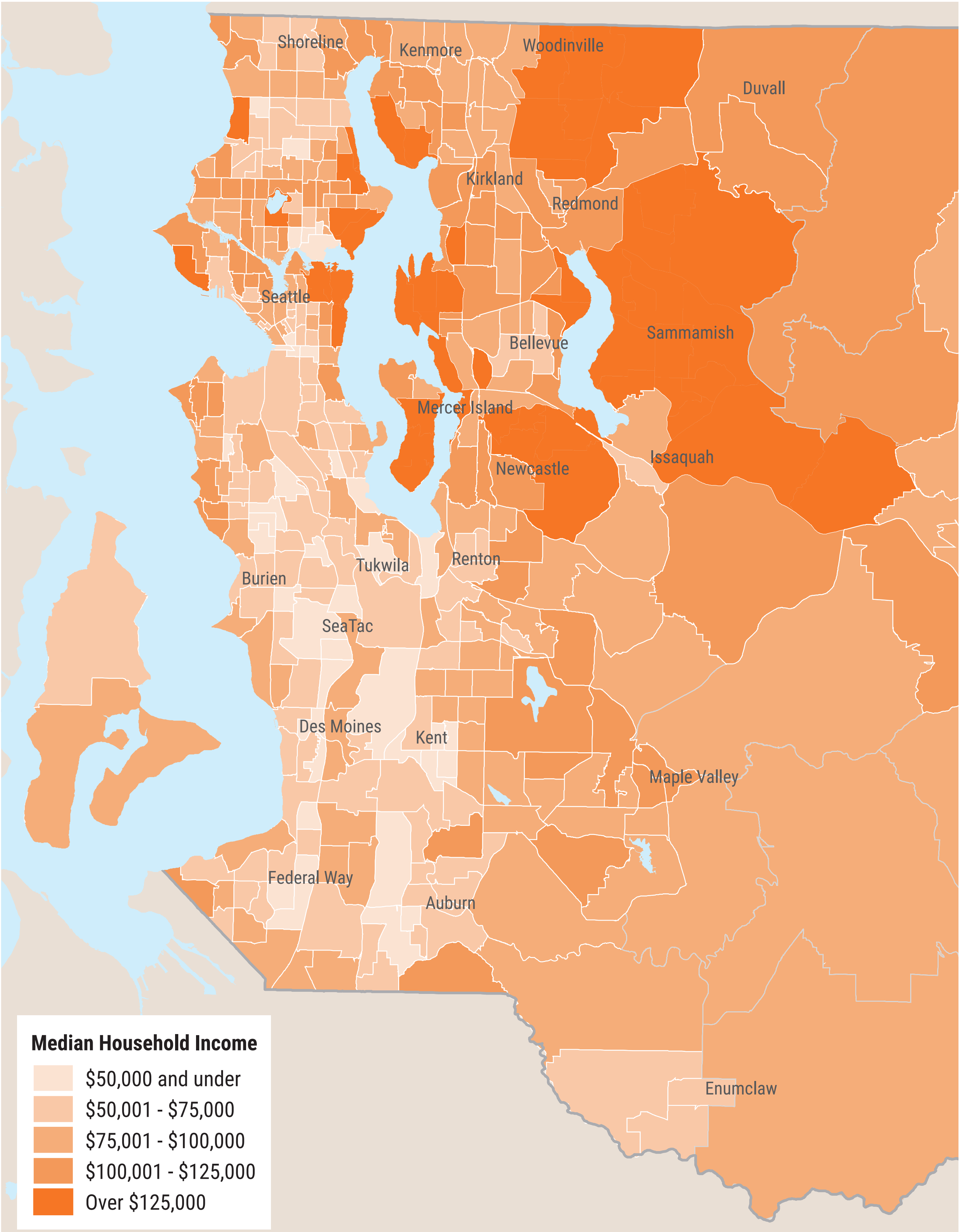
6 www.zillow.com/king-county-wa/home-values/
7 U.S. Census Bureau 2017 ACS 1-Year Estimates

Suburbanization of Poverty

With costs increasing rapidly in the county's urban areas, low-income residents are being driven to the suburbs and less expensive areas of the county. From 2000–2013, poverty in the suburban areas of the Seattle-Tacoma-Bellevue metropolitan statistical area grew nearly three times as fast as the urban area.[8] Sixty-one percent of King County's population in poverty now resides outside of Seattle[9] and some of the areas with the largest increases in poverty rates are communities in south King County like Des Moines, Kent, Burien, and Federal Way[10] (Fig 2). More transit-dependent riders are now living in less dense areas traditionally underserved by transit, creating new challenges for Metro in meeting mobility needs. [11]

8 www.communitiescount.org/index.php?page=suburban-poverty
9 Census 2013-2017 ACS 5-Year Estimates
10 Elizabeth Kneebone and Alan Berube, Confronting Suburban Poverty in America (Brookings)
11 King County Metro Mobility Framework, Appendix A: Travel Trends: Implications to Equity and Sustainability

Figure 2. King County Median Household Income by Census Tract
Source: U.S. Census Bureau 2013-2017 ACS 5-Year Estimates



AFFORDABILITY OF MOBILITY IS A RACIAL JUSTICE ISSUE

King County's Equity and Social Justice Strategic Plan identifies the following priority populations: people of color, low-income residents, limited or non-English speaking communities, and immigrants and refugees. These populations persistently face inequities in key economic, educational, and health indicators.

King County is prioritizing racial justice in particular, intentionally leading with racial justice to confront the historical and racial inequities that continue to exist in the community and organization. These racial inequities affect everyone's ability to live well and thrive.

In King County, racial justice is closely related to issues around poverty and affordability, which is why this work is so critical for Metro. By making transit more affordable for the lowest-income riders, Metro is improving mobility and access to opportunities for people of color and Metro's other priority populations.

- The poverty rate for White households is less than half the rate for Black or African American, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Hispanic or Latino households (Fig. 3).
- The percentage of Black/African American and Native Hawaiian/Other Pacific Islander children in poverty has increased rapidly over the last 10 years during a period when poverty rates for other racial and ethnic groups have been stable or decreased (Fig. 4).
- Over 40% of all Black/African American children in King County are below the poverty level, a rate eight times higher than that of non-Hispanic White children (Fig. 4).
- Foreign-born non-U.S. citizens are nearly twice as likely to be below the poverty level as U.S. born citizens (Fig. 5).
- Thirteen percent of people who do not speak English as their primary language at home are below the poverty level, compared to 8% for English speakers at home.[12]

12 U.S. Census Bureau 2017 ACS 1-Year Estimates

Figure 3. Levels of Poverty by Race/Ethnicity in King County
Source: U.S. Census Bureau 2013–2017 ACS 5-Year Estimates

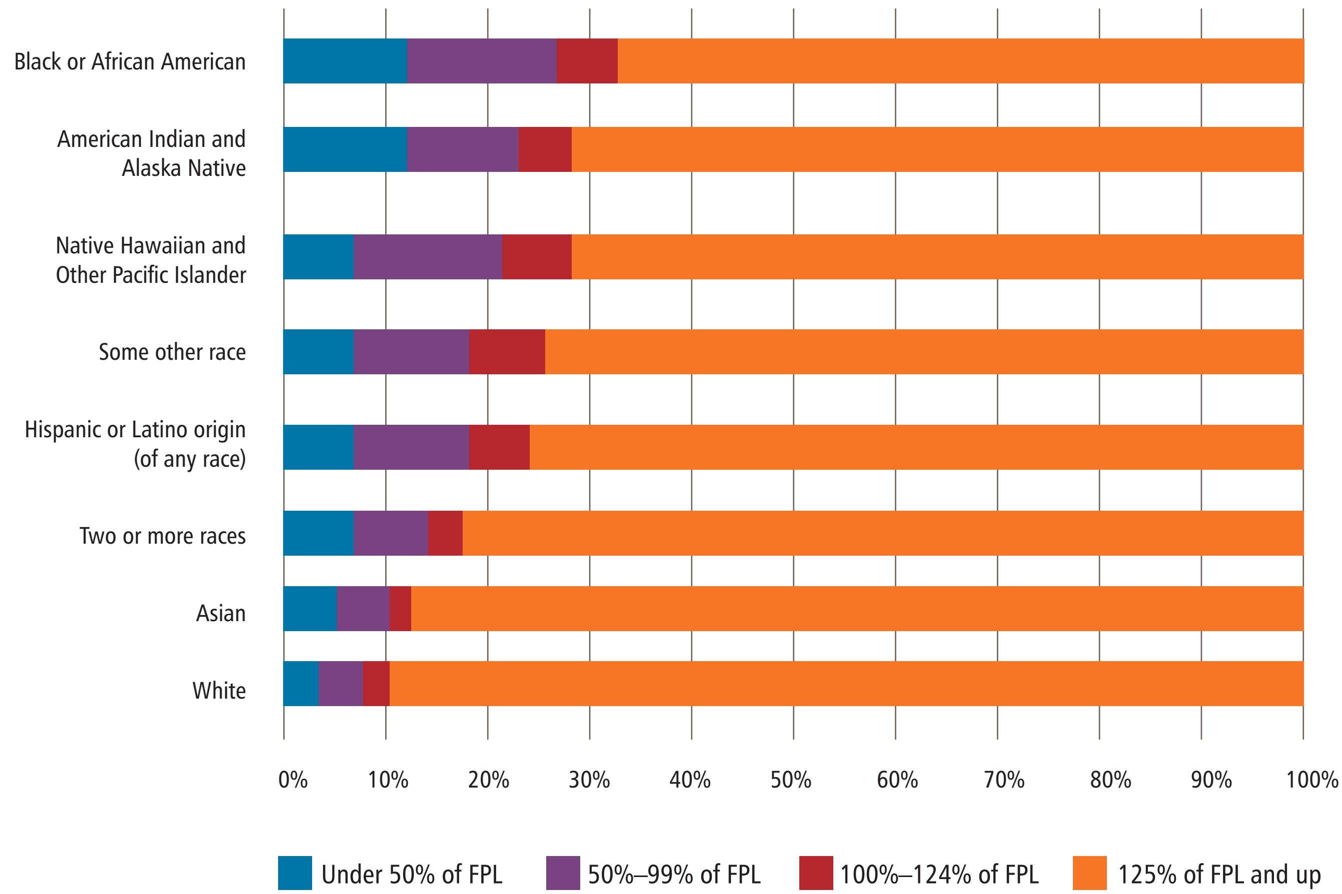


Figure 4. Percent of Children Under 18 in King County Below Poverty Level by Race/Ethnicity
Source: U.S. Census Bureau 2008-2012 ACS 5-Year Estimates; U.S. Census Bureau 2013-2017 ACS 5-Year Estimates

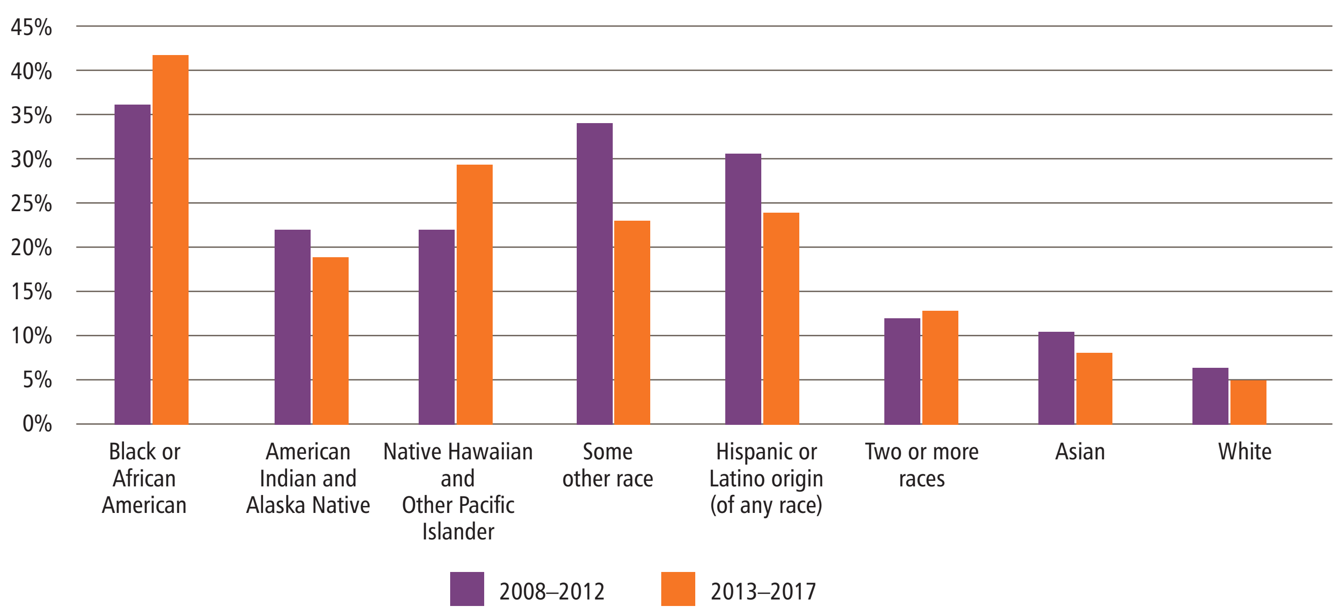
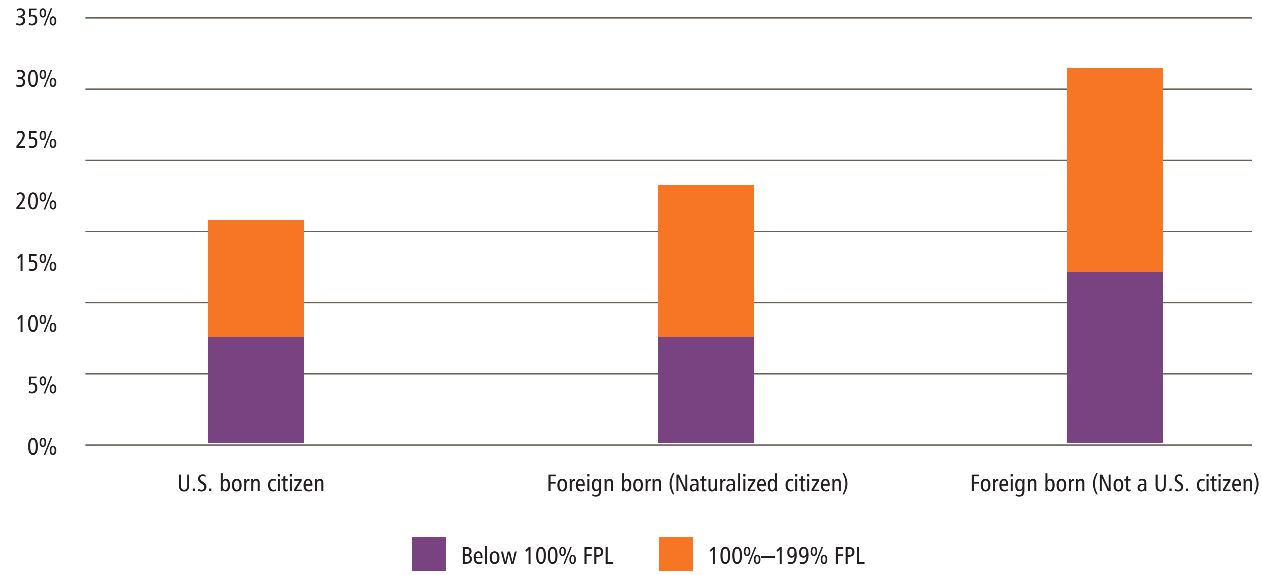


Figure 5. Rates of Poverty for King County Immigrants and Refugees
Source: U.S. Census Bureau 2017 ACS 1-Year Estimates



HOW DO TRANSPORTATION COSTS CONTRIBUTE TO AFFORDABILITY?

- For most households, car ownership and use is far and away the largest transportation expense, accounting for over 90% of transportation spending on average.[13]
    - Transit is significantly less expensive than driving (annual cost for LIFT is $648 compared to $3,200 dollars a year for car ownership), yet even the lowest income groups report driving for 60% of trips.[14]
    - King County residents with low incomes (below 200% FPL) use transit more for their everyday travel needs (Fig. 6).
- While transit costs are less than costs of car ownership, for households with low incomes who regularly ride transit, the cost of transit can still be significant. Even at the reduced ORCA LIFT fare, buying monthly transit passes would use 21% of annual income for a family of four earning 50% of FPL (around $13,000 dollars a year) (Fig. 7).
- A survey of non-transit riders in King County indicates that approximately 35% at or below 100% FPL in King County feel that the bus is too expensive (Fig. 8).
- Survey results also indicate that nearly 60% of non-riders at or under 200% FPL would be more likely to ride if fares were cheaper.[15]
- Even with existing reduced fare programs, transit costs are difficult to afford for immigrants and refugees with low incomes in King County.[16]

13 www.pewtrusts.org/~/media/assets/2016/03/household_expenditures_and_income.pdf
14 PSRC 2017 Household Travel Survey
15 See Exhibit C, Figure 32
16 Bailey, T., Hower, R., Ratner, E., and Spencer, S. (2019). Transportation Barriers and Needs for Immigrants and Refugees: An Exploratory Needs Assessment. Seattle, WA.

