

## MEMORANDUM

To: Interested Stakeholders

From: Alea Gage, MTC

Date: November 21, 2008

RE: Low Income Fare Discount Survey Results and Analysis

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At a special meeting held July 2 at the MTC, a group of stakeholders, mostly representing the region's transit operators, convened to provide feedback for a proposed pilot program aimed at implementing a means-based transit fare discount for low income transit riders. Staff from several transit operators suggested conducting a survey of the nature and extent of existing low-income fare-discount programs in the region, such as individual operators' arrangements with local social service agencies and non-profits to distribute fare media to low-income people in need. To gather this information, MTC staff conducted an online survey in early fall with the assistance of Transit Finance Working Group members. A total of 16 transit agencies participated in the survey and provided as much information as they had available, as the extent and specificity of tracking and reporting of this information varies throughout the region.

Summary of the reported findings from the 16 transit operators who completed the survey:

- The provision of FREE fare media to non-profit/community-based organizations or local social services and other public agencies is not common practice for the region's transit operators. There are five transit operators that are exceptions.
- The provision of DISCOUNTED fare media to non-profit/community-based organizations or local social services and other public agencies is not common practice for the region's transit operators. Of the three transit operators who provide discounted fare media on a monthly basis, the discounts range from 4% to 25%. These transit operators tend to give higher discounts on monthly passes than single ride tickets.
- The provision of FULL-PRICE fare media to non-profit/community-based organizations or local social services and public agencies is common practice for the region's transit operators. In fact, of thirteen of the sixteen respondents who reported doing so, ten provided fare media to non-profits/community-based organizations, twelve to social service organizations and four to other public agencies.
- In sum, transit operators reported supplying approximately \$880,000 of fare media for distribution to low income riders at an average discount of 3%.

- When the transit operators were asked what they would like the pilot program to achieve, respondents felt the pilot should be structured as a needs assessment for such a discount with attention to long-term financial sustainability of the program than focusing on delivery methods and approaches.

**On the whole, the provision of FREE fare media to non-profit/community-based organizations or local social services and other public agencies is not common practice for the region's transit operators.**

The exceptions include:

- Santa Rosa City Bus reports that they provide 500 single ride tickets to one nonprofit organization on a monthly basis.
- LAVTA reports that they provide 30 monthly passes to one nonprofit organization and 30 monthly passes per month to the City of Livermore who distributes them to their various agencies on a monthly basis.
- Sonoma County Transit reports that they provide 500 single ride tickets per month to the Sam Jones Homeless Shelter on a monthly basis.
- West Contra Costa Transit Authority reports that they provide 500 single ride tickets to WCCTAC Homeless Families in Transition on a monthly basis.
- SamTrans reports that they provide 10,000 single ride tickets to one nonprofit on a monthly basis.

**On the whole, the provision of DISCOUNTED fare media to non-profit/community-based organizations or local social services and other public agencies is not common practice for the region's transit operators. Of the three transit operators who provide discounted fare media on a monthly basis, the discounts range from 4% to 25%.**

The exceptions include:

- Sonoma County Transit reports that they provide 1,500 single ride tickets at a discount of 25% to 6 non-profits, 5,000 single ride tickets at a discount of 25% to Sonoma County Health and Human Services and 200 single ride tickets at a discount of 4% to Sonoma County Social Service Agency on a monthly basis.
- Santa Rosa City Bus reports that they provide 200 single ride tickets at a discount of 4% to 2 non-profits on a monthly basis.
- MUNI reports that they provide 6,000 monthly passes at a discount of 22% to San Francisco Human Services Agency through the LIFELINE pass on a monthly basis.

**What these exceptions reveal: transit operators are more likely to offer a higher discount for monthly passes versus single ride tickets.**

It is also logical that the up-front investment of a monthly pass is cost-prohibitive for some low-income people, who instead opt to pay a higher sum for their public transit over the course of the month. Accordingly, the pilot program may want to test the whether a monthly pass, even at a discounted cost, is still cost prohibitive for low-income people. If that is the case, it may want to consider testing various fare media at multiple depths of affordability to further understand at what cost is a discounted monthly pass considered reasonably priced for a low income person.

**On the whole, the provision of FULL-PRICE fare media to non-profit/community-based organizations or local social services and public agencies is common practice for the region’s transit operators. In fact, of thirteen of the sixteen respondents who reported doing so, ten provided fare media to non-profits/community-based organizations, twelve to social service organizations and four to other public agencies.**

