Means-Based Transit Fare Discount Program
White Paper Draft

Abstract

Providing a utility rate discount or subsidy to low-income households has been a common policy approach to ensure that people do not have to forgo energy for basic heating and cooking, water for hygiene, or telephone service, for lack of funds. While federal transportation law requires reduced public transportation fares for the elderly and disabled in off-peak travel times, means-based transit fare discounts for low-income transit patrons are rare in the United States. This rarity of this practice has a number of significant implications for public transportation policy. First, it raises the likelihood that lower-income patrons could be subsidizing the travel costs of higher-income patrons. Second, it has made the prospect of raising fares to cover increasing costs for public transportation difficult for low-income patrons who are disproportionately affected by across-the-board fare increases. A means-based fare discount for low-income transit riders could allow for periodic fare increases that lessen the burden of the increased costs on the lowest-income patrons.

The primary focus of this paper is to evaluate different options and make recommendations for administering and distributing fare discounts on public transit operators in the nine county San Francisco Bay Area. The following summarizes the key findings and recommendations in this white paper:

- Research about whether the cost of transit fares in the Bay Area represents a barrier to travel for low-income households has been inconclusive. It has been demonstrated that lower-income households spend a larger portion of their income on transit fares compared to higher-income households. Affordability of transit has also consistently listed as one of the top transportation "gaps" for low-income residents in numerous MTC planning documents, including Community-Based Transportation Plans conducted in the region.

- The priority placed on a means-based transit fare discount varies significantly county by county. In general, stakeholders in more urbanized counties better served by transit place a much higher priority and perceive greater potential benefit than do more suburban and rural counties. This variation suggests the importance of an approach that is tailored at the county level rather than at the regional level.

- While fare discounts for age and disability are relatively straightforward to administer and test for, a means-based discount based on income is not. Administration of any type of means-based transit fare discount would be better handled by county Human Service Agencies or nonprofit community organizations than by public transportation providers.

- There are currently a variety of federal and local assistance programs for low-income households that offer some form of transportation benefit including transit fare subsidies. In spite of these existing programs, it appears that one of the greatest umet needs may be among the "working poor" who hold low-wage jobs but are ineligible for transportation assistance programs.

- Funding is one of the biggest barriers to implementing a means-based transit fare discount. Such a program could be financed in a number of ways, including restructuring existing discounts, raising fares for other patrons, broadening the eligibility of existing transit funding sources (in particular the State Transit Assistance program) for the regional Lifeline Transportation Program to cover fare subsidies, or generating a new revenue source for the Lifeline Transportation Program that could provide for a greater diversity of transportation solutions for low-income communities including auto loans, shuttles and bicycle/pedestrian safety measures.

Purpose

The purpose of this paper is to document the rationale for a means-based transit fare discount program, present alternate approaches of how a fare discount program could operate in the Bay Area, and make recommendations reflecting feedback from regional stakeholders about a transit fare discount program in terms of design and structure.

Methodology

This paper draws from three types of sources: (1) reviewing literature such as MTC planning documents and published studies, (2) consultations with government staff elsewhere in the country as well as various regional stakeholders. MTC staff met with representatives from transit operators, congestion management agencies (CMAs), social service providers from the government and nonprofit sectors across the region, MTC's Minority Citizens Advisory Committee and local social justice advocates. This paper incorporates the input provided from all of those sources in order to inform our findings for developing a means-based transit fare discount program for the region.

Structure

This paper is divided into the following sections:

Background	• MTC's continuing transportation equity efforts • Existing fare discount programs in the region
Assessing the Need for a Means-Based Transit Fare Discount	• Impact of discounts • Determining the target population • Why MTC is pursuing this program.
The Benefit of a County Level Approach	• How the program would be structured to account for varied low-income transportation needs in the region?
Program Considerations: how the program might operate	• Eligibility criteria • Which entities are suited for administration and distribution • Approaches to application processing. • Approaches to distribution
Recommendations	• Suggested next steps • Areas of further research and development

Background

MTC's Continuing Transportation Equity Efforts

Transportation 2035: Change in Motion, the Metropolitan's Transportation Commission's Regional Transportation Plan, slated for adoption in March 2009, aims to enhance the quality of life for residents of the Bay Area through promoting the "three E's" of economy, environment, and equity.[1] As a means of measuring progress toward the equity goal, MTC