Figure 6. Transit Rider Frequency by Income Level
Source: King County Metro 2018 Rider/Non-Rider Survey

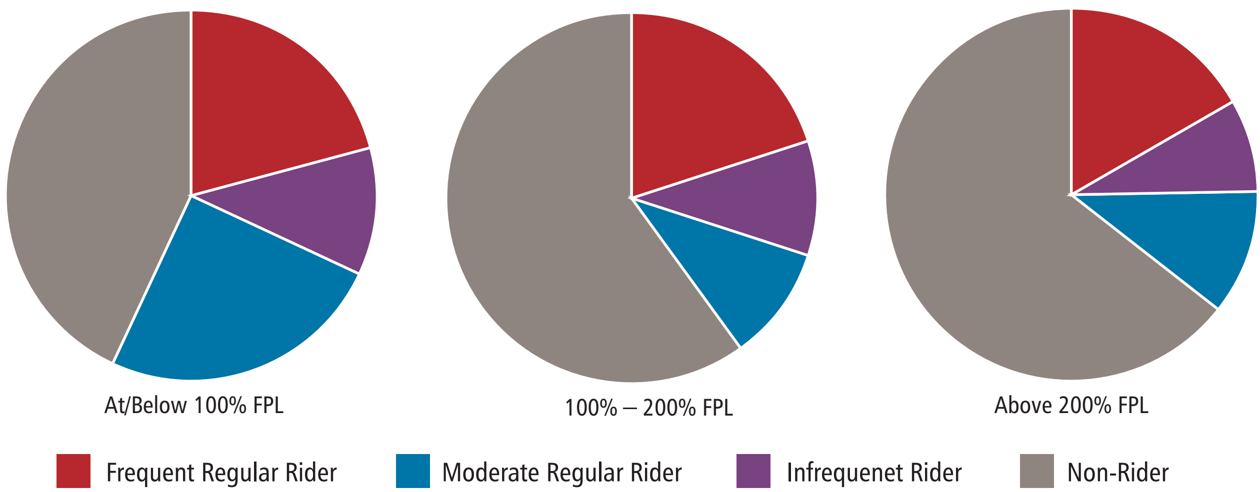


Figure 7. Percent of Income Spent on Transit Passes for a Family of 4 in King County (assuming 2 monthly LIFT passes and 2 youth passes if eligible, and 2 monthly adult passes and 2 youth passes for those above the ORCA LIFT income limit)

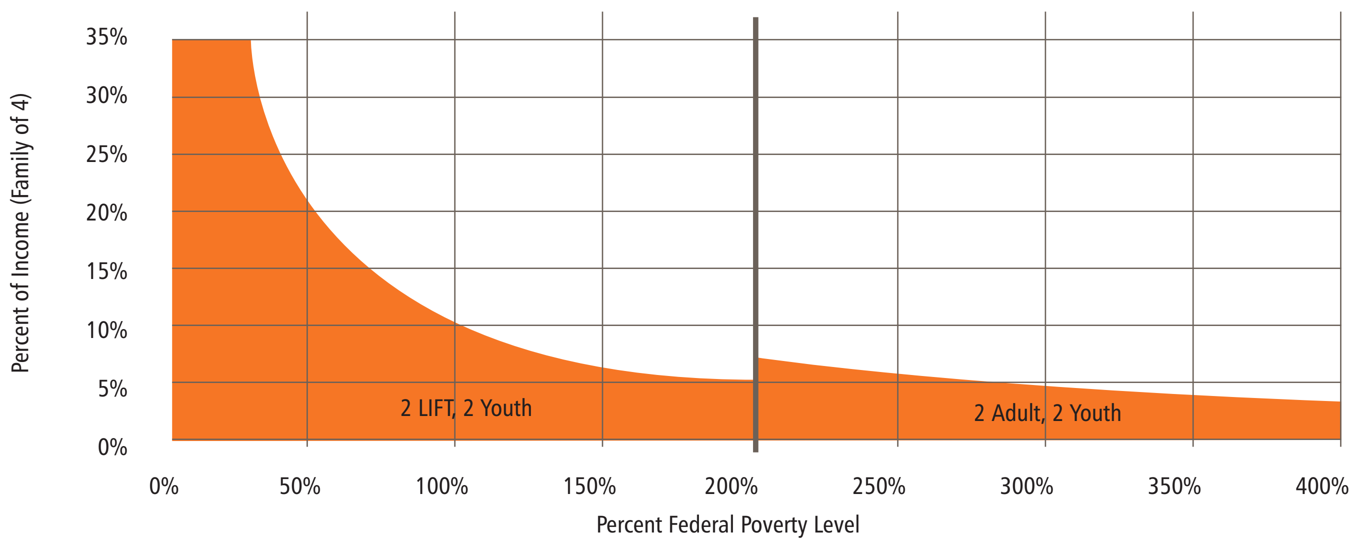
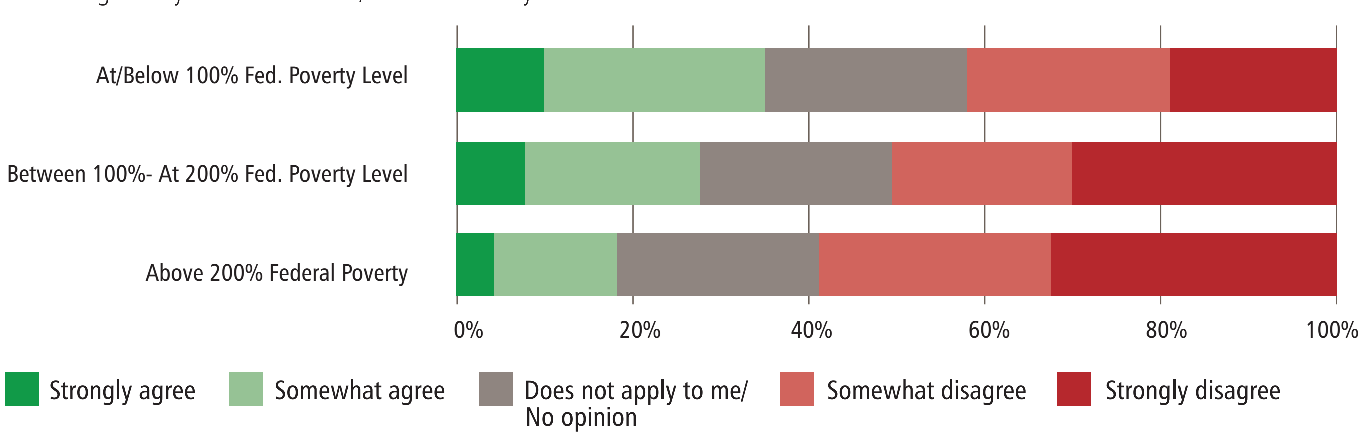


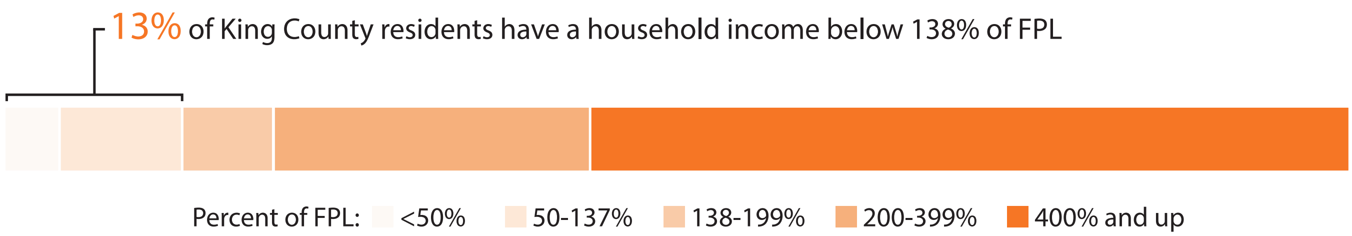
Figure 8. Agreement with the statement: "The bus is too expensive."
Source: King County Metro 2018 Rider/Non-Rider Survey



KING COUNTY'S LOW-INCOME POPULATION[17]

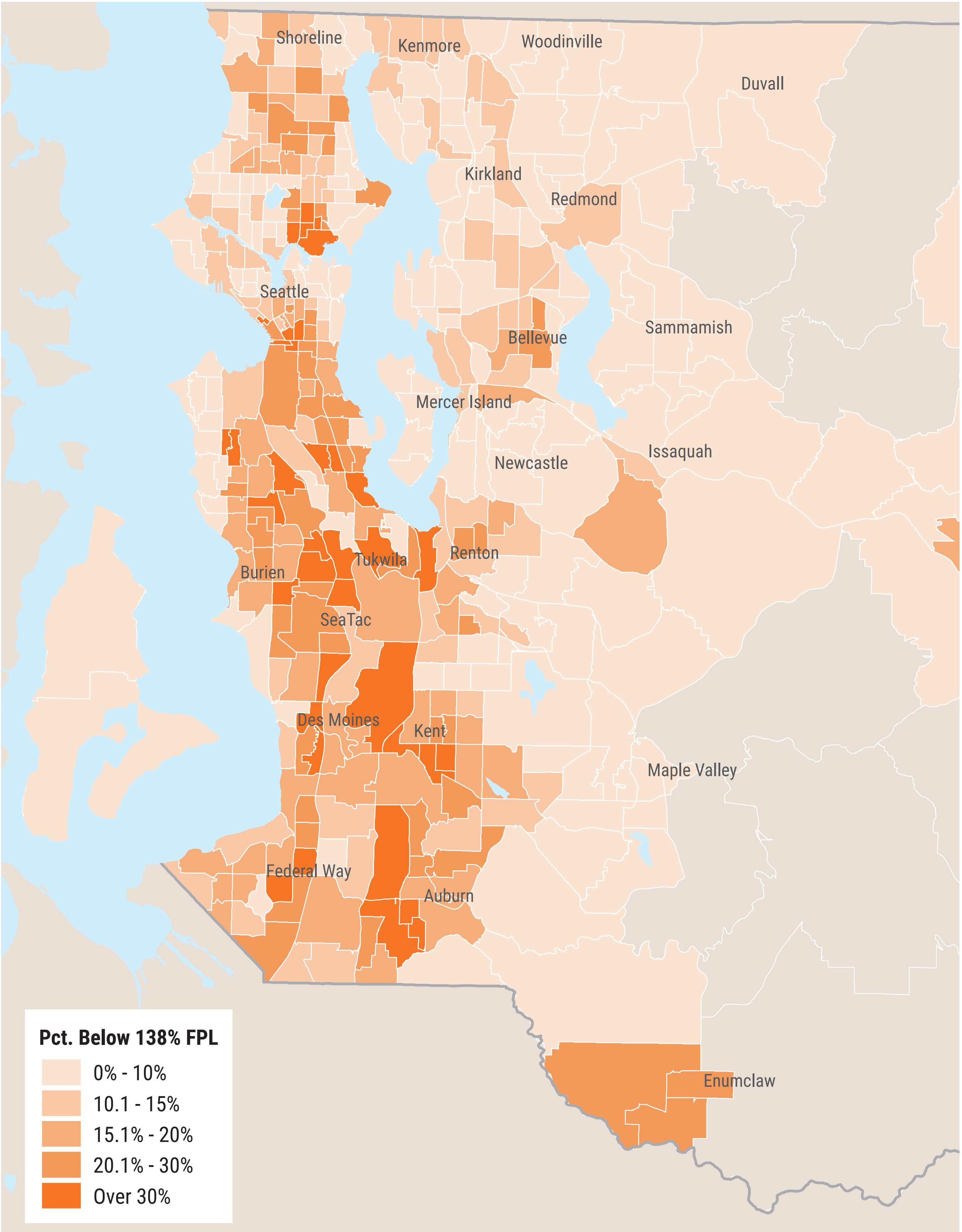
- Thirteen percent of King County residents are at or below 138% of FPL (Fig. 9). This represents approximately 285,000 people (52,000 of whom are children under 18 and 37,000 that are 65 or older).
- In terms of geography, the highest-need, lowest-income areas are in south King County and south Seattle (Fig. 10).

Figure 9. King County Annual Household Income as a Percent of Federal Poverty Level
Source: U.S. Census Bureau 2017 ACS 1-Year Estimates



17 Since there is little data available specifically on the population at/below 138% FPL, much of the information in this section is based on those at/below 100% or 200% FPL.

Figure 10. King County Population at or under 138% FPL by Census Tract
Source: U.S. Census Bureau 2013-2017 ACS 5-Year Estimates



How Do Riders with Low Incomes Pay Their Fares?

- According to Metro's Rider/Non-Rider Survey, riders with low incomes are over three times more likely to be cash users and far less likely to have access to an employer-provided ORCA card (Fig. 11).
- Hispanic/Latino and Black/African American survey respondents that ride transit are more frequent cash users than other racial/ethnic groups (Fig. 12).

Figure 11. Typical Payment Method by Income Level
Source: King County Metro 2018 Rider/Non-Rider Survey

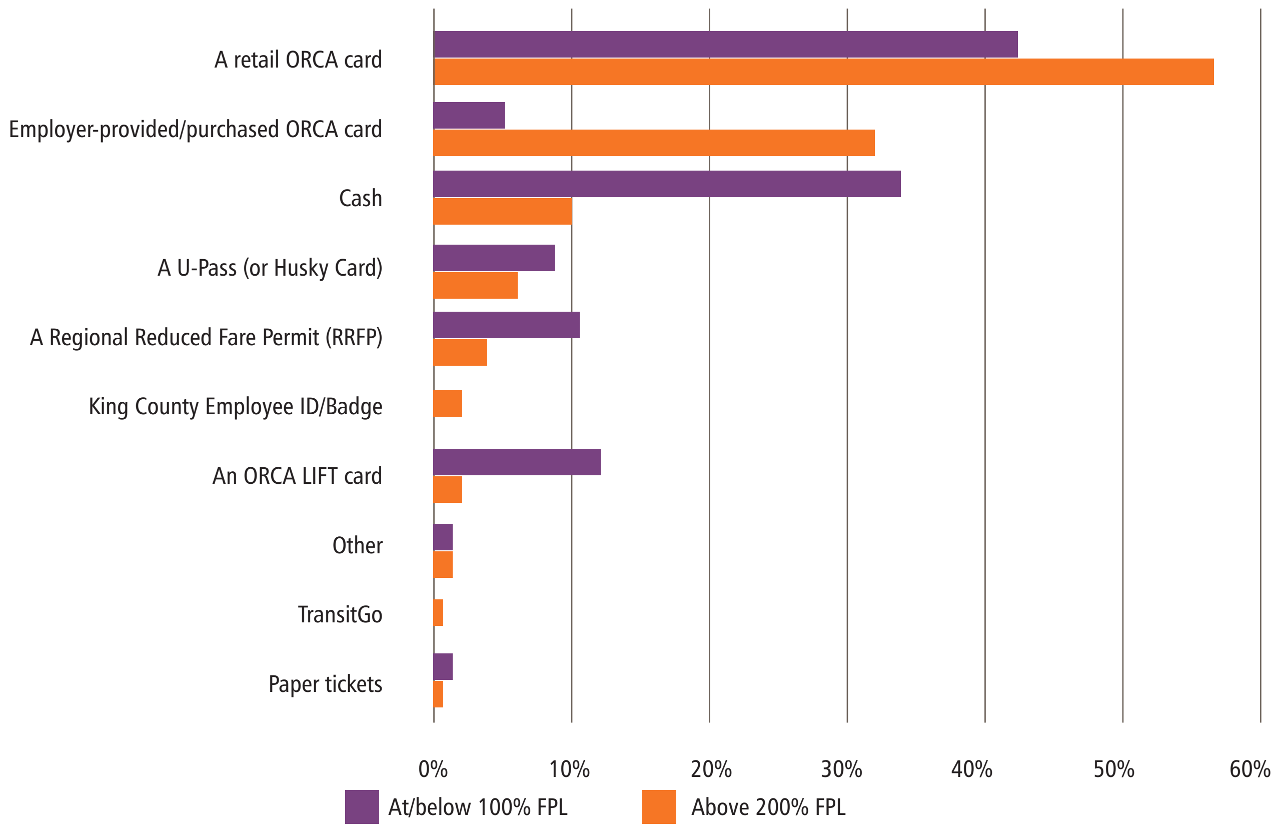
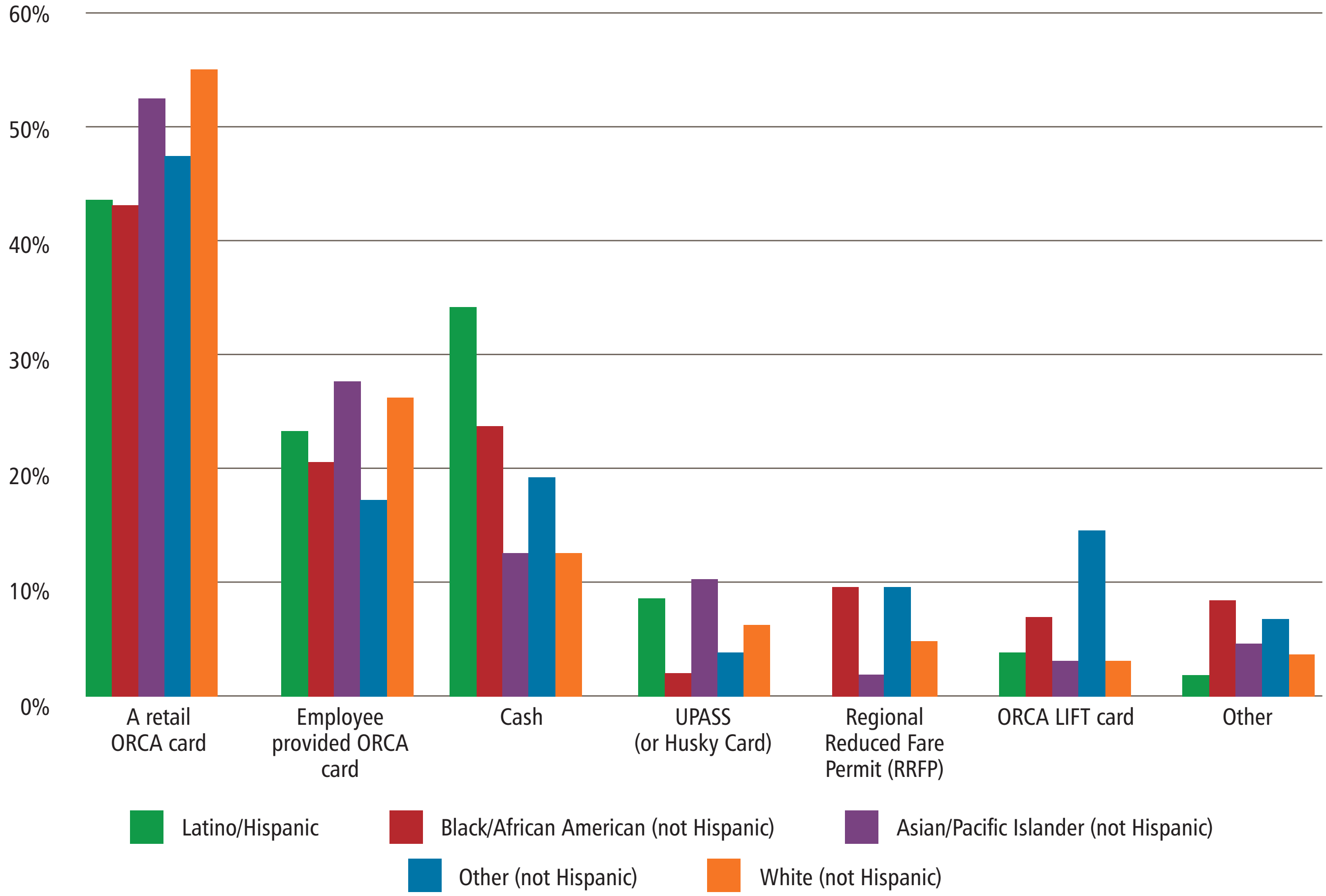


Figure 12. Typical Payment Method by Race/Ethnicity
Source: King County Metro 2018 Rider/Non-Rider Survey



HOW ARE LOW-INCOME RIDERS USING TRANSIT?