Agency	Number and Type of Fare Media (per month)	Distributed To
BART	Unknown	Contra Costa County Health and Human Services; Alameda County; San Francisco County
	Unknown	10 nonprofits
Sonoma County Transit	260 monthly passes	Sonoma County Health and Human Services
	25 monthly passes	Sonoma County Office of Education
West Solano Transportation Authority	Unknown	Unknown
	Unknown	Unknown
SCVTA	410 monthly passes; 450 day passes	Santa Clara County Social Services Dept.
	300 monthly passes; 800 day passes	10 nonprofits
	130 monthly passes; 2,510 single ride tickets	Various public health government agencies
Petaluma Transit	Unknown	Unknown
LAVTA	30 monthly passes; 180 single ride tickets	Alameda County Social Services
Santa Rosa City Bus	20 monthly passes	Sonoma County Social Service Agency
	20 monthly passes	1 nonprofit
West Contra Costa Transit Authority	500 single ride tickets	Contra Costa Nutrition
	50 monthly passes; 3,500 single ride tickets	5 nonprofits
Alameda/Contra Costa Transit District	2,000 monthly passes; 4,000 single ride tickets	Alameda Social Services
	3,000 monthly passes; 4,000 single ride tickets	12 nonprofits
	500 monthly passes; 500 single ride tickets	Various small government agencies
Eastern Contra Costa Transit Authority	150 day passes	Contra Costa County Children and Family Services; East County Community Center; Brighter Beginnings
	1,650 single ride tickets	5 nonprofits
Central Contra Costa Transit Authority	1,300 single ride tickets	Contra Costa County Social Services Dept.
	1,550 single ride tickets	4 nonprofits
City of Rio Vista	50 monthly passes; 100 single ride tickets	County of Solano
	25 monthly passes; 150 single ride tickets	3 nonprofits
SamTrans	90 monthly passes; 1,075 monthly passes	2 nonprofits San Mateo County Department of Public Social Services, Office of Education, Peninsula Works Program

The three remaining agencies who did not report providing full-price tickets to nonprofits/ community-based organization or local social service and other public agencies are: SFMTA (who likely do but did not have the information to answer the question), Union City Transit and the City of Alameda (who operate a ferry service).

**Other Findings:**

*Three transit operators are engaged with partnerships to provide discounted fare media to low income riders.*

- San Francisco MUNI’s Lifeline Pass is a partnership between MUNI and the San Francisco Human Services Agency, with financial support from the MTC. The pass is available to San Francisco residents who are demonstrably below 200% of the federal poverty level.
- Santa Clara County’s UPLIFT Program provides an ID with a sticker to case-managed homeless individuals on a quarterly basis for free transit on SCVTA routes. The program funded in near equal proportion by Santa Clara County, the City of San Jose and the Silicon Valley Community Foundation and is administered by the Santa Clara County Executive/Office of Affordable Housing.
- MTC’s Lifeline Program provides funding for the distribution of SamTrans fare media to low income people through 18 access points throughout San Mateo County. The C/CAG oversees the funding and the program is administered by the San Mateo County Human Services Agency.

*In most cases, the number of full-price fare media sold for distribution to low income riders corresponds to the size of the transit operator, with larger operators selling more tickets and smaller operators selling fewer tickets (ie AC Transit and SCVTA). However, some smaller or outlying operators exhibit a proclivity for well-established relationships with a smaller number of agencies and organizations that serve low-income people (ie Sonoma County Transit and Santa Rosa CityBus). These observations reveal the potential complexity for large transit operators in partnering with multiple agencies and organizations for the delivery of discounted fare media, both in terms of demand and administration and argue for the consideration of caps in terms of the amount of subsidy or number of discounted fare media made available.*

*40% of respondents have some kind of Class Pass for students. 40% have Eco Pass, whether residential or employer-based. The number of fare media distributed to low-income people through agencies and organizations pales in comparison to the number of people who participate in either Class Pass or Eco Pass programs. While these programs demonstrate that transit operators currently offer large-scale subsidy programs, administration is often not the burden of the transit agencies. Furthermore, arrangements between universities and transit operators often result in Class Programs being relatively revenue neutral.*

Class Pass

Agency	Number and Level of Education
SCVTA	34,500 College/University Students
Petaluma Transit	Unknown
SF MTA	Unknown (can follow up)
Alameda/Contra Costa Transit District	30,000 Middle/High School Students; 35,000 College/University Students
East Contra Costa Transit Authority	3,750 College/University Students
Central Contra Costa Transit Authority	13,000 College University Students

### Eco Pass

Agency	Number of Residential Users (per year)	Number of Employer-based users (per year)
County of Sonoma	0	335
SCVTA	2,300	110,000
LAVTA	2,000	20,000
Santa Rosa City Bus	0	1,300
Alameda/Contra Costa Transit District	0	4,000
Central Contra Costa Transit Authority	228,761	144,542

*When the transit operators were asked what they would like the pilot program to achieve, two smaller transit operators expressed concern about whether the design of a discount fare program would account for the smaller scale.*

- Petaluma Transit: Being a small provider, Petaluma will have distinct realities that a generalized model approach may contribute relatively more or less to. The several approach review will be a good chance to diversify as needed to ensure the appropriate method is aligned with the scale of delivery / passenger base.
- Union City Transit: Easy way for operators (especially small operators) to validate eligibility.

*As far as the goals of a pilot program, on the whole, respondents felt the pilot should be structured as a needs assessment for such a discount with attention to long-term financial sustainability of the program than focusing on delivery methods and approaches.*

**For more information, please contact the following MTC staff:**

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