[1] T2035 Draft, MTC, 2008

identified a performance of improving the combined affordability of housing and transportation MTC's current financial commitment to the Lifeline Transportation Program is over $280 million. In Transportation 2035, MTC is reaffirming its commitment by adding an additional $400 million, raising the total to nearly $700 million over the next 25 years. Program administration and project selection are conducted at the County level based on guidelines set forth by the MTC.[2]

The key focus of the Lifeline Transportation Program is to address barriers or gaps faced by low-income users of the transportation system. Many of these gaps emerge from MTC's Community-Based Transportation Planning program, which identifies transportation gaps in low-income communities throughout the region. Affordability is listed as a barrier in nearly all of the completed community plans. In the initial Lifeline funding cycle, several transit subsidy projects were submitted for funding. However, based on the funding for the program, transit subsidy projects were not eligible to receive funds.

Some transportation gaps faced by low-income people relate to access – projects that address these gaps include shuttles, expanded transit service hours, taxi vouchers, and infrastructure improvements that enable safer access – but affordability is another critical barrier to mobility for many who live on a very limited budget.[3] However, none of the current funding sources available for Lifeline can be used for transit subsidies, even though several projects have been advanced which either provide for enhanced outreach for fare discounts or have requested funds directly for fare subsidies.

Given the identified need and demonstrated efforts to provide fare discounts, MTC reserved $1.5 million of the second cycle of the Lifeline Transportation Program beginning in 2009 to test and evaluate various approaches for providing a means-based transit fare discounts to low-income transit riders though a pilot program.[4]

Existing Discounts

While a means-based transit fare discount program is aimed at reducing the transit costs for the region's low-income population[5], some low-income patrons already receive discounts of some kind, either through federal mandates or local assistance programs. Federal regulations require transit providers offer elderly and disabled patrons a minimum discount of 50% off the full fare during off-peak hours, although in practice most operators in the region make the discount available all day, and many offer discounts greater than 50%. In some cases, monthly passes are even more deeply discounted. Most of the region's operators partner to deliver the discount through the Regional Transit Connection (RTC) Card, an ID card issued to eligible persons through a central processor, which patrons show at the time of sale to demonstrate eligibility for the reduced fare.[6]

Additionally, fare media is distributed to low-income clients through social service providers, both from government and nonprofit programs. There are a select number of

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[2] Lifeline Transportation Program Guidelines, MTC, 2005

[3] In 2004, MTC funded a study of transportation spending by low-income households in California, which found that the cost of transit fares "may be a barrier for some" low-income users. Targeted transit fare discounts for eligible groups and individuals were one key policy recommendation from the study to improve affordability (L. Rice. Transportation Spending by Low-income California Households: Lessons for the San Francisco Bay Area. Public Policy Institute of California: p 106).

[4] In light of restrictions on the uses of Lifeline funding, transit operators would need to exchange funds other operating funds in order for a transit operator to receive funding for participation in the pilot program.

[5] This population will be identified more specifically during program development through further consultation from stakeholders.

[6] MTC ABAG Library

government programs that provide transportation benefits, although benefits and eligibility vary according to county. MTC conducted a survey of the region's transit operators to better understand the extent of existing free or reduced-fare programs in the region provided by social service agencies and nonprofit organizations.[7] The common programs and their associated transportation benefits are detailed below*:

Program+	Typical Eligibility Requirement	Type of Transportation Benefit
CalWORKS	Assets less than $4,000-6,000; Must have children or be pregnant; monthly income less than maximum aid payment for family size; participation in welfare-to-work activities	Employment related transportation expenses; mileage reimbursement or transit fare media, often monthly passes or single- or multi-ride tickets
Children and Family Services	Parents and children with child welfare concerns	Program-related transportation expenses, such as mental health appointments, parenting classes, visitations
Food Stamps/General Assistance	Income below 130% of poverty level; proof of employment or in search of employment for 16 weeks out of every year enrolled	Three to four months of employment-related transportation expenses; more benefit is available to clients who continue in employment-related activities

*Eligibility requirements and transportation benefits can vary by county.
+This is not an exhaustive list of programs that provide transportation benefits; however, the programs included above consistently offer transportation benefits through the counties of the region.