- In 2018, 71% of LIFT boardings were on Metro buses and 21% were on Sound Transit services (Fig. 13). LIFT boardings made up 6% of all boardings on Metro buses in 2018.
- Despite an increase in the number of active LIFT cards in 2019, a decrease in the proportion of LIFT monthly pass users has contributed to an overall decline in LIFT ridership; ridership in the first quarter of 2019 was 8% lower than the same period in 2018.
- Two-thirds of LIFT users load their cards with E-Purse value, rather than purchasing a monthly pass.[18] However, pass users ride over three times more than E-Purse users (Fig. 14). In addition to riding less frequently, E-Purse users tend to reload their cards in small increments. Over half of E-Purse reloads are for just $10 or less (58% by cash, 41% by credit card). (Fig. 15)
- The majority of LIFT customers load value at Ticket Vending Machines (TVMs), which are located at Sound Transit rail stations, while only 16% load value at retail locations (Fig. 16).

Figure 14. LIFT Boardings Per Month (April–June 2019)

OVERALL	LIFT E-PURSE	LIFT PASS
27	**16**	**59**
boardings/month (includes transfers)	boardings/month (includes transfers)	boardings/month (includes transfers)

Figure 15. LIFT E-Purse Reload Amounts (January 2018–April 2019)

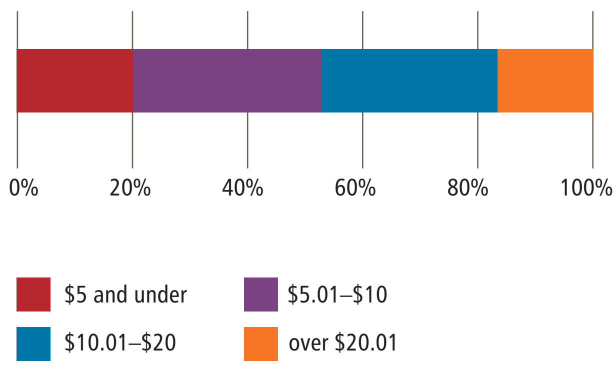
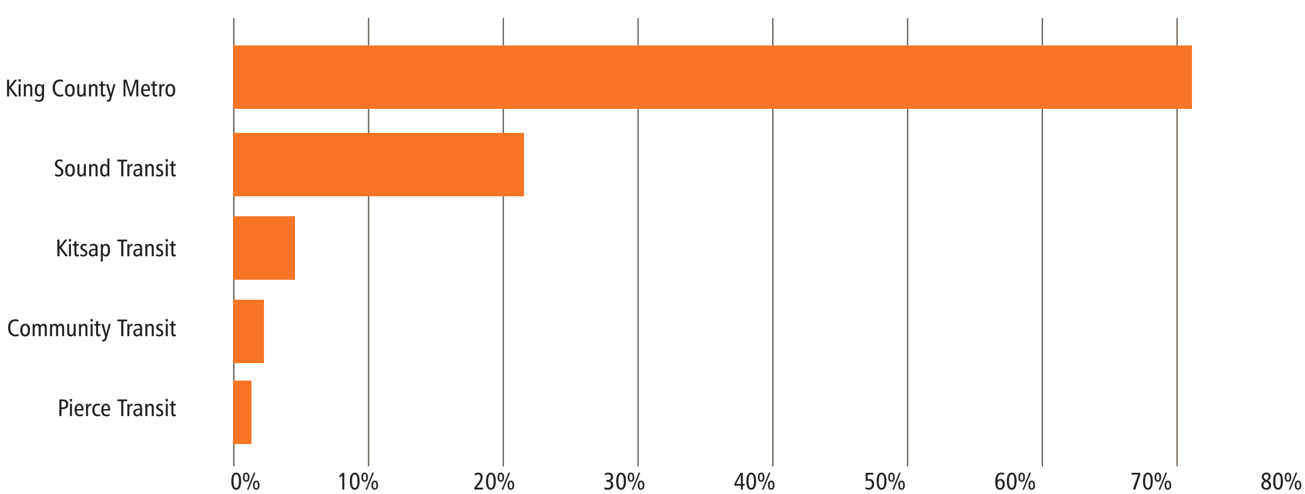
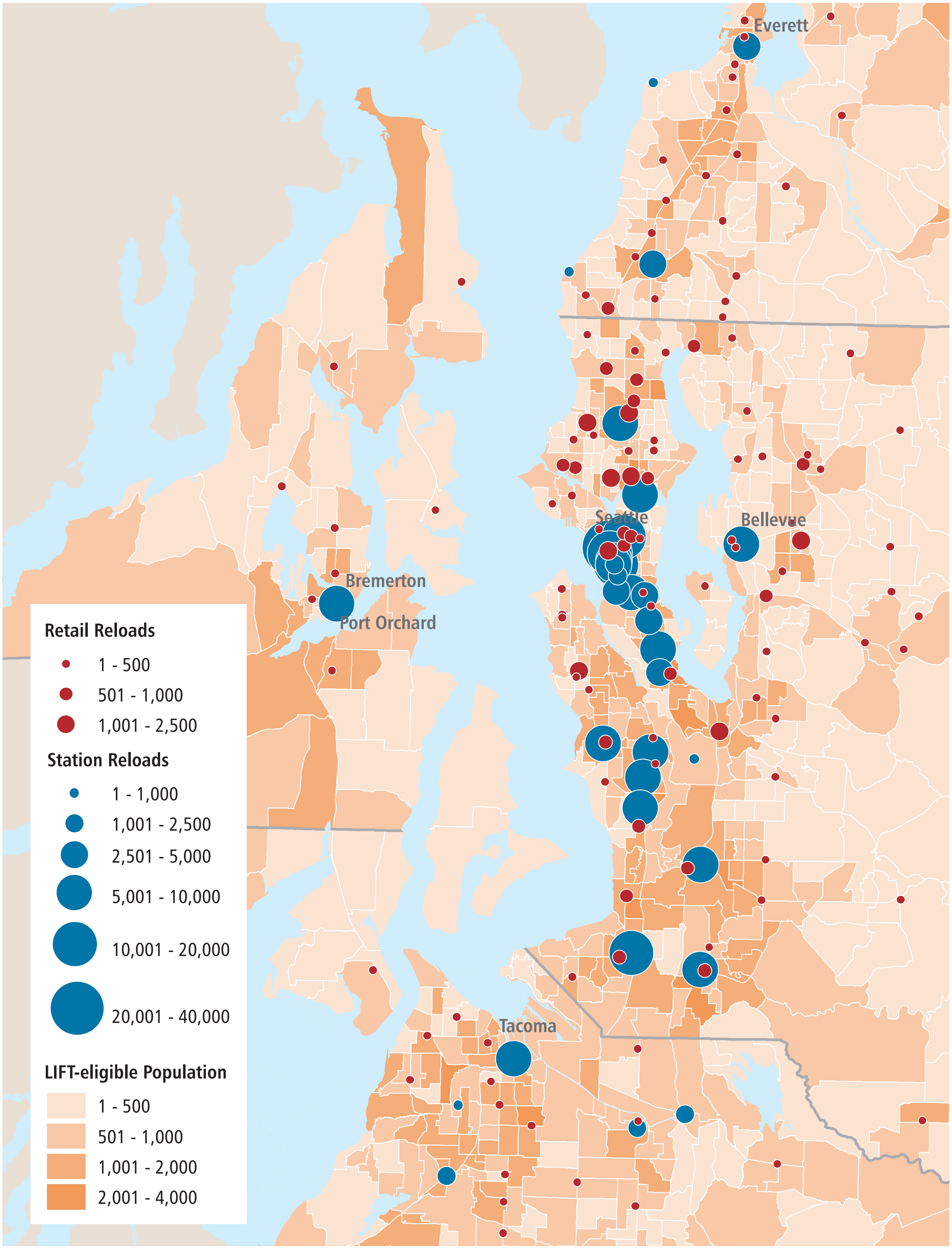


Figure 13. 2018 LIFT Boardings by Agency



18 LIFT users can purchase a monthly PugetPass for unlimited rides during that month or load stored value in their E-Purse to be used as needed.

Figure 16. LIFT Reloads and LIFT-eligible Population (200% FPL or less) (January 2018–April 2019)



DESPITE REDUCED FARES, COSTS ARE STILL TOO HIGH FOR SOME

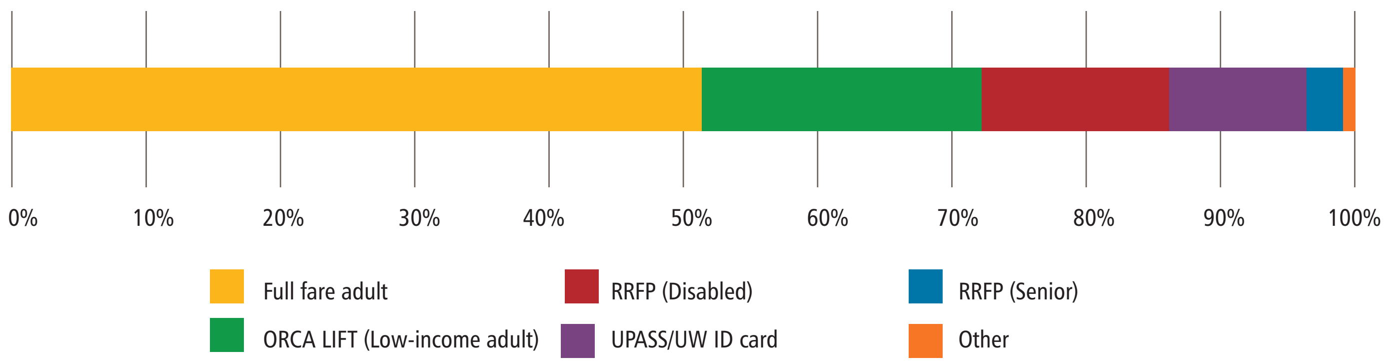
Metro’s fare policy is that the cost of the fare should not be a barrier to transit use. However, fare costs are limiting the transit mobility of riders with low incomes, who are more cost-sensitive and far less likely to have access to an employer-provided ORCA pass (Fig. 11). Preliminary findings from an in-progress research study Metro is conducting on low-income transit fares indicate that low-income riders with free, unlimited passes ride substantially more than those with standard ORCA LIFT cards. These results suggest that even the reduced ORCA LIFT fare is preventing riders with low incomes from taking transit as much as they want to.

Additionally, there is a sizeable segment of low-income individuals who Metro is failing to serve at all. According to Metro’s 2018 Rider/Non-Rider Survey, over half of non-riders below 200% of FPL would be more likely to ride transit if bus fares were cheaper (See Exhibit C, Fig. 32 for additional survey results).

COST IS NOT THE ONLY BARRIER TO TRANSIT MOBILITY

While cost is an important consideration, individuals at the lowest income levels face a multitude of other challenges to successfully navigate the transit system. Over half of transit riders eligible for LIFT – Metro's reduced fare program offered to individuals with low incomes – still pay the full adult fare (Fig. 17), suggesting there are other barriers to the use of reduced-fare programs. Metro's survey data also indicates that improvements to transit service quality (including service availability, frequency, and travel time) are the most important drivers of overall rider satisfaction across all income levels.

Figure 17. Fare category used by LIFT-eligible riders
Source: King County Metro 2018 Rider/Non-Rider Survey



LACK OF AWARENESS

- In a focus group with Spanish-speaking participants, most were unaware of ORCA LIFT despite being eligible for the program.
- Outreach with Arabic-speakers found that only one out of 15 were aware of the full range of reduced fare programs. Seven participants paid the Regional Reduced Fare Permit (RRFP) fare and one was using ORCA LIFT, however four others thought that they would qualify for LIFT.
- A focus group conducted with 14 people experiencing homelessness found that only half knew about reduced fares, three had RRFP cards, and just one was enrolled in LIFT.

LACK OF KNOWLEDGE

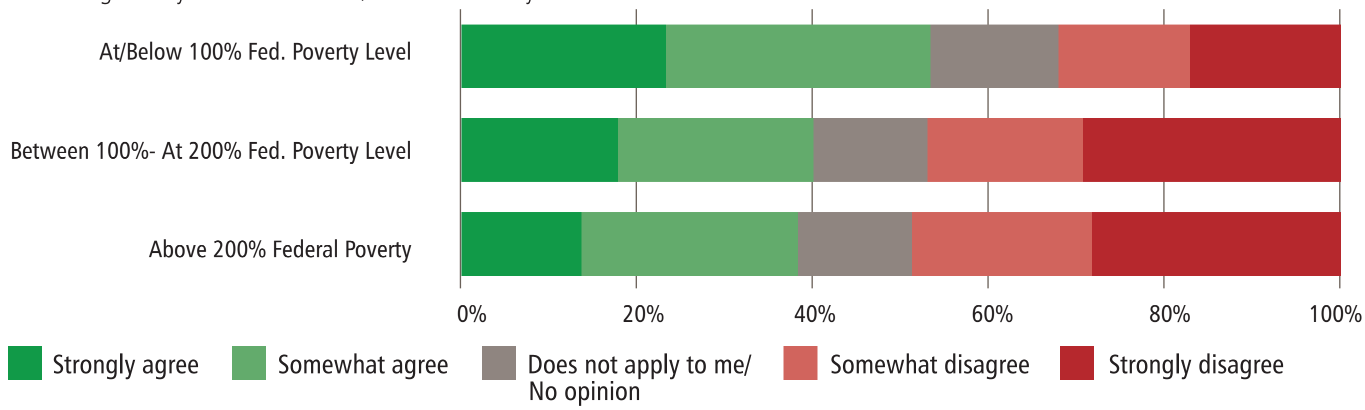
- In Metro's Rider/Non-Rider Survey, over half of non-riders at or below 100% FPL indicated that they did not know how to reach their typical travel destination by bus (Fig. 18).

DIFFICULT TO USE/ENROLL

- Thirty-two percent of non-rider survey respondents at or under 200% FPL indicated that the fare payment system is difficult to understand, compared to 24% for those above 200% FPL (Exhibit C, Fig. 36).
- A lack of accessible information makes it a challenge to use transit, particularly for immigrants and refugees with Limited English Proficiency.[19]

19 Bailey, T., Hower, R., Ratner, E., and Spencer, S. (2019). Transportation Barriers and Needs for Immigrants and Refugees: An Exploratory Needs Assessment. Seattle, WA.

Figure 18. Agreement with the statement, "I don't really know how to reach my typical travel destination using the bus."
Source: King County Metro 2018 Rider/Non-Rider Survey



LACK OF SERVICE/SERVICE QUALITY

- Among all income groups, service improvements (including more routes, real-time information, and faster, more frequent service) ranked highly as factors that would encourage transit ridership. Service quality—particularly service availability, frequency, and travel time—is the most important driver of overall rider satisfaction.[20]
- South King County was highlighted by Metro's Mobility Framework for its relatively poor transit service and higher concentration of households with low-incomes and limited vehicle availability.[21] Residents of this area also have access to fewer jobs by transit (within 60 minutes) than other parts of the county during the AM peak period (Fig. 19). When considering off-peak hours where service and frequency is reduced, the number of jobs accessible by transit shrinks even further.
- A 2019 report on transportation barriers faced by immigrants and refugees in King County indicated that many immigrants and refugees, particularly those in suburban and rural parts of the county, are not well-served by existing routes (Transportation Barriers and Needs for Immigrants and Refugees: An Exploratory Needs Assessment).

TRANSFERS

- Transfer rates[22] for ORCA trips vary significantly by customer type; RRFP riders who have a disability tend to make transfers most frequently with nearly 60% of weekday trips involving at least one transfer, and over 20% of weekday trips involving two or more transfers, indicating that these riders are highly transit-dependent (Fig. 20). Senior RRFP and LIFT riders also have high transfer rates, with over 50% of all weekday trips involving at least one transfer. In comparison, 35% of weekday youth trips and 27% of adult trips have a transfer involved. Riders with low incomes, who tend to be more reliant on cash for payment, may be particularly vulnerable to transfer-related disadvantages due to the inability to make inter-agency transfers on cash boardings.
- Findings from Metro's Rider/Non Rider survey tell a similar story when it comes to transfer rates for riders with low incomes (Fig. 21). Riders at or below 200% FPL, who are eligible for ORCA LIFT, are significantly more likely to report making a transfer (70% compared to 48%). While rates of single-transfer trips were similar, the low-income group was nearly five times as likely to make trips requiring two or more transfers. These multi-transfer trips may reflect a shortfall in service availability and quality for many of the most common trips made by these customers, as well as a higher level of reliance on transit.

20 kingcounty.gov/~/media/depts/transportation/metro/accountability/reports/2018/2018-rider-non-rider-survey-final.pdf
21 King County Metro Mobility Framework, Appendix A: Travel Trends: Implications to Equity and Sustainability (Figure 37)
22 Transfers are defined by the ORCA system as boardings made within two hours of the initial tap.

Figure 19. Jobs Accessible within 60 Minutes by Transit, AM Peak
Source: U.S. Census Bureau LEHD Origin-Destination Employment Statistics; U.S. Census Bureau 2013–2017 ACS 5-Year Estimates

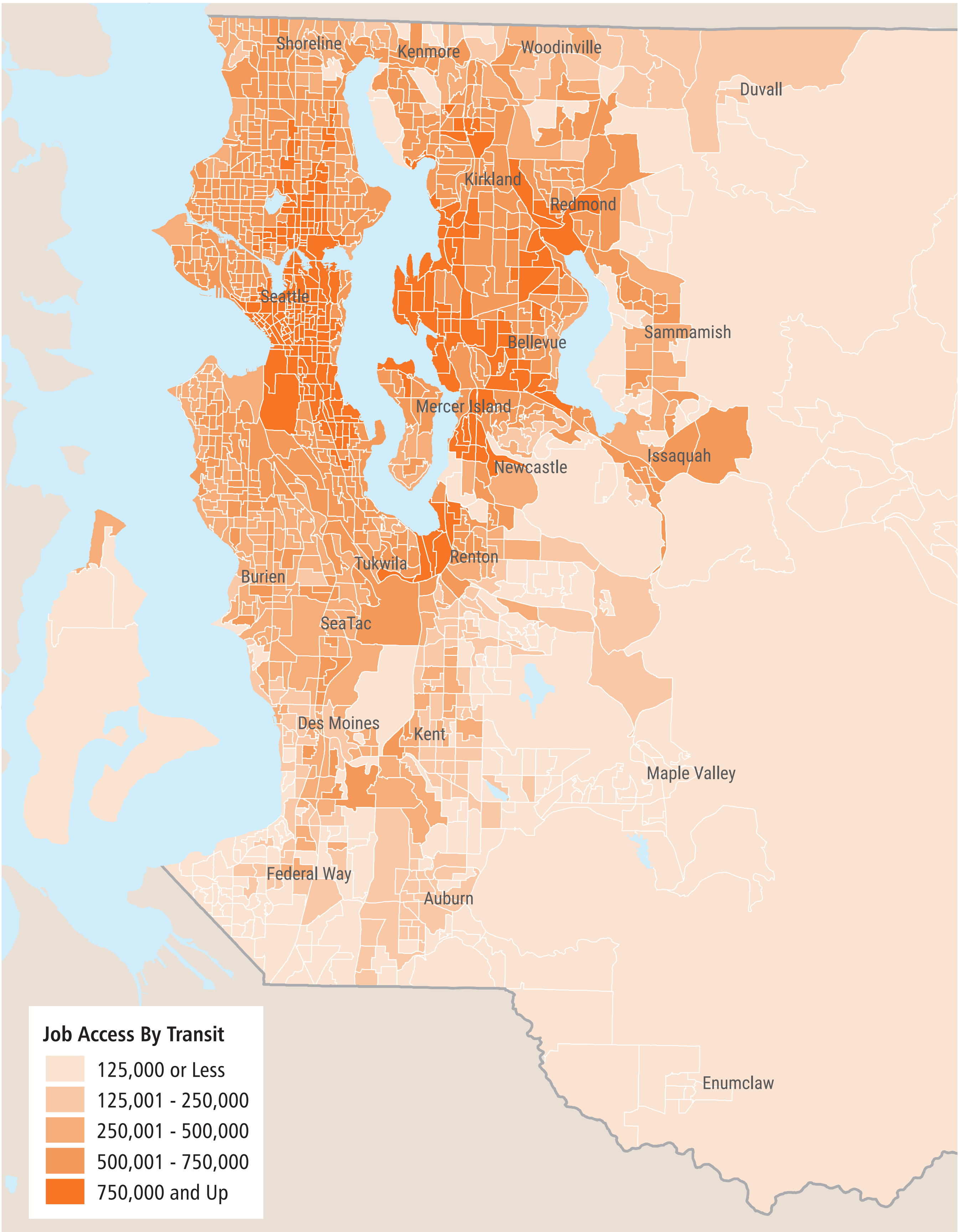


Figure 20. Transfer Rates on Metro ORCA boardings (May 2019)

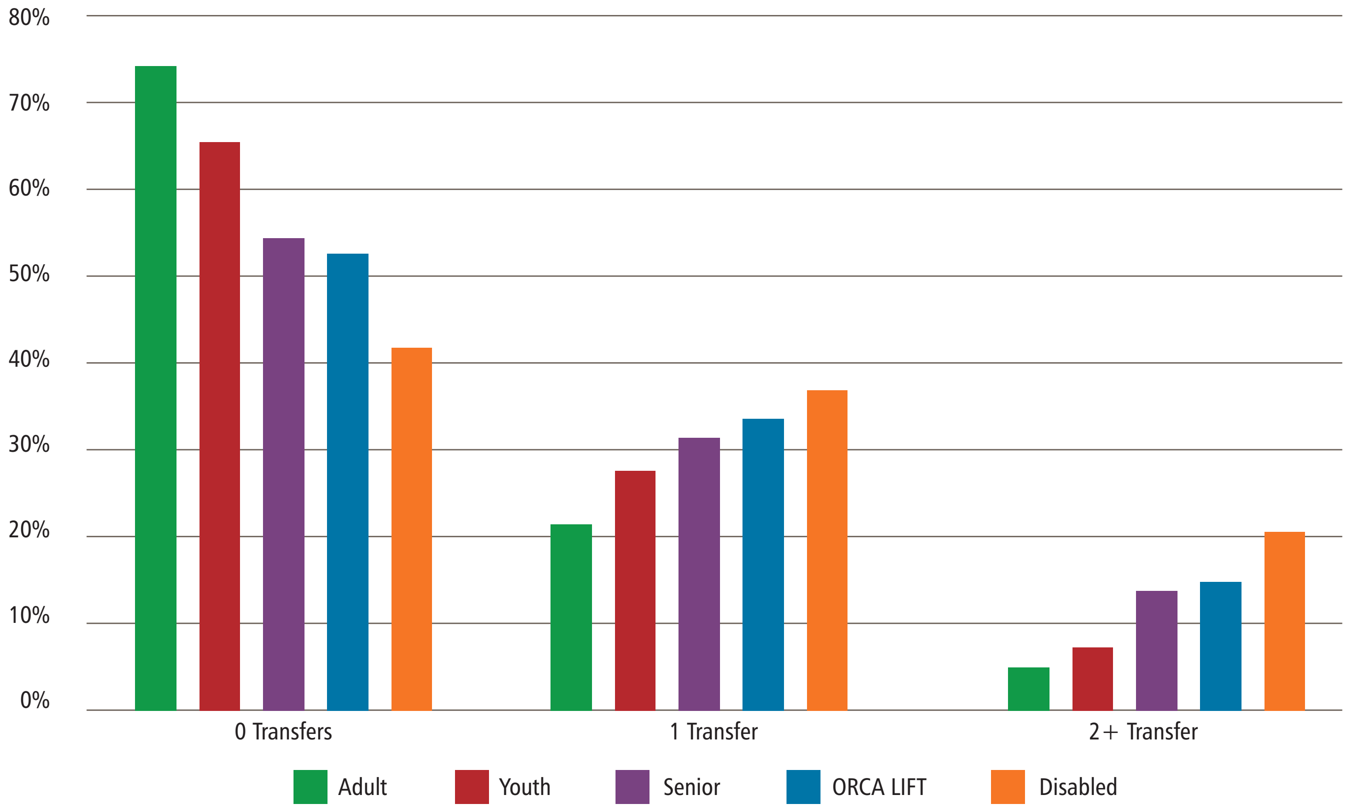


Figure 21. Number of Transfers on Most Common Trip by Income
Source: 2018 Rider/Non-Rider Survey

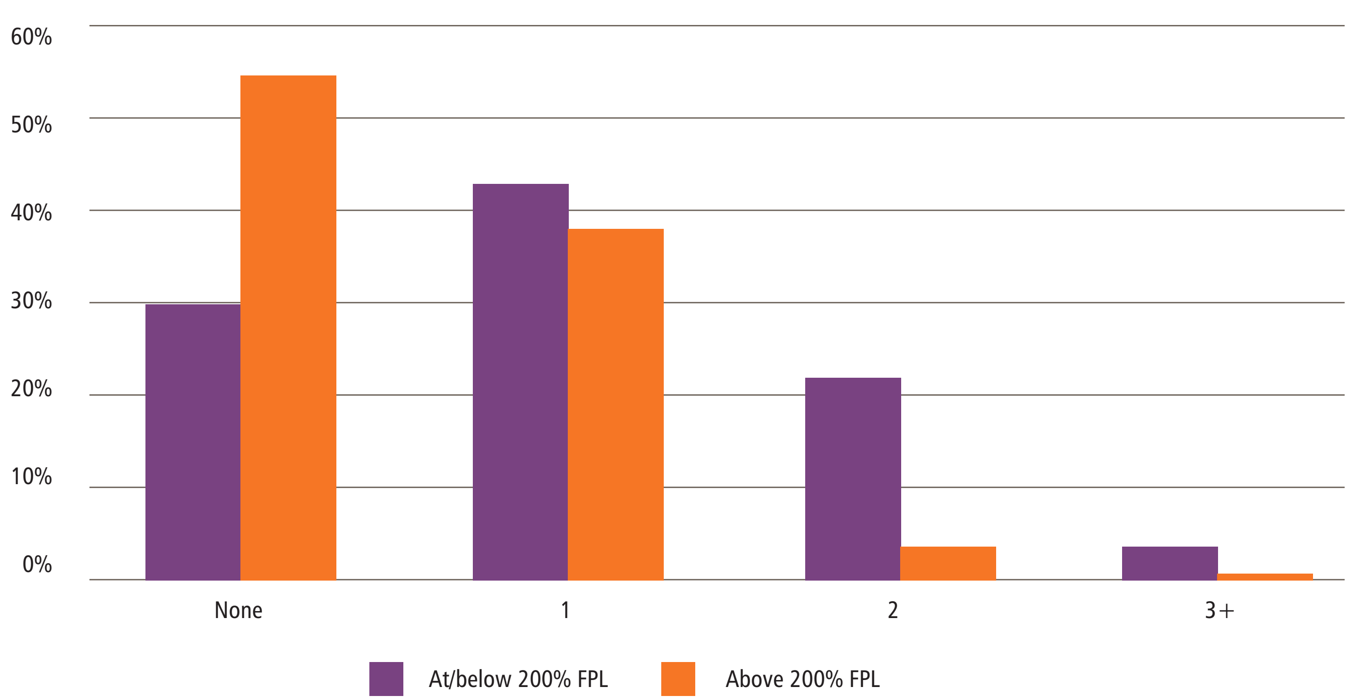


EXHIBIT A: OVERVIEW OF CURRENT REDUCED FARE PROGRAMS

Existing Reduced Fare Programs

Fare Program	Eligible Population	Cost
ORCA LIFT	Adults ages 19-64 at/below 200% FPL	$1.50 (Metro bus fare)
Regional Reduced Fare Permit (RRFP)	Seniors 65 or older; disabled riders	$1.00 (Metro bus fare)
Human Services Bus Ticket Program	Homeless or low-income individuals served by participating human service agencies	Free to user shared subsidy by King County and human service agencies
ORCA Youth Card	Youth ages 6-18	$1.50 (Metro bus fare)
Full Adult Fare	All riders	$2.75 (Metro bus fare)

ORCA LIFT

ORCA LIFT is Metro's reduced-fare card for low-income individuals who earn 200% or less of FPL. Cardholders save approximately 50% on fares on Metro buses ($1.50 per trip; $54 monthly pass). LIFT is now accepted on all ORCA agencies and services except for Pierce Transit. First introduced in 2015, there are now over 50,000 active cards in the system (Fig. 22), though only about 20,000 cards are used in a given month. Although not directly comparable due to differences between LIFT and Census data categories, the racial makeup of the LIFT population roughly mirrors the King County population below the federal poverty level, although Black or African American riders are somewhat over-represented (Fig. 23, 24).

Figure 22. ORCA LIFT Cards Active Over Time

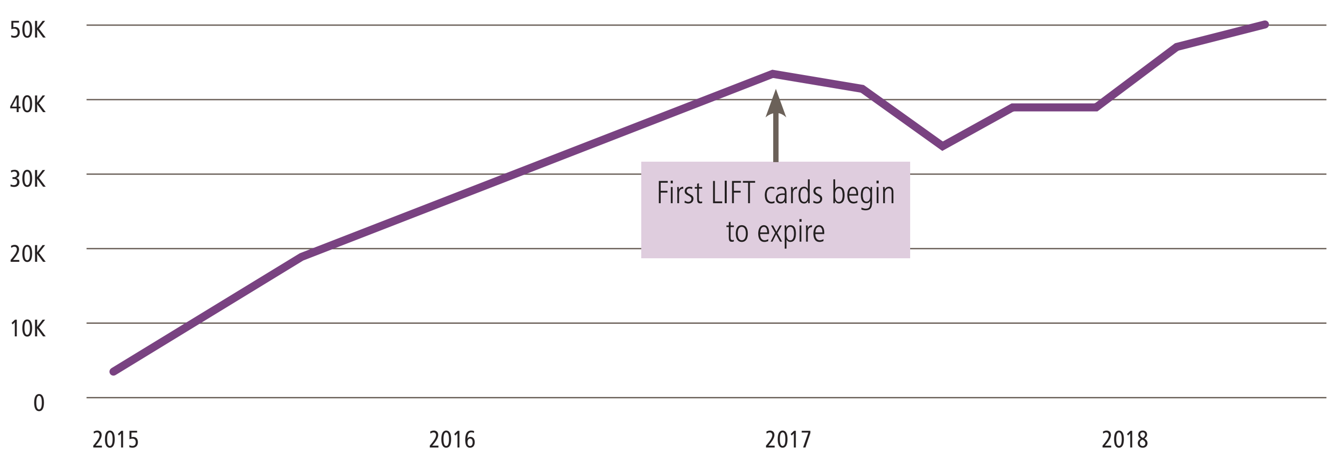


Figure 23. LIFT Cardholders by Race/Ethnicity

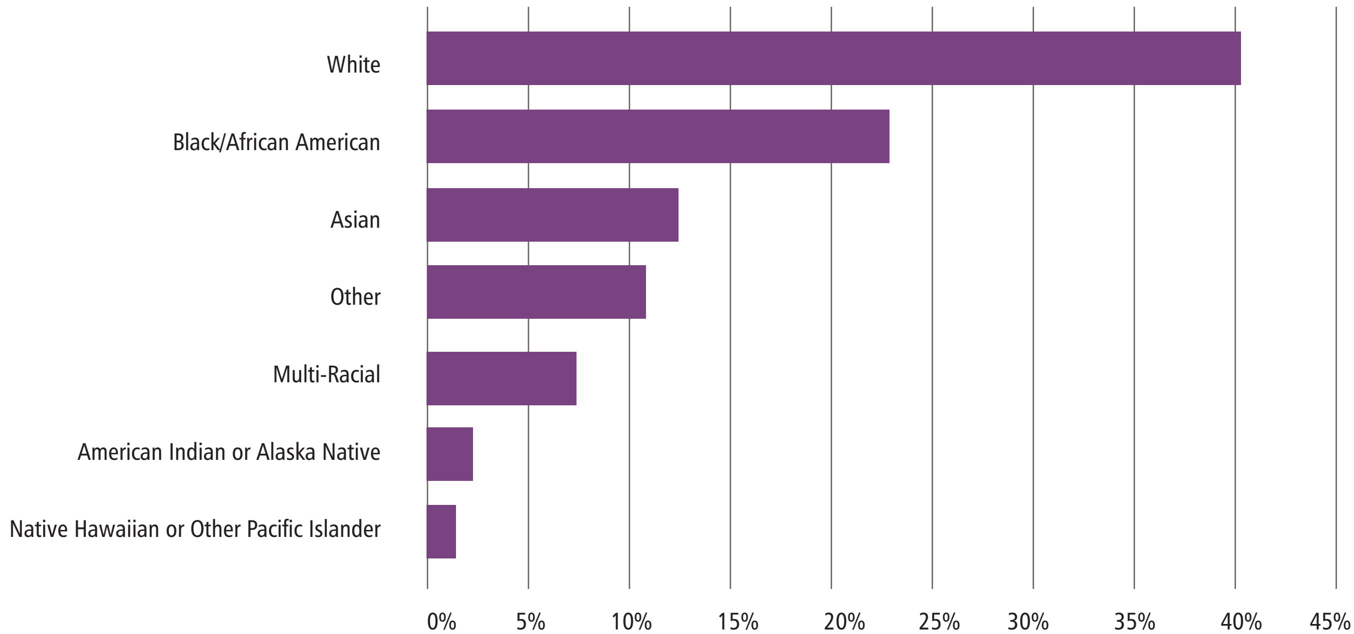
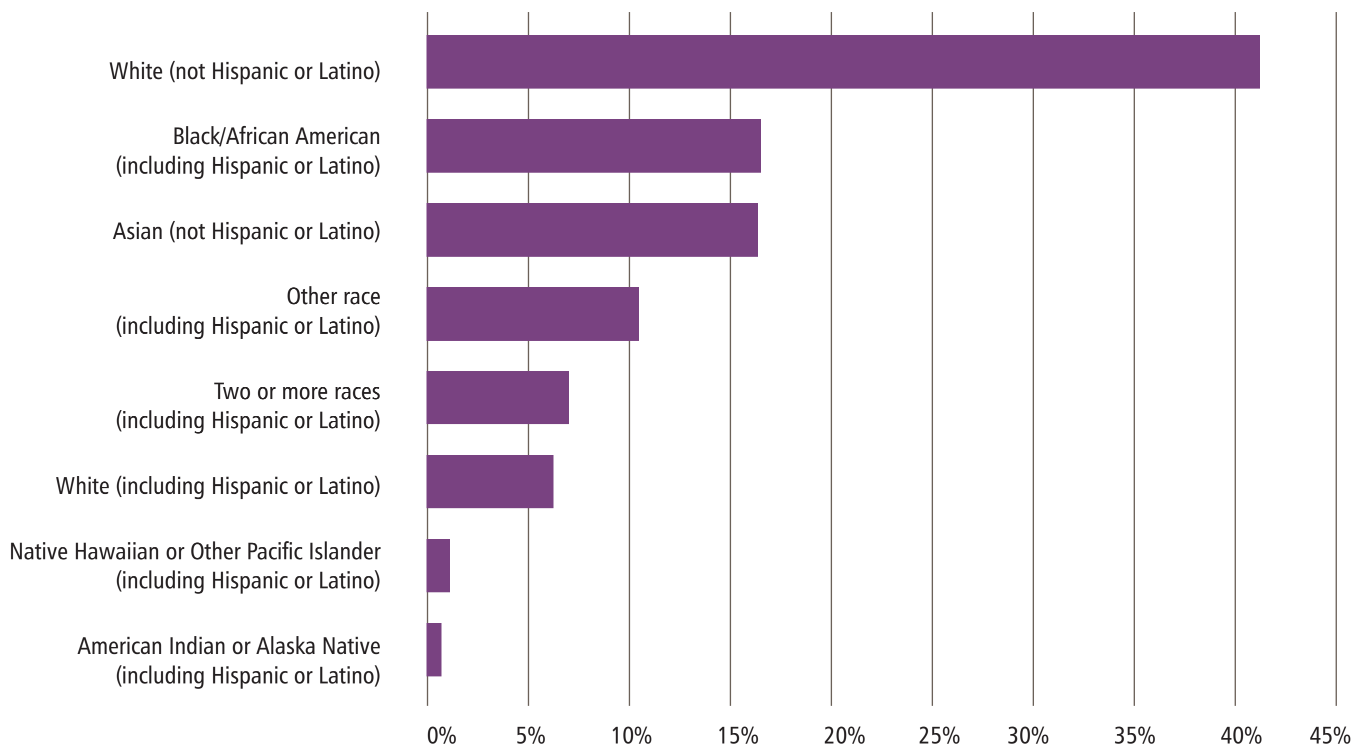