Finally, there are a few county-level transit fare discounts in the Bay Area that target eligible low-income people. An overview of such programs is provided below:[8]

County	Santa Clara	San Francisco	San Mateo
Transit Operator	VTA	MUNI	SamTrans
Program Name	UPLIFT Program	Lifeline Transportation Program	Lifeline Transportation Program
Eligibility	Case-managed homeless individuals	Demonstrably below 200% of poverty	Demonstrated household budget constraints
Determination	Santa Clara County Executive Office	San Francisco Human Services Agency	San Mateo Human Services Agency
Current Distribution	1,800 Passes per quarter	6,000 Passes per month	1,500 Single-Ride Tickets, Multiple Ticket Books or Monthly Passes per quarter^
Distribution Points	Homeless shelters and service centers	San Francisco Human Services Agency, MUNI, service center	18 county and nonprofit service centers
Cost to User	Free	22% off full-price monthly pass	Free
Limit	1,800 Passes	None specified	Expenditure of funding
Renewal	Quarterly	Yearly	Monthly

^Fare media could be going to the same individuals or households more than one time during the course of a quarter.

Assessing the Need for a Means-Based Transit Fare Discount

As mentioned above, affordability of transit fares and passes is a frequently documented transportation gap in the Bay Area. Of 17 completed Community-Based Transportation Plans (used to determine local priorities for Lifeline grants), 13 identified transit affordability as a

[7] Congressional Research Service; consultations with local HSAs
[8] Survey Results Memo, MTC, 2008

priority need.[9] However, due to state and federal statutes governing the funds used for the Lifeline Transportation Program, grants cannot be allocated directly for transit subsidies. This funding limitation has been one of several barriers to addressing this need on a regional level. Additionally, MTC's Coordinated Public Transit-Human Services Transportation Plan highlighted a number of concerns directly related to affordability, including the cost of transfers between transit systems, as well as concerns that are a consequence of the cost of transit, such as safety concerns with walking or from indirect but economical transit options, access to jobs and other essential destinations.[10]

In addition, numerous studies indicate that low-income families with children face particular affordability challenges when multiple trips are necessary to transport children to childcare and school in addition to work-related trips.[11] Unlike families traveling by auto where additional family members can essentially ride "free," families using transit must pay individual fares for each person traveling.

The Impact of Discounts

It is difficult to measure the impact of transit discounts on the budgets of low-income households, as the savings often allows for expenditures on costs otherwise forgone. However, the available evidence, while anecdotal, suggests that the benefit of transit affordability programs reaches beyond improving mobility towards improving quality of life. A recent report on the effects of free public transit for families of low-income middle school students in West Contra Costa County revealed that this decrease in a household's transportation costs translated directly into a higher level of safety for the children who could now have a more direct route or less time waiting for parents rides or at transit stops, the ability to pay for other important family necessities including clothing and food and reduced expenditures on gas shuttling children to and from school and after-school activities.[12]

In this challenging economic climate, it is almost certain that many of the region's transit operators will consider fares increases to help cover increasing operating expenses, particularly if other sources of revenue should continue to decline. Generally speaking, across-the-board fare increases disproportionately impact low-income riders, who not only constitute a high proportion of transit ridership, but also more deeply feel the impact of fare increases on their already constrained budgets, especially when people lack other mobility options and, thus, have no choice but to pay more. If transportation equity is defined as a fair or just distribution of impacts,[13] a means-based transit fare discount program can promote equity by mitigating the regressive impact of fare increases, and establishing fare policy whereby ability to pay becomes a more prominent consideration in fare policy.

Determining the Target Population

Given that some segments of the low-income population are already receiving transportation benefits through social service programs, a means-based transit fare discount program should strive to establish eligibility criteria that do not duplicate existing benefits but reach a target population who are not eligible for other discounts but for whom transit fares are a budgetary strain. Existing discounts for elderly and disabled riders cover one segment of the low-income population, and nonprofit and government programs are often designed to reach