Figure 24. King County Percent of Population Below 100% FPL by Race (Data not available for population below 200% of FPL by race)
Source: U.S. Census Bureau 2017 ACS 1-Year Estimates



Regional Reduced Fare Permit

The Regional Reduced Fare Permit (RRFP) entitles senior riders (age 65 or older), riders with a disability and Medicare card holders to reduced fares on Metro and other public transportation systems in the Puget Sound Region. RRFP fares on Metro are $1 per trip, or $36 for a monthly pass.

- There were 74,000 unique RRFP ORCA users between Jan-May 2019 (does not include RRFP cash users):
  - 69% Senior card
  - 31% Disabled card
- RRFP users represented 9% of all Metro boardings in 2017.

Human Services Bus Ticket Program

The Human Services Bus Ticket Program distributes subsidized one-way transit tickets to eligible human service agencies. The tickets are used to help people with low incomes and those experiencing homelessness reach specific destinations including public assistance services, family support services, education/job training, employment, healthcare, crisis intervention, and legal assistance. Awarded human service agencies pay 10% of the value of the tickets, with Metro forgoing the remaining 90% of the ticket value, up to a cap of $4 million dollars in total ticket value.

- In 2018, 167 agencies participated: Over 1.3 million tickets were issued.
  - The three largest purchasing agencies spent a total of $139,000 (over one-third of all human service tickets).
  - The majority of agencies are small non-profits spending less than $1,000 (i.e. $10,000 worth of tickets).
- Agencies request more tickets than are available; in 2018, agencies requested to buy $6.65 million dollars of tickets, or $2.65 million over the current cap.
- Metro's survey of agencies indicates that 42% of agencies reported that 90% or more of the people they serve are homeless. An additional 80 agencies (46%) reported that 25–89% of the people they serve do not have stable homes.

Youth Fare

ORCA youth cards are available to youth ages 6–18. Youth cardholders can ride Metro buses for $1.50 per trip, while also qualifying for reduced fares on Community Transit, Everett Transit, Kitsap Transit, Pierce Transit, and Sound Transit.

EXHIBIT B: PROGRAM DESIGN CONSIDERATIONS

Partnerships

There is a huge variety of organizations and programs serving people with low incomes in King County. Since the proviso specifically seeks to maintain the connection between other social services and receiving transit benefits, Metro conducted initial information gathering of existing programs, eligibility, and other relevant information to inform program design.[23]

Program	Operator	Income Level[24]	Number enrolled in KC
Temporary Assistance to Needy Families (TANF)	DSHS	Varies based on household size (61%–70% FPL)	10,400 adults and children
Aged, Blind, or Disabled Cash Assistance	DSHS	Varies based on household size (30%–33% FPL)	6,700 adults
State Supplemental Payment (SSP)	DSHS	Varies based on household size (35%–74% FPL)	14,800 adults
Basic Food (SNAP and FAP)	DSHS	200% FPL	166,700 adults and children
Classic Medicaid	DSHS	Varies, typically 133% FPL	64,300 adults
Medicaid Expansion (Adults)	Public Health	138% FPL	130,000 adults
Apple Health for Kids	Public Health	200% FPL	160,000 children
Free/Reduced Lunch	School Districts	130% FPL Free, 185% Reduced	100,000 children
Subsidized Housing	SHA	30% AMI priority, up to 80% AMI	29,000 adults and children
	KCHA	30% AMI priority, up to 80% AMI	15,000 households
	Other housing providers	30% AMI priority, up to 80% AMI	124,000 adults and children

Program Costs & Financial Context

Fares are an important source of revenue for Metro, paying for between a quarter and a third of Metro's fixed-route operations in recent years. Because Metro has already implemented programs like ORCA LIFT, fares can offer a more progressive funding source for transportation than alternatives.

The percentage of operating costs that Metro must recover through fares is set by the King County Council. For many years, Metro's fund management policies established a 25% target farebox recovery. In 2016, the council revised the fund management policies, establishing a transit revenue recovery target of 30% and a floor of 25%.

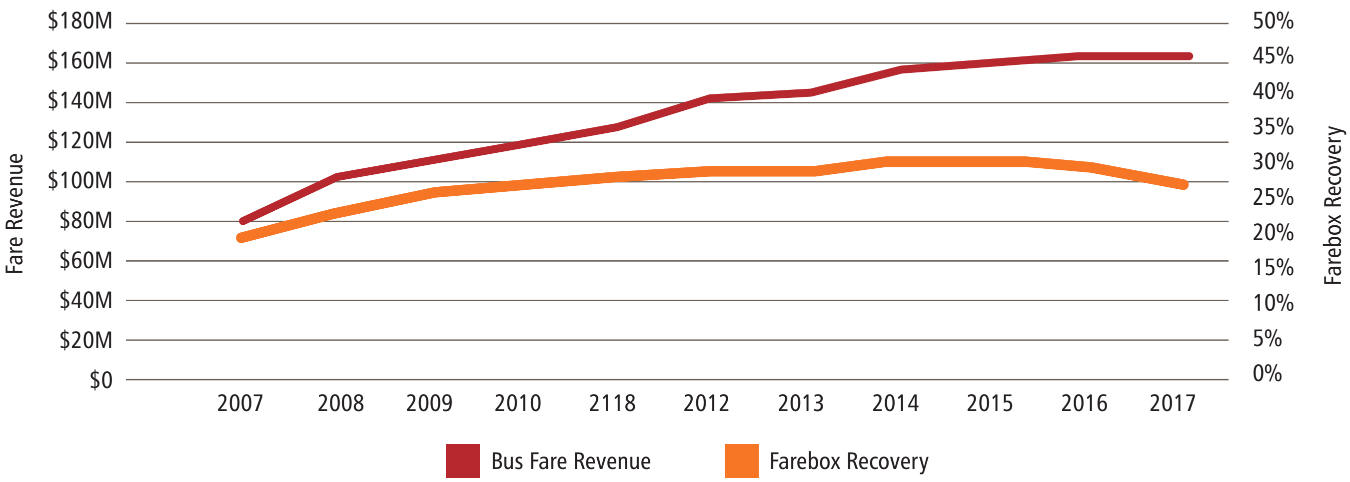
23 DSHS programs serving 2,000 people or fewer in King County are not shown here.

24 Many programs have additional requirements beyond income such as total resources, proof of citizenship or legal residency, work requirements, etc.

After a prolonged trend towards increasing farebox recovery, Metro has seen declines in recent years. Metro's farebox recovery was below 20% in 2007, after six years without a fare increase. Recovery increased between 2007 and 2015, reflecting four consecutive years of adult fare increases and heightened ridership following the 2008-2010 recession. Despite an adult fare increase in 2015 and fare simplification in 2018 that increased the adult fare, farebox recovery has begun to decline and is expected to reach the floor in 2020 under current policy (Fig. 25).

Since 2015, declining farebox revenue appears to be driven by the fact that operating costs have increased faster than ridership. While vehicle hours increased 9% and costs per hour increased 6% (roughly keeping pace with inflation) for a total operating cost increase of nearly 16%, ridership increased only 0.3%. As a result, despite a stable revenue per boarding, overall fare revenue increased only 2.6% in the same period. This trend appears likely to continue in 2018 and 2019, as early projections indicate little to no year-over-year ridership increases. Metro is far from the only agency grappling with this issue. Many agencies have seen declining ridership, leading to lower farebox recovery.

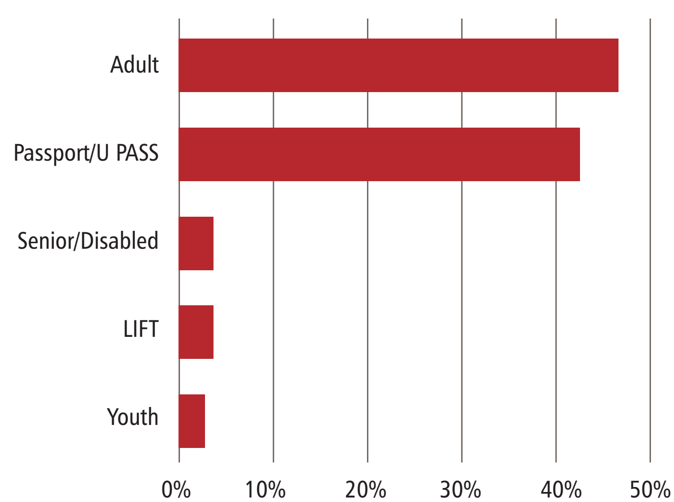
Figure 25. Metro Fare Trends 2007-2017



90% of Metro's fare revenue comes from full fare customer categories (Fig. 26), comprised of Adult retail (including Business Choice, Metro's institutional program for retail ORCA products) and Business Passport (Metro's institutional program for unilmited-ride ORCA cards). Business Passport has been a strong driver of revenue in recent years. Revenue from the program increased 6% in 2018 compared to the previous year (Business Choice revenue was relatively flat during the same period). Metro received 59% of the region's Passport revenue in 2018, representing nearly $80 million.[25]

Fare evasion and non-payment system-wide are estimated at 8% as of October 2018, equivalent to approximately $13 million dollars in lost revenue annually. Metro is planning to conduct a more detailed study of fare evasion and non-payment in 2020.

Figure 26. 2017 Metro Fare Revenue by Customer Category



25 kingcounty.gov/~/media/depts/transportation/metro/accountability/reports/2018/orca-joint-board-program-management-report-4th-quarter.pdf

EXHIBIT C:
Supporting Data from the Rider/Non-Rider Survey

King County Metro's Rider/Non-Rider Survey is a rolling online and phone survey of residents of the King County Metro service area selected through random address-based sampling. The data in this report is from surveys of 3,377 respondents collected between October 24, 2018 and January 10, 2019. Responses are weighted by key demographics to reflect the most recent Census American Community Survey estimates for residential households in the King County Metro service area and the survey is offered in English, traditional Chinese, Spanish, Vietnamese, and Somali languages.

As with most surveys, the sampled population of survey respondents is biased towards people who have the time and inclination to take a survey. Additionally, the survey methodology likely results in other forms of underrepresentation including:

- Non-English speakers (or speakers of languages not offered)
- Riders of Metro transit who do not live in the Metro service area, including tourists
- Youth under the age of 16 (who were excluded from the sample)

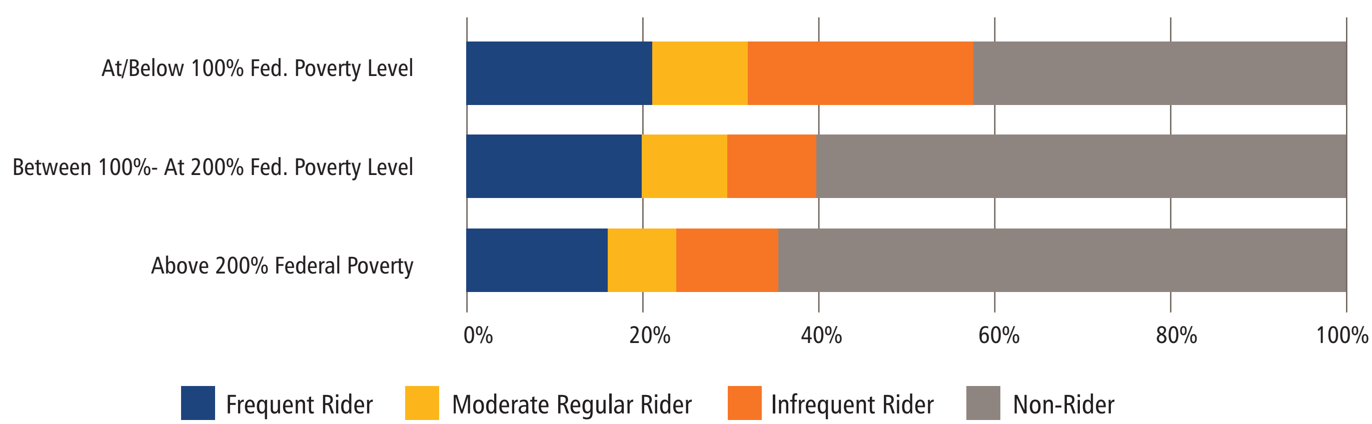
Ridership Frequency By Income Level

- King County residents with incomes at or below 100% of FPL are somewhat more likely to be frequent transit riders than those with incomes above 200% of FPL, and much more likely to be infrequent riders. Only 43% of residents at this income level report being non-riders, compared to 65% of those with incomes above 200% of FPL.
- About 30% of those with incomes between 100% and 200% of FPL are frequent or moderate regular riders, compared to 25% of those with incomes above 200% FPL.

Definitions

Rider Category	One-way trips in last 30 days
Frequent	Greater than 10
Moderate Regular	5–10
Infrequent	1–4
Non-Rider	0

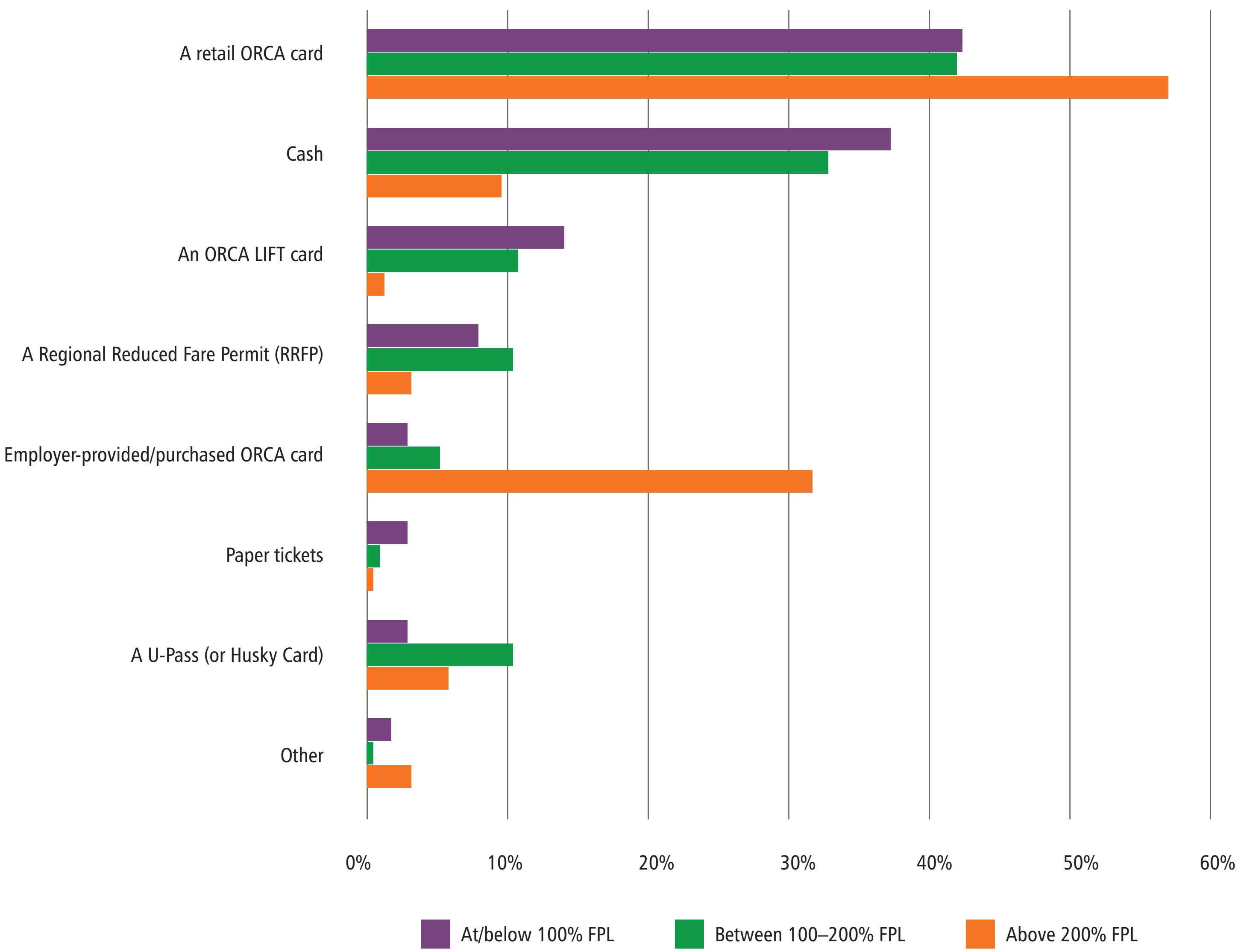
Figure 27. Ridership Frequency by Income Level



Typical Payment Method By Income Level

- ORCA cards are the most frequently used fare payment method across all income categories.
- Among those under 200% FPL, cash is the second most frequently used form of fare payment.
- Among those above 200% FPL, employer-provided/purchased ORCA cards are the second most frequently used.
- Lowest-income riders are the most likely to use cash: 37% of those under 100% FPL, 33% of those between 100–200%, and just 10% of those above 200% FPL use cash.

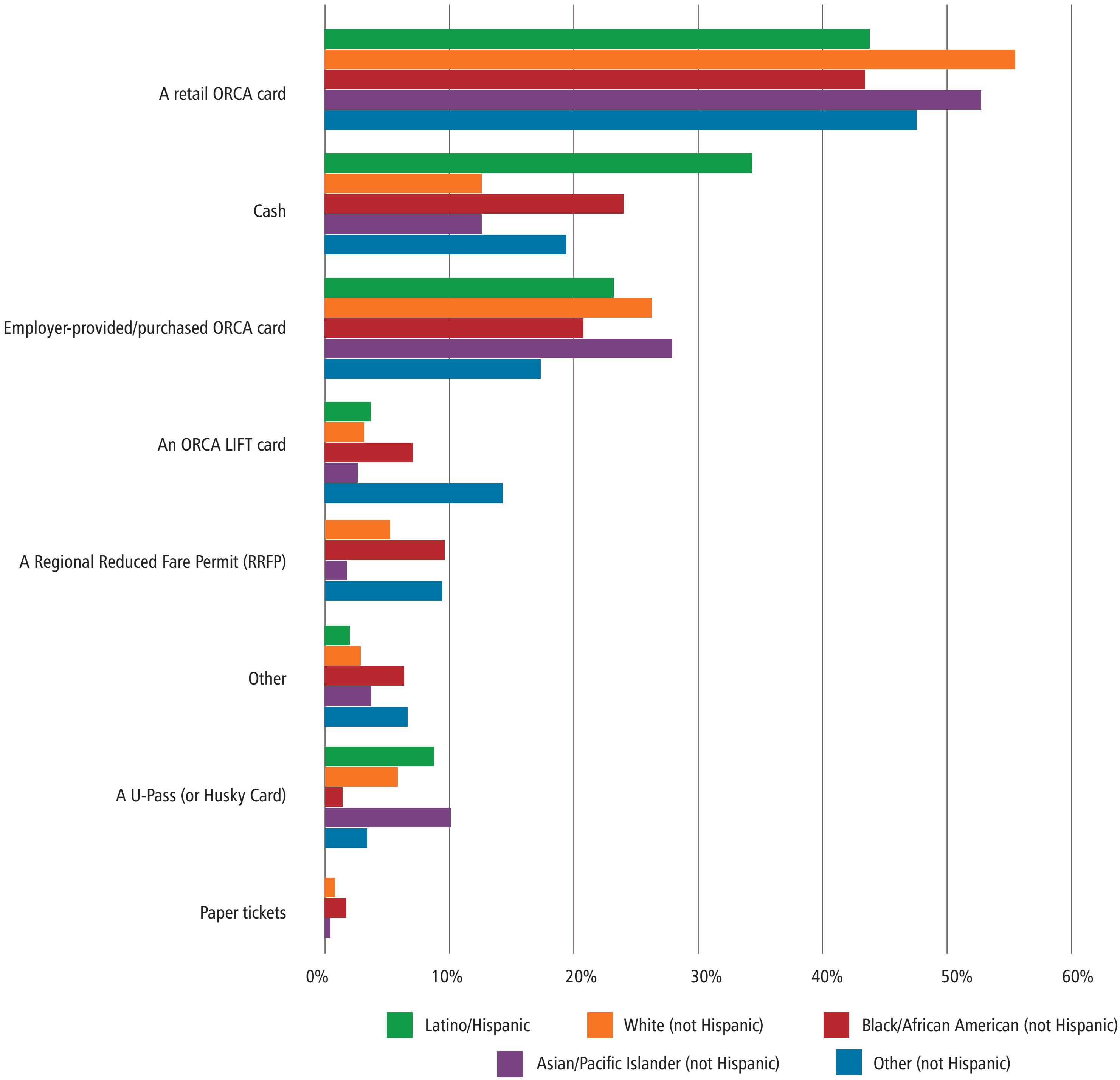
Figure 28. Typical Payment Method by Income Level
Note: "Other" includes survey response categories King County Employee ID/Badge, TransitGo, and Other.



Typical Payment Method By Race/Ethnicity

- ORCA cards are the most commonly used method of payment across all ethnicities/races
- Cash users comprise a larger share of Latino/Hispanic (34%), Black and African Americans (24%), and other non-Hispanic (19%) riders, compared with just 13% of non-Hispanic White and Asian/Pacific Islander riders.

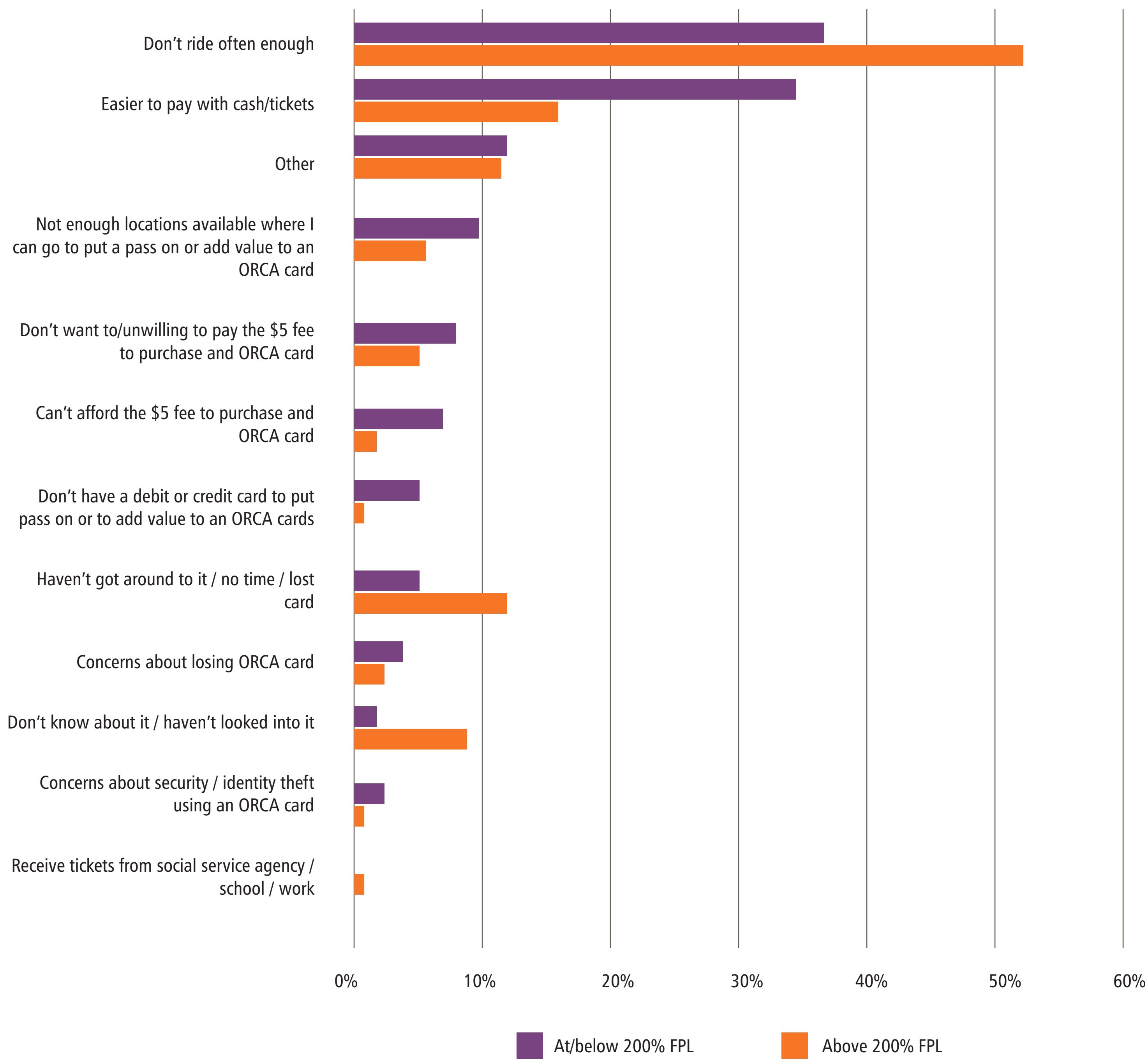
Figure 29. Typical Payment Method by Race/Ethnicity
Note: "Other" includes survey response categories School District Card/Pass from School, Access Pass, King County Employee ID/Badge, TransitGo, and Other.



Reasons For Using Cash Instead Of ORCA

- Across all income levels, the most common reasons for riders to use cash instead of ORCA were that they do not ride often enough and that it's easier to pay with cash and/or tickets.
- Riders at/below 200% FPL are more than twice as likely to answer that it is "easier to pay with cash/tickets" than those with incomes above 200% FPL.
- 7% of those at/below 200% FPL and 2% of those above 200% FPL report being unable to afford the $5 fee to purchase an ORCA card.
- 5% of those at/below 200% FPL report not having access to a debit or credit card to add ORCA value.

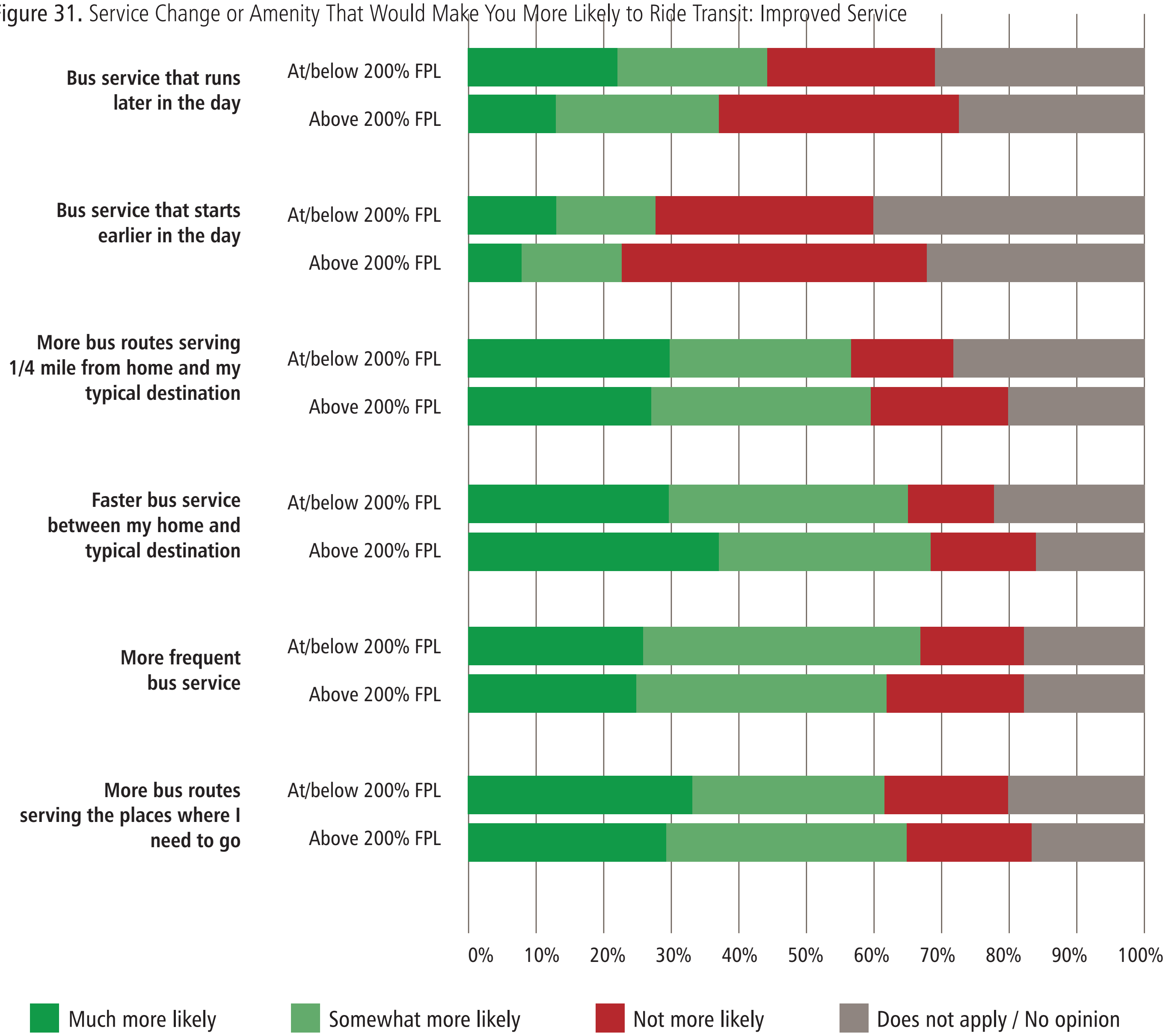
Figure 30. Reasons for Using Cash Instead of an ORCA Card



Service Change Or Amenity That Would Make Non-Riders More Likely To Ride Transit

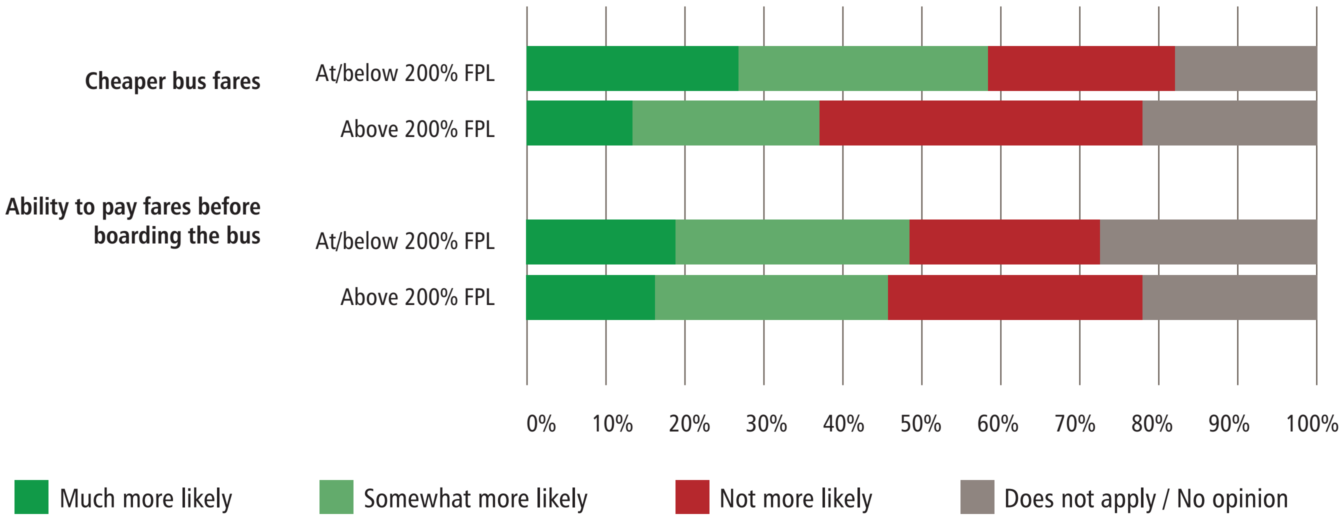
- In general, attributes related to improved bus service (more routes, faster service, and frequency) were among the most highly ranked factors that would make non-riders more likely to use transit.
- Non-riders with low incomes expressed a slightly stronger preference for expanding service coverage to run either later or start earlier in the day.