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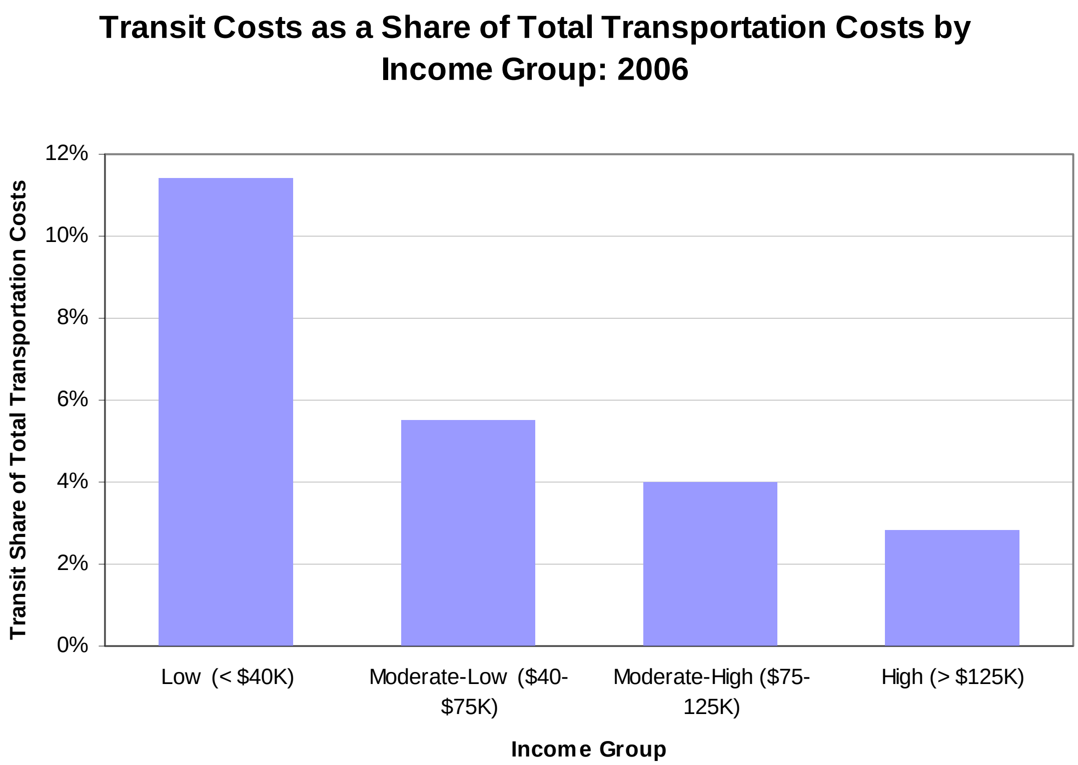
[9] Community-Based Planning website, MTC
[10] Coordinated Plan, Low Income Component, 2006
[11] Civics Research Cooperative, Region of Waterloo, 2004; consultations with local nonprofits
[12] WCCTAC Report to MTC, 2008
[13] Deakin, 2001

those seeking employment or out of the workforce. However, there exists a gap in transit subsidy for working people earning low wages. Recent estimates produced by the MTC as part of the development of the RTP suggest that transit fares constitute a much larger proportion of total transportation costs for households in the lowest income group relative to households in other income groups.[14] Therefore, changes in transit fares have a greater impact on these households compared to other households.



Furthermore, data from MTC's 2006 Transit Passenger Demographic Survey reveals that Bay Area transit riders with household incomes above $15,000 had a greater representation of "work" as their stated origin or destination than riders with household incomes of less than $15,000.[15] This data implies that a high proportion of transit riders with household incomes of under $15,000 may be out of the workforce and eligible for some other form of transit subsidy, either through senior or disabled discounts or social service programs. However, there may be many households with incomes of more than $15,000 that are employable or employed for whom transit costs are a constraint on their ability to secure or retain employment or afford necessities. Many in this situation are eligible for other subsidy programs such as housing, utility assistance, health care, food assistance, tax credits, child care and job training. Yet, transit subsidies remain a gap. This reality advances the consideration that employment status or enrollment in employment-related activities (education, training) could be part of the eligibility requirements for the program, as is the case with many social service programs.

[14] Draft Equity Analysis, MTC, 2009
[15] Maps & Data website, MTC

	Annual Household Income				
	< $15,000	$15,000-$25,000	$25,000-$50,000	>$50,000	All Riders
% of respondents reporting “work” as either origin or destination	31.4%	50.1%	53.1%	53.5%	49.9%

The Benefit of a County Level Approach

There are number of barriers that must be addressed or overcome before a broader regional discount program could be implemented.

Identifying a Revenue Source
At present, there is not a dedicated, eligible revenue source to fund a means-based transit fare discount program. Nevertheless, there are a few strategies for raising revenue.