Figure 31. Service Change or Amenity That Would Make You More Likely to Ride Transit: Improved Service



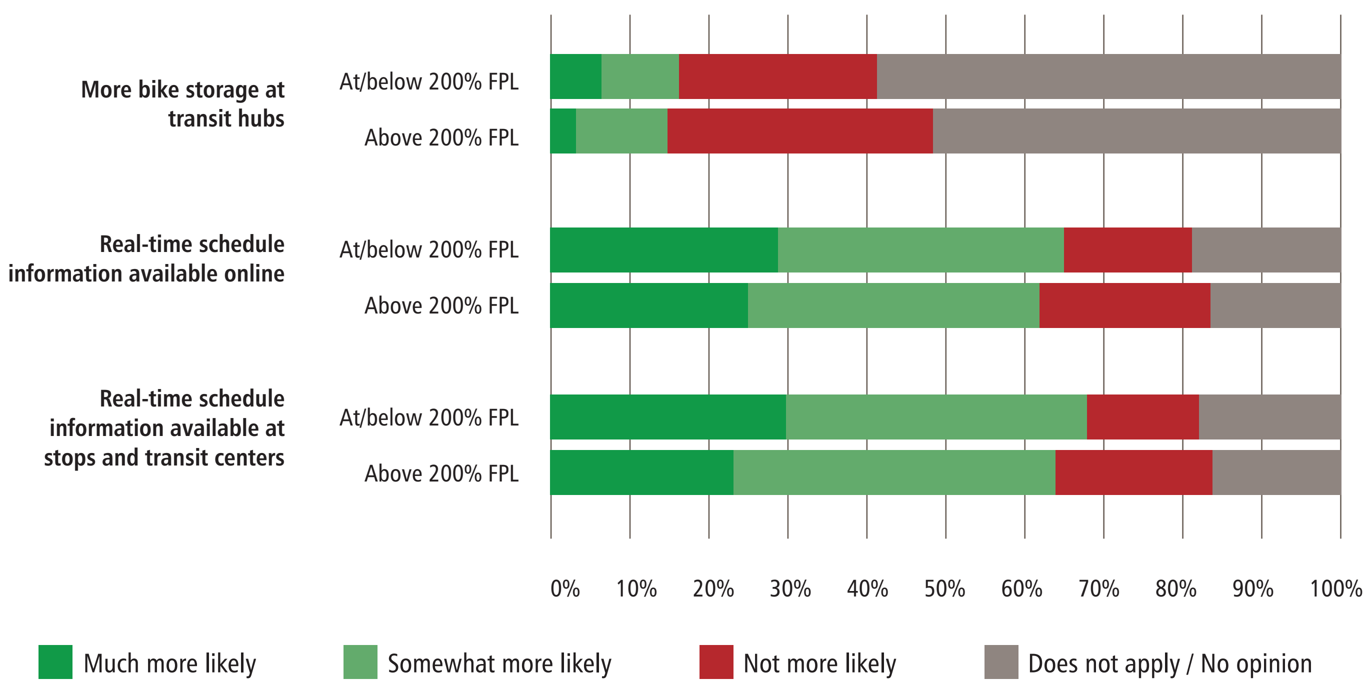
- 59% of non-riders at or below 200% of FPL reported being more likely to use buses if fares were cheaper, compared to 38% for those above 200% of FPL.

Figure 32. Service Change or Amenity That Would Make You More Likely to Ride Transit: Fares



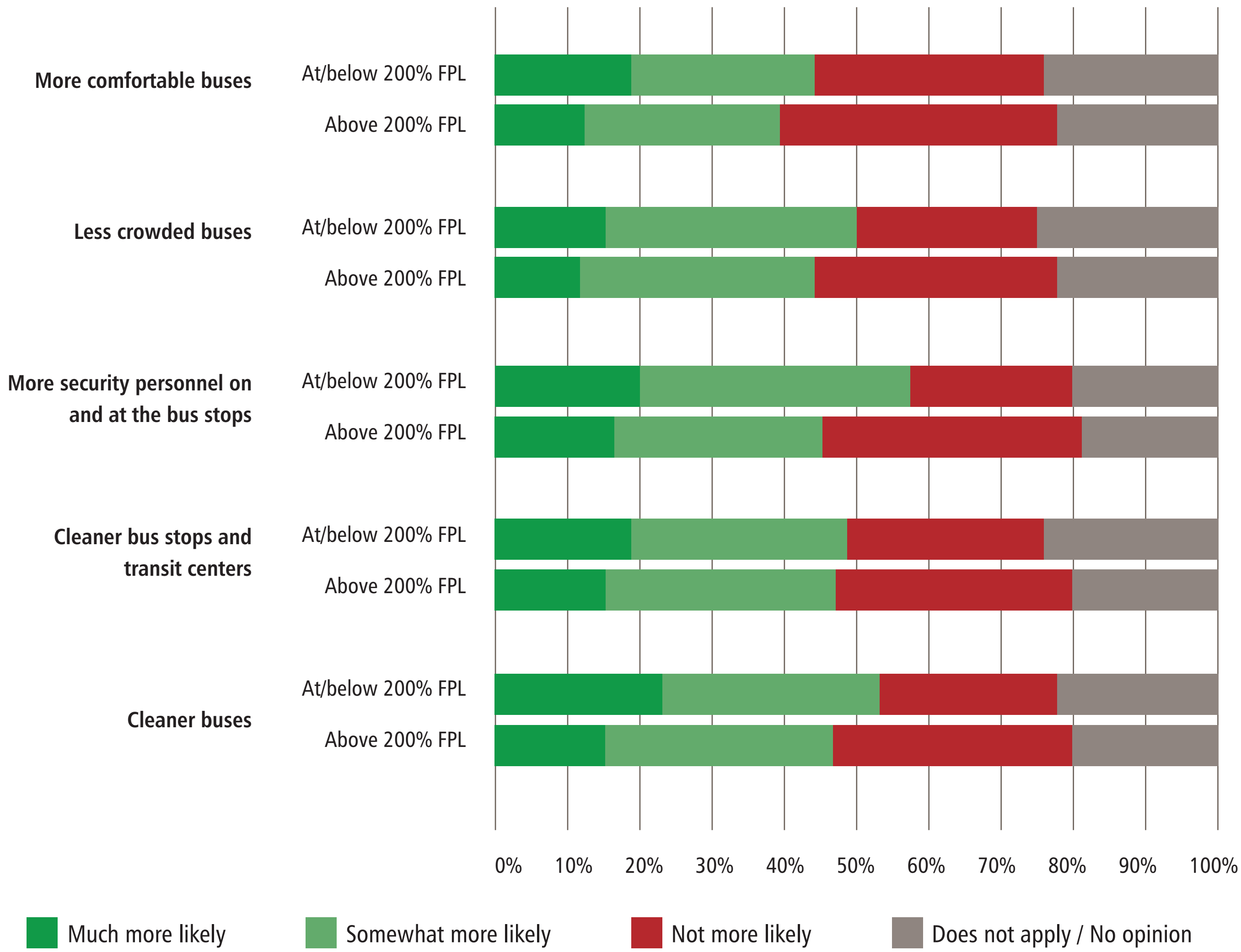
- Real-time schedule information was among the most common factors that would increase the likelihood of transit ridership among non-riders.

Figure 33. Service Change or Amenity That Would Make You More Likely to Ride Transit: Information and Amenities



- Non-riders at or below 200% of FPL were more concerned with the level of security at bus stops than those with higher incomes. Bus crowding and cleanliness were also common concerns for both income groups.

Figure 34. Service Change or Amenity That Would Make You More Likely to Ride Transit: Comfort/Safety

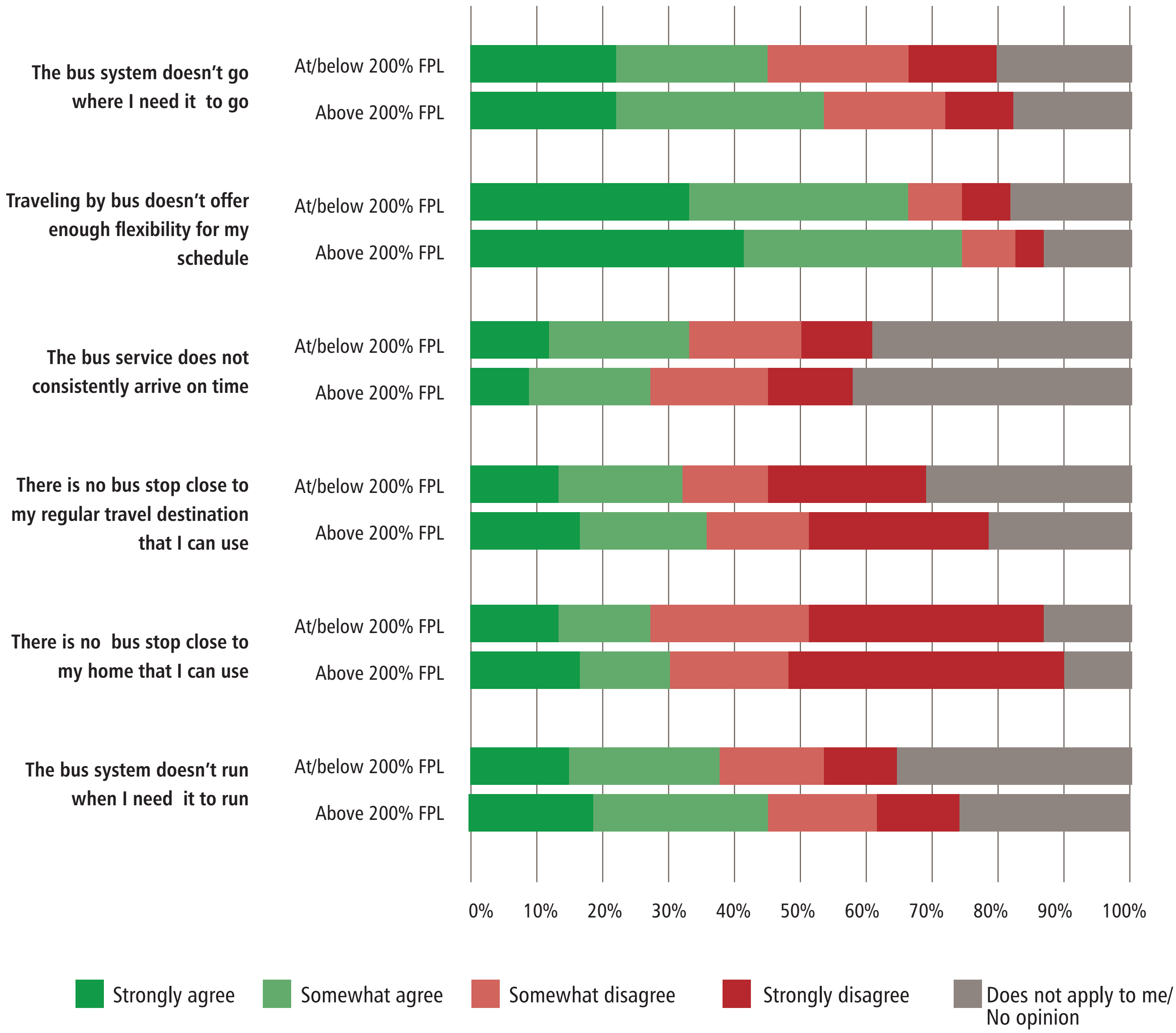


Non-Riders: Attitudes Toward Riding Transit

Across income levels, the most commonly agreed on statements were that bus travel does not offer enough flexibility for schedules, that bus travel takes too long, and that it's a hassle to plan trips ahead of time.

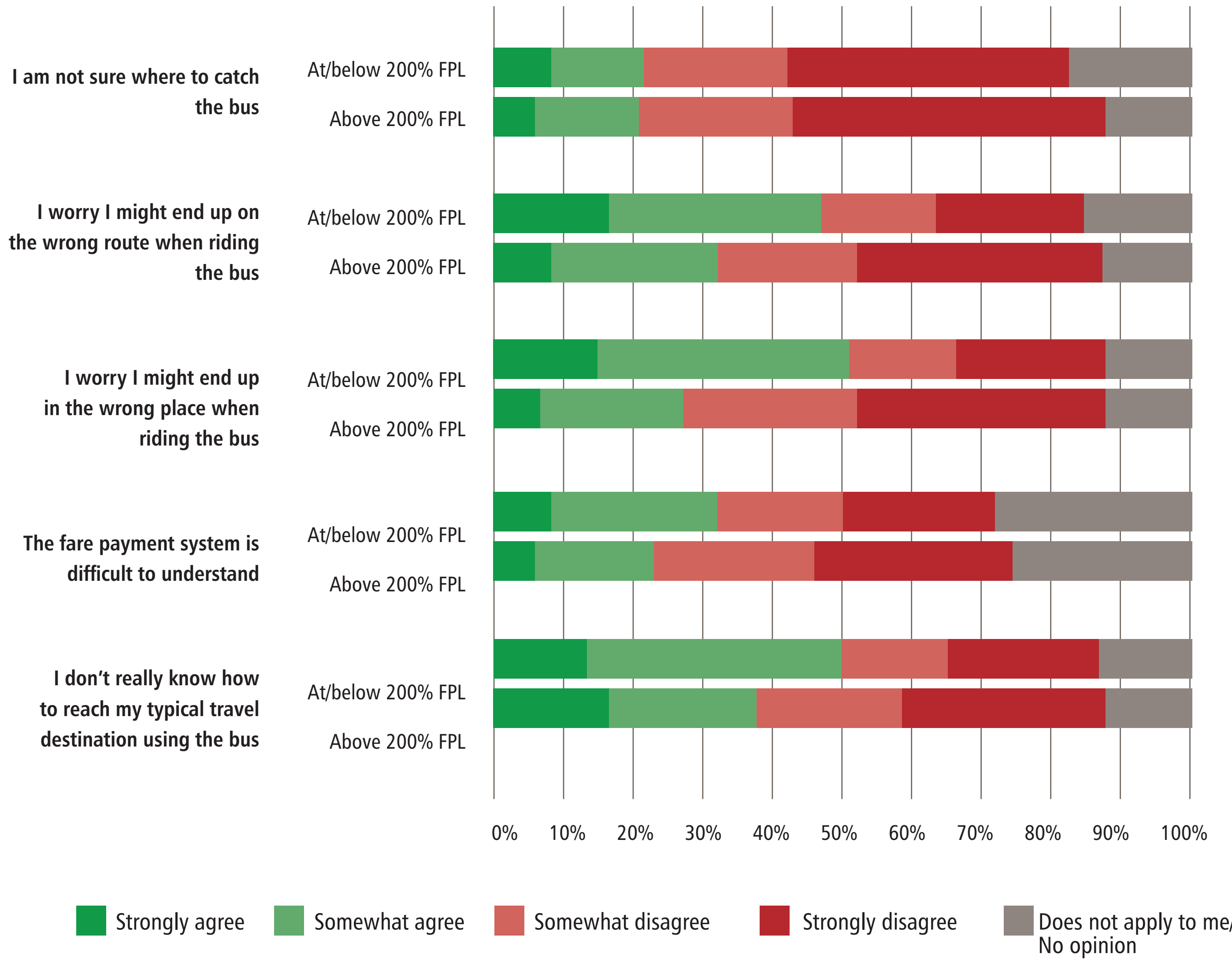
- In addition to not offering enough flexibility for their schedules, many non-riders agreed that the bus "doesn't go where I need it to go."

Figure 35. Non-Riders Attitudes Toward Riding Transit: Bus Service



- A larger portion of those at a lower income level do not know how to reach their typical travel destination using the bus and exhibit greater uncertainty with bus travel.

Figure 36. Non-Riders Attitudes Toward Riding Transit: Knowledge/Information



- 36% of those at/below 200% FPL feel that the bus is too expensive, nearly twice as many as those above 200% FPL.
- Opinions on whether bus travel is less expensive than driving are relatively consistent across income levels.

Figure 37. Non-Riders Attitudes Toward Riding Transit: Cost

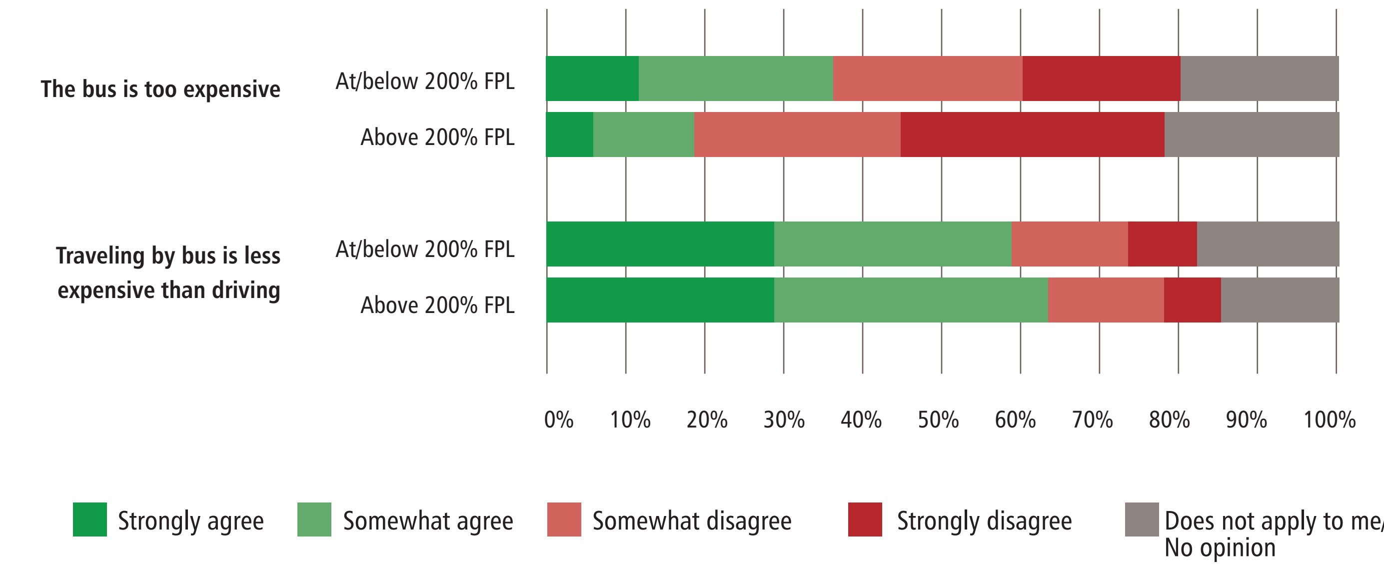
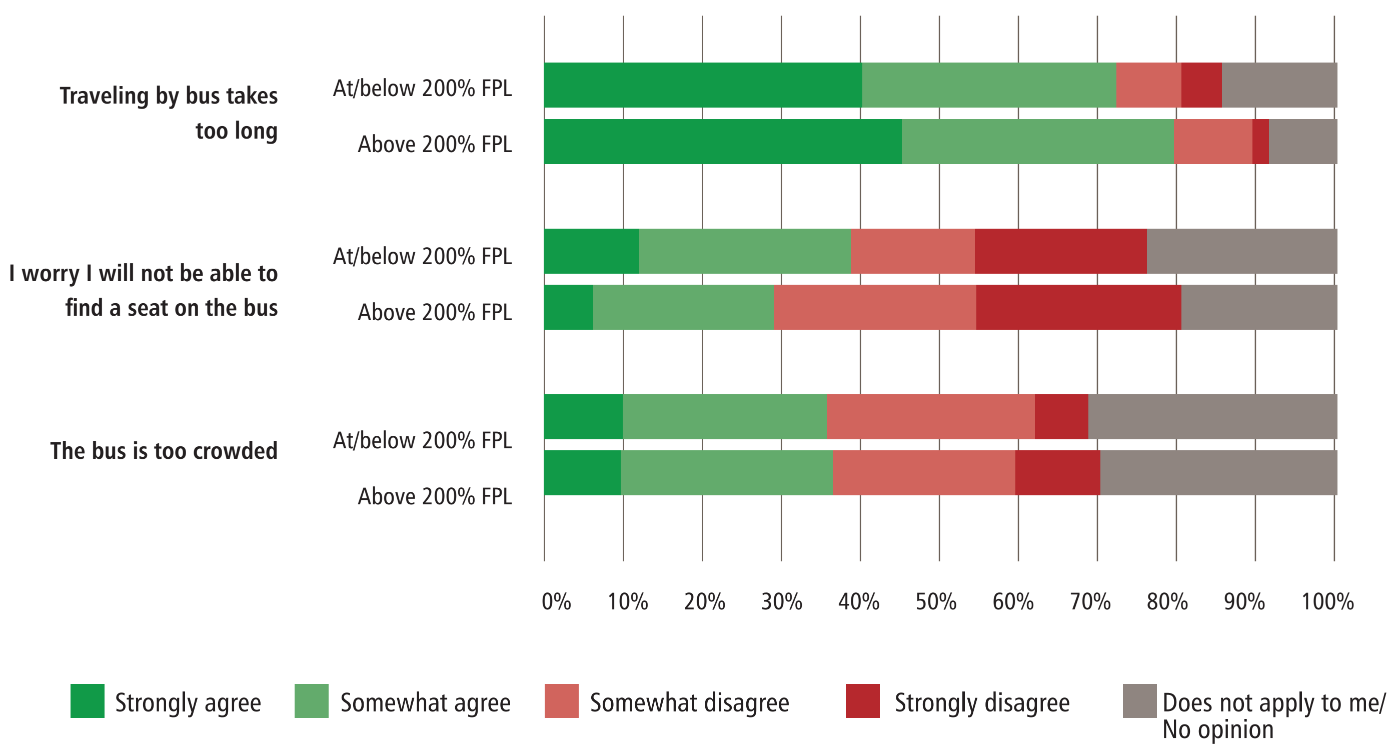


Figure 38. Non-Riders Attitudes Toward Riding Transit: Comfort/Convenience



- Half of non-riders at or below 200% FPL indicated that personal safety on the bus was a concern.

Figure 39. Non-Riders Attitudes Toward Riding Transit: Safety/Environment

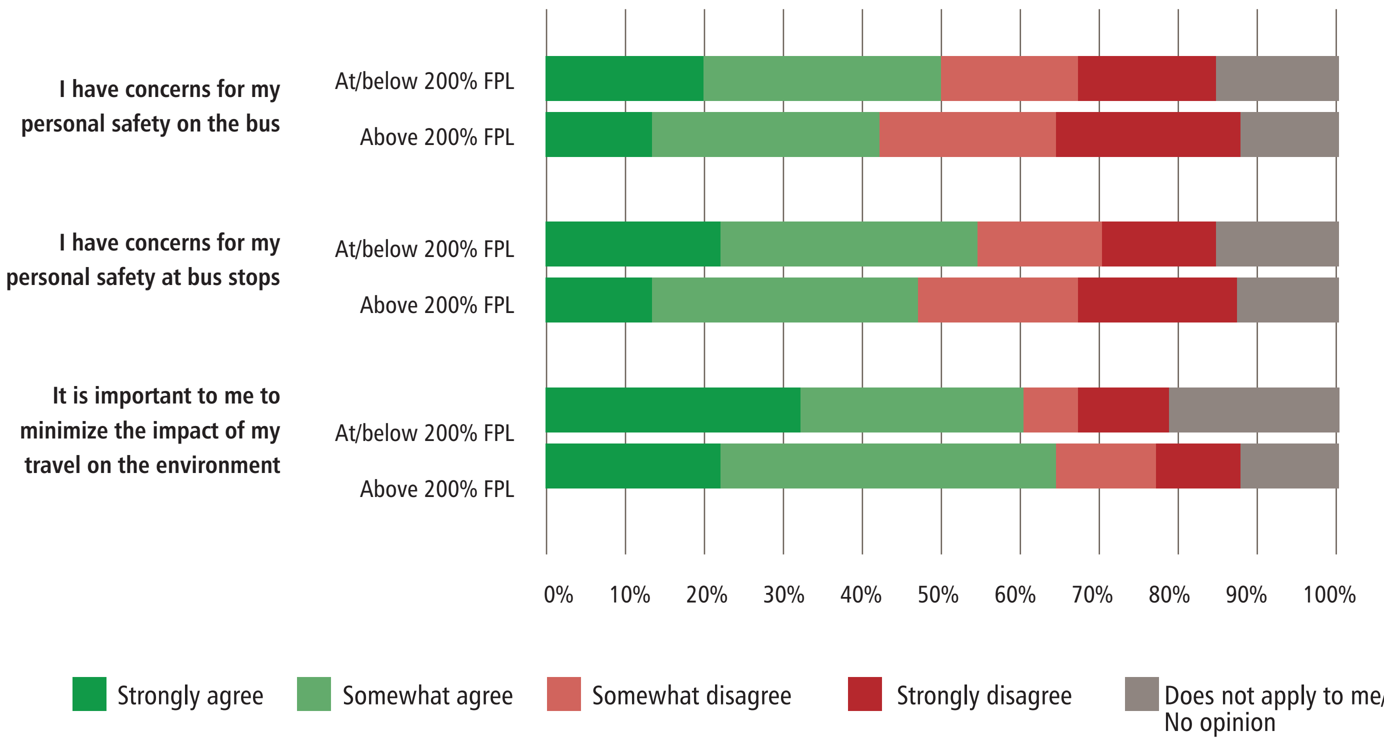



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EXHIBIT D: REFERENCE INFORMATION

2019 Low-Income Eligibility Thresholds by Household Size

Household Size	2019 Federal Poverty Guidelines	138% of Federal Poverty Level (FPL)	King County 30% Area Median Income
1	$12,490	$17,236	$23,250
2	$16,910	$23,336	$26,600
3	$21,330	$29,435	$29,900
4	$25,750	$35,535	$33,200
5	$30,170	$41,635	$35,900
6	$34,590	$47,734	$38,550
7	$39,010	$53,834	$41,200
8	$43,430	$59,933	$43,850

https://aspe.hhs.gov/2019-poverty-guidelines; https://www.kcha.org/housing/subsidized/eligibility

King County Percent of Households by Household Size

Household Size	Percent of King County Households
1	29%
2	35%
3	15%
4 or more	22%

U.S. Census Bureau 2017 ACS 1-Year Estimates

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www.kingcounty.gov/metro

Appendix E: Current and planned research efforts

DSHS low-income transit subsidy study
Partners: David Phillips and Becca Brough, Wilson Sheehan Lab for Economic Opportunities (LEO) at Notre Dame University; Matthew Freedman, Department of Economics at UC Irvine; Washington State Department of Social and Health Services (DSHS)

Description: In March 2019, LEO, Metro, and DSHS launched a randomized-controlled trial that gave eligible clients at three participating DSHS offices the opportunity to receive a free ORCA LIFT card with up to five months of unlimited transit. Preliminary analysis shows that individuals given fully-subsidized LIFT cards are riding significantly more than those given standard LIFT cards, suggesting that cost may be a significant barrier to use public transit. Initial data is currently being gathered and analyzed, however the researchers are also working with Metro on designing a study expansion, which will give us more insight into how cost compares to other barriers and the extent to which the transit subsidy improved personal mobility and quality of life.

Timeline: Initial findings fall 2019, study expansion early 2020, final results summer/fall 2020.

Key deliverables: Report of findings.

Department of Public Defense (DPD) study
Partners: David Phillips and Becca Brough, Wilson Sheehan Lab for Economic Opportunities (LEO) at Notre Dame University; Daniel Ho and Jessica Saunders, Stanford Law School; Matthew Freedman, Department of Economics at UC Irvine; King County Department of Public Defense (DPD)

Description: A randomized-controlled trial to determine whether giving a transit benefit to DPD clients has an effect on their likelihood to appear for court dates. Distribution of the 1000 ORCA LIFT cards pre-loaded with $15 began in July 2019, and is expected to last approximately one year. The researchers are currently considering increasing the amount loaded on cards, since early data indicates that many cards are being depleted prior to scheduled court appearances, as well as a possible expansion to another court.

Timeline: Initial findings 2020, final results 2021.

Key deliverables: Report of findings.

Cashless fare behavioral study
Partners: Behavioral science research consultant TBD

Description: A consultant will develop, implement, and analyze a set of behavioral science experiments designed to reduce cash payment and encourage the use of non-cash payment methods.

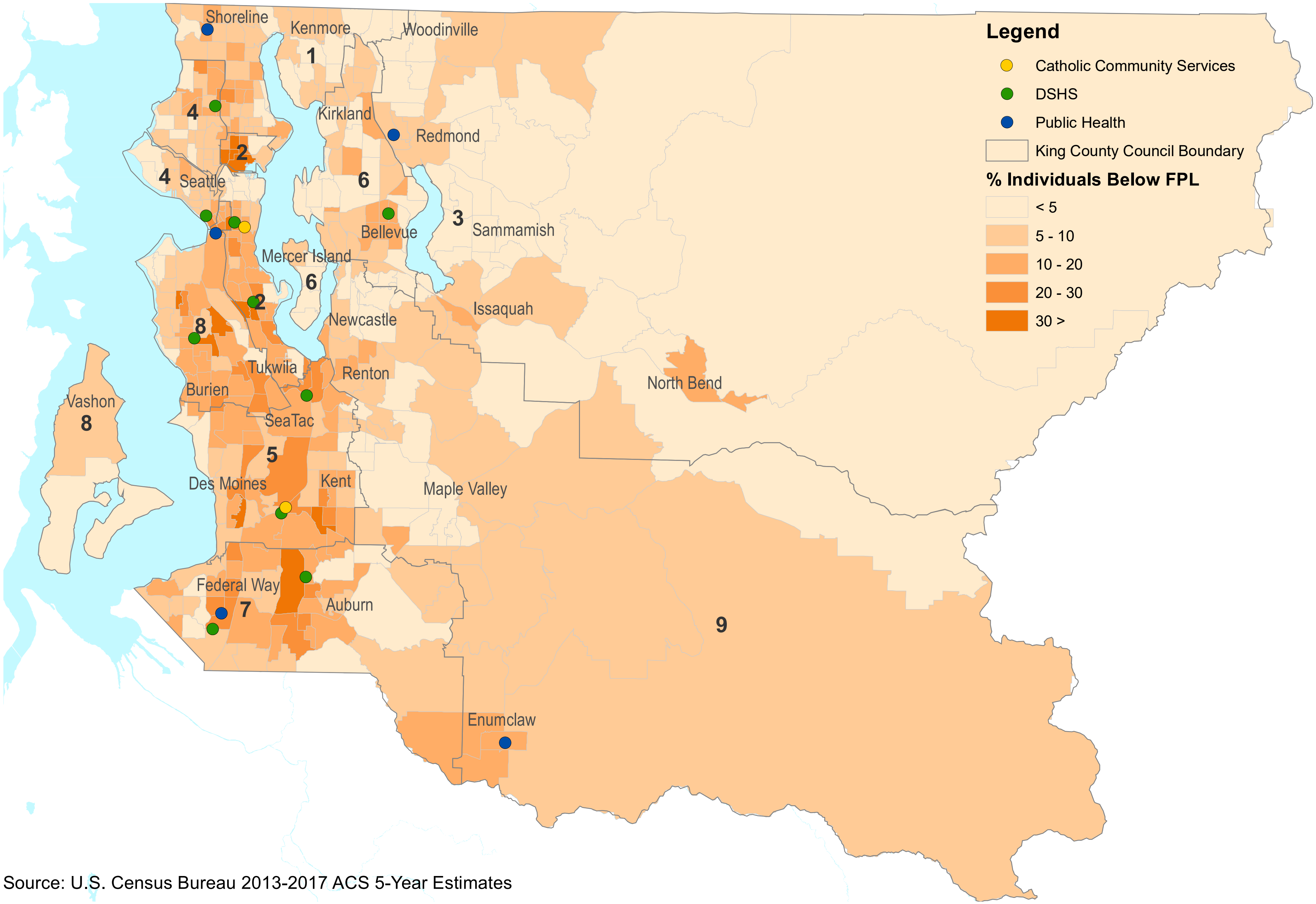
Timeline: Implement and evaluate trial concepts throughout 2020.

Key deliverables: Report of findings and policy recommendations.

Appendix F

Map of proposed startup year enrollment locations:

Existing DSHS, CCS, and Public Health locations



Source: U.S. Census Bureau 2013-2017 ACS 5-Year Estimates

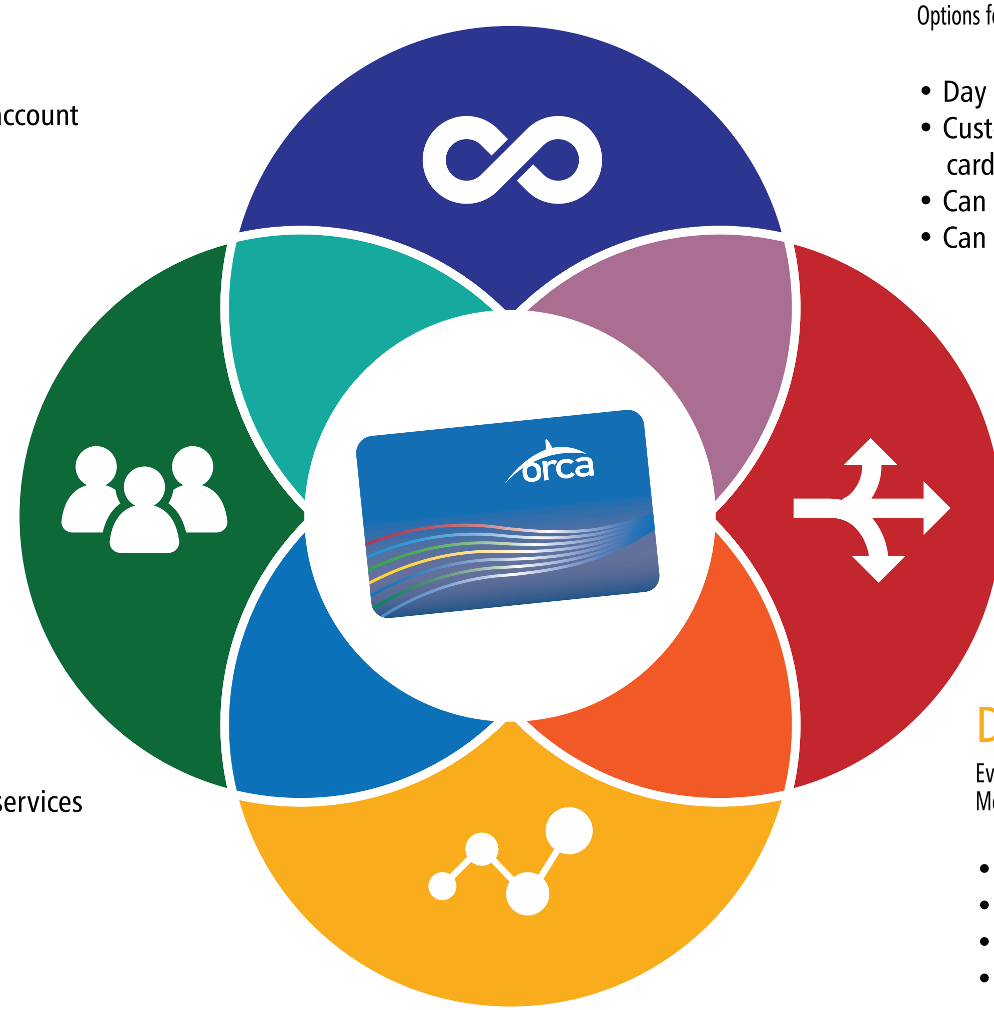
Benefits of NEW ORCA Product
on an income-qualified ORCA card

CONTINUITY
One card is all you need

- Part of ORCA system
- Customer does not have to manage account
- Metro loads product onto cards
- Use the same card to pay to ride other transit systems
- LIFT benefits remain when customers leave program
- Annual pass makes it easy for the customer

FLEXIBILITY
Options for expansion

- Day passes and annual passes are options
- Customer can use the loaded ORCA card immediately
- Can add Sound Transit now
- Can grow program over time



PARTNERS
Builds relationships

- Streamlines customer access to a range of services
- Value add for current human service agency partners
- Added incentive for clients needing services
- New agency partners can join
- Reduced agency burden; Metro handles administration

DATA
Evaluate impacts of the program on Metro, partners and customers

- Track ridership to understand demand
- Understand travel patterns
- Adjust program based on data
- Manage risks by blocking fraudulent cards
- Use data to recruit other agencies to join the program

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