- Legislative change to existing programs such as STA to increase their flexibility. Currently, however, the STA program’s future is uncertain amidst California’s budget crisis. Regardless, unless STA revenues increase, money for important service improvements could be potentially diverted to fund discounts.
- Transit operators could increase revenue by raising senior and disabled fares to federal minimums for both single-ride fares and monthly passes, or eliminating peak-hour discounts. Obviously such a strategy would face steep political hurdles, but particularly seniors are a rapidly growing market segment with markedly varied ability to pay.
- A new regional source of revenue wherein a discount program could be one application, expanding the types of projects t to which Lifeline’s current funding sources can be applied.

Fare Policy
Another barrier to an effective regional program is the lack of a regionally consistent fare policy. There is no documented case of a means-based transit fare discount program for an area served by more than one transit operator. For a program which focuses on equity, assigning a uniform percentage discount would result in a different depth of discount for each participating transit operator.

Currently, aside from federal standards for senior and disabled fares, transit operators set their own fare policies. Until there is redress to the inconsistent fare policies across operators in the region and the inflexibility of regional Lifeline funds to be used for fare subsidies, a single, region-wide means-based transit fare discount program does not make sense. Instead, a county-level approach based on findings from CBTPs and integrated into the Lifeline Transportation Program is a more appropriate strategy for broadly addressing transit fare affordability in the region.

Furthermore, numerous stakeholders have reported that a transit fare discount program might be better suited to some parts of region more than others. First, in outlying areas, coverage and basic access are reported to present a greater barrier to mobility than the cost of fare, although the majority of smaller and suburban operators’ patrons are low-income. In terms of total numbers, however, most of the region’s low-income transit riders travel on major operators in five counties – San Francisco, Santa Clara, San Mateo, Contra Costa and Alameda – where the transit network is also densest. Weighting each operator's total annual ridership by its overall share of low-income riders suggest that the operators with the largest numbers of low-income riders are Muni, AC Transit, VTA, and BART.[16] Second, feedback from social service providers in counties outside the region’s transit-dens core (such as Marin, Sonoma, Napa and Solano) expressed their low-income clients’ most immediate transportation needs may be better addressed through other investments in programs, such as car loans, shuttles, or for enhancement of the current transit network (such as expanded service areas or hours of operation).

[16] MTC Staff Analysis of Godbe Research Transit Survey Data, 2005-2006 Ridership Data from Statistical Survey

Consequently, it is crucial that mobility needs documented at the community-level inform program priorities and investments. Where a program may address transit affordability in denser, urban areas, a complementary set of investments should address other mobility needs documented in the less transit rich, lower density areas. Hence, a means-based transit fare discount program should not be a regional mandate, but rather focused in the five counties with the highest number of low-income transit users and richest transit networks, where the nexus of access and affordability can provide the greatest possible mobility benefit for users.

Program Considerations: how the program might operate

The following section contains the considerations necessary to the development of a means-based transit fare discount program. Reviewing and evaluating each of these considerations separately – eligibility criteria, which entities are best suited for administration and distribution, approaches to application processing and distribution – is intended to present a broad picture of how a program might operate.

Eligibility Criteria

The determination of program eligibility criteria should achieve two important goals: (1) provide simplicity in structure and administration to maximize direct benefit to users and (2) direct subsidies towards documented affordability gap for low-income people outside of the social service system. Most social service programs employ income thresholds as requisites for enrollment, achieved through means-testing.

For the purposes of a means-based transit fare discount program, it would be prudent for the administrative procedures to take advantage of existing means-tests to verify income, needing only proof that applicants have been previously documented under another program. For example, proof of enrollment or participation in the Earned Income Tax Credits, Section 8 housing vouchers, WIC (Women, Infants and Children), food bank assistance, utility assistance and other programs could be presented as the evidence of income verification during the application process, as is currently procedure with San Francisco's Lifeline Pass.

<table>
<tr><td colspan="2">Means-testing is the process undertaken to quantify an applicant's income, assets or a combination of both in order to determine eligibility for benefits. Most means-tests are scaled for household size and updated yearly.

The most common means-tests used by public agencies are the federal poverty guidelines and area median income levels.</td></tr>
<tr><td>The federal poverty guidelines are a simplified version of the Federal Government's statistical poverty thresholds used by the Census Bureau to prepare its estimates of the number of persons and families in poverty based on household income and family size.

Many of the region's benefit programs use ≤200% of federal poverty as income thresholds for its eligibility criteria. For an individual, 200% of poverty in 2007 was $21,180; for a family of four, it was $42,406.</td><td>Area median income levels (AMI) published each year by HUD are used to determine eligibility for housing benefit programs. The median income is given for specific towns or counties in each state.

In the Bay Area, affordable housing programs generally designate up to 40% of AMI as very low-income, and 40% to 80% as low-income. In Oakland in 2008, 80% of AMI is $66,250 for a family of four.</td></tr>
<tr><td colspan="2">How are they different?
Because area median income is designed to represent the proportion of households above and below the median, it accounts for area-based cost of living, whereas federal poverty guidelines are uniform across the country.</td></tr>
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Which Entities Are Suited for Administration and Distribution

The table below uses a set of criteria to evaluate capacity within different agencies to be responsible for program administration and distribution of benefits. These evaluations were derived through feedback from stakeholders from various agencies that might be involved in implementing a means-based transit fare discount. Information was also drawn from Welfare-to-Work Plans, MTC's Coordinated Public Transit-Human Services Transportation Plan, Lifeline Transportation Program grant applications and other planning documents and initiatives within MTC's equity efforts. In addition, members of these various entities have been approached through stakeholder outreach to receive their feedback on perceived capability for program administration and benefit distribution.

Who is best suited for program administration and distribution of benefits?

		Transit Operators	County Human Service Agencies (HSAs)	Nonprofits
Criteria	Experience administering benefit programs and/or distributing benefits directly to users?	No. While transit operators do have experience distributing discounts directly to youth and seniors and indirectly to seniors and the disabled through the RTC Card, they are not at all familiar with administering benefit programs.	Yes. Although transportation benefits are usually distributed directly to individual clients by case managers, HSAs have a wealth of knowledge and experience in designing and administering benefits programs and distributing benefits.	Yes, although nonprofit benefit programs often have less stringent application processes and eligibility requirements compared with HSA-administered benefit programs.
	Structure for collecting revenue from users?	Yes, both directly at the farebox or via customer service personnel and indirectly through third-party vendors.	No. HSAs do not typically handle cash transactions, and doing so would likely create an additional program expense.	No. In fact, nonprofit stakeholders have expressed hesitancy toward the responsibility of collecting revenue, particularly with regard to safety, security, their lack of expertise with fee-based services.
	Access to target population/Existing relationships to leverage?	Not clear. Although low-income riders are already familiar with how to interface with transit operators through their current fare transactions, transit operators do not typically interact with low-income riders in a different way from other patrons.	Yes, low-income people often seek out enrollment in HSA programs. Additionally, many HSAs contract with local nonprofit organizations to deliver crucial services to the low-income community, networks that can be leveraged to provide further access and distribution to low-income people.	Yes, the network of nonprofits could potentially provide the most far-reaching and broad access to across low-income segments. Additionally, many nonprofits meet or communicate regularly with each other and could provide a coordinated effort.
	Structure for distribution, especially outside conventional business hours?	Yes. Cash fares can typically be purchased anytime transit is in operation. Distribution of passes and other media through third-party outlets varies, but commercial vendors in particular tend to serve people when it is convenient for them to shop.	Not clear. Although transportation benefits are usually distributed directly to individual clients by case managers, HSAs overall have a wealth of knowledge and experience in designing structures for delivering/distributing benefits.	Not clear, but those nonprofits who distribute other benefits (food, shelter, child care) have created a structure for distributing these benefits and often operate within the most flexible hours.
	Ability to means-test or verify low-income status through previous means-testing?	No. Transit operators have absolutely no experience with verifying income or proof of enrollment in means-tested benefit programs.	Yes, HSAs have the most experience means-testing and with using income-based eligibility criteria.	Not clear across the nonprofit network. Some nonprofits such as One Stop centers and food banks already conduct means-testing in order to verify eligibility for their benefit programs.

	Transit Operators	County Human Service Agencies (HSAs)	Nonprofits
Ability to handle a large volume/demand of applications with means-tests?	No. Transit operators current don't handle applications for services of any kind, so any additional responsibilities in this arena would require additional staff and resources.	Not clear, but they do have institutional knowledge and staff who could establish the procedures to meet the need.	Not clear across the nonprofit network. However, larger nonprofits such as One Stop centers and food banks are more likely to be able to handle large volume/demand.
Existing administrative infrastructure to accommodate requirements posed by a means-based discount program.	No, any additional responsibilities in this arena would require additional staff and resources.	Yes, they do have institutional knowledge and staff who could establish the procedures to meet the need.	Not clear across the nonprofit network. Larger nonprofits such as one stop centers and food banks are more likely to possess administrative infrastructures capable of administering the program with a prohibitive level of administrative burden.
Recommendation	**Not recommended. Transit operators are not well-positioned to perform means-testing or to verify means-tests at the point of sale/distribution, both critical components of program administration.**	**Recommended for administration and distribution. The potential capacity is present, but the additional effort is needed to identify and replicate effective strategies, such as engaging with nonprofits for areas of collaboration.**	**Recommended for distribution. Still under consideration for administration. Recommended to engage with HSAs to identify areas of collaboration.**

Approaches to Application Processing

Application processing is a key part of administrative design of a means-based transit fare discount program, providing opportunities to craft procedures that streamline the administrative burden associated with the program. First, the Bay Area's RTC Card provides an example of central processing. In this case, a number of the region's transit operators pool the funds necessary to administer the elderly and disabled discounts, and in doing so, reduce their individual costs and administrative burden. This strategy may prove difficult depending on how means-testing is handled, as central processing reduces the amount of direct communication with applicants. For these reasons, County HSAs and nonprofits expressed concern that this model could be a disincentive for individuals to apply directly or for County HSAs and nonprofits on behalf of low-income individuals.

Second, an online pre-application could be a helpful to provide potential applicants with the information they need to submit complete applications for review. Many federal and local benefit programs use online pre-applications as a tool for both the applicant and administrator. Finally, a new data system would likely have to be constructed according to the program's administrative needs. This element of the program is crucial for tracking and evaluation. Also, a data system helps to prevent fraud by tracking that only eligible persons are receiving the discount, and that only one multi-ride pass is purchased by an eligible person at one time.

Approaches to Distribution

There are two leading strategies for distribution of the discount. First, identification cards could be issued to qualified applicants, as in done in Tucson, Arizona, Waterloo, Ontario, Canada and others issue identification cards to qualified applicants. In this case, this ID card is used to verify eligibility, and only with the card can the discounted fare media be purchased from the transit operator or other vendor. This method provides ease for users, as qualified applicants can purchase discounted transit fare media at any location riders can as long as vendors are aware of how to honor the card.

Alternatively, distribution can be limited to designated distribution points with staff knowledgeable about how to verify eligibility. These locations are responsible for the intake of new applications and possess a comprehensive tracking system of people who have qualified for the discount. This option, utilized in San Francisco for the Lifeline Pass, is intended to reduce the possibility of fraud.

Recommendations

As a result of identifying the various components and options for establishing a means-based transit fare discount program, the following recommendations inform the next steps:

1. *Encourage local knowledge, local priorities and local partners to set priorities with regard to affordability* – At this time, administration of a means-based transit fare discount program on a regional scale does not seem feasible. However, feedback from stakeholders suggests that a county level approach may best reflect the varied priorities for mobility programs in our region. Furthermore, infrastructure at the county level exists to identify needs and priorities (through local administration of the CBTP and Lifeline programs) as well as to coordinate administration and distribution of any discounts (potentially through county Human Service Agencies and locally based nonprofits).

2. *Better define the target population for a transit fare discount and investigate unique mechanisms to optimize benefit for users* – One of the most important questions to address in greater detail is the most appropriate target population for a transit fare discount. Since some portions of the region's low-income population already receive various transportation-related benefits through a variety of public assistance programs. A key question that needs to be answered is whether to further expand the coverage of transportation benefits for those already eligible for public assistance programs, or to focus on low-income workers and families who may be just above traditionally-defined eligibility thresholds. In addition, further study is needed to evaluate the potential impact of specific mechanisms that would optimize benefits in a way this is tailored to low-income users' needs: improved transfers, multi-operator discounts, semi-monthly passes, off-peak discounts, or family discounts or passes.

3. *Better define financing options for a transit fare discount* – The reality is that additional discounts on transit fares are unlikely to be introduced without a new, reliable source of revenue. Given the political difficulties of restructuring existing discounts for raising fares for the specific purpose of providing new discounts, the most feasible funding source is likely a new stream of county level or regional revenue that could fund a variety of mobility programs under the broader goals of the Lifeline Transportation Program.

4. *Make use of technology where possible* – TransLink® and a dynamic data-management system can help to mitigate and minimize administrative burdens associated with the program, help prevent fraud and reduce any potential stigmatizing of low-income discount recipients.

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