

# Means-Based Transit Fare Discount White Paper

Metropolitan Transportation Commission  
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METROPOLITAN  
TRANSPORTATION  
COMMISSION

# Overview

- Background
- White Paper Summary
- Key questions for discussion



# Key Questions

- Funding: In a time of budget uncertainty and faced with a decision between service and affordability, would this program remain the priority?
- County Level Approach: Do you think it's a good idea to allow Counties to decide whether this is a priority? If so, should it be folded into the Lifeline Program?
- Target Population: Do you think the white paper identifies the right target population?
- Next Steps: Are there other areas for additional study that you think would be beneficial that were not captured in the white paper?



# Background

- Lifeline Program and CBTPs
- T2035's equity target and advisor requests
- \$1.5 million proposed for pilot program (summer 2008)
- State budget crisis/STA instability



# Major Findings

- Despite existing discount programs, gaps in subsidy exist.
- County level approach better addresses local transit affordability priorities.
- County HSAs and nonprofits better suited as administrators and distributors.
- Appears to be a gap in subsidy among the “working poor.”
- Funding is a major barrier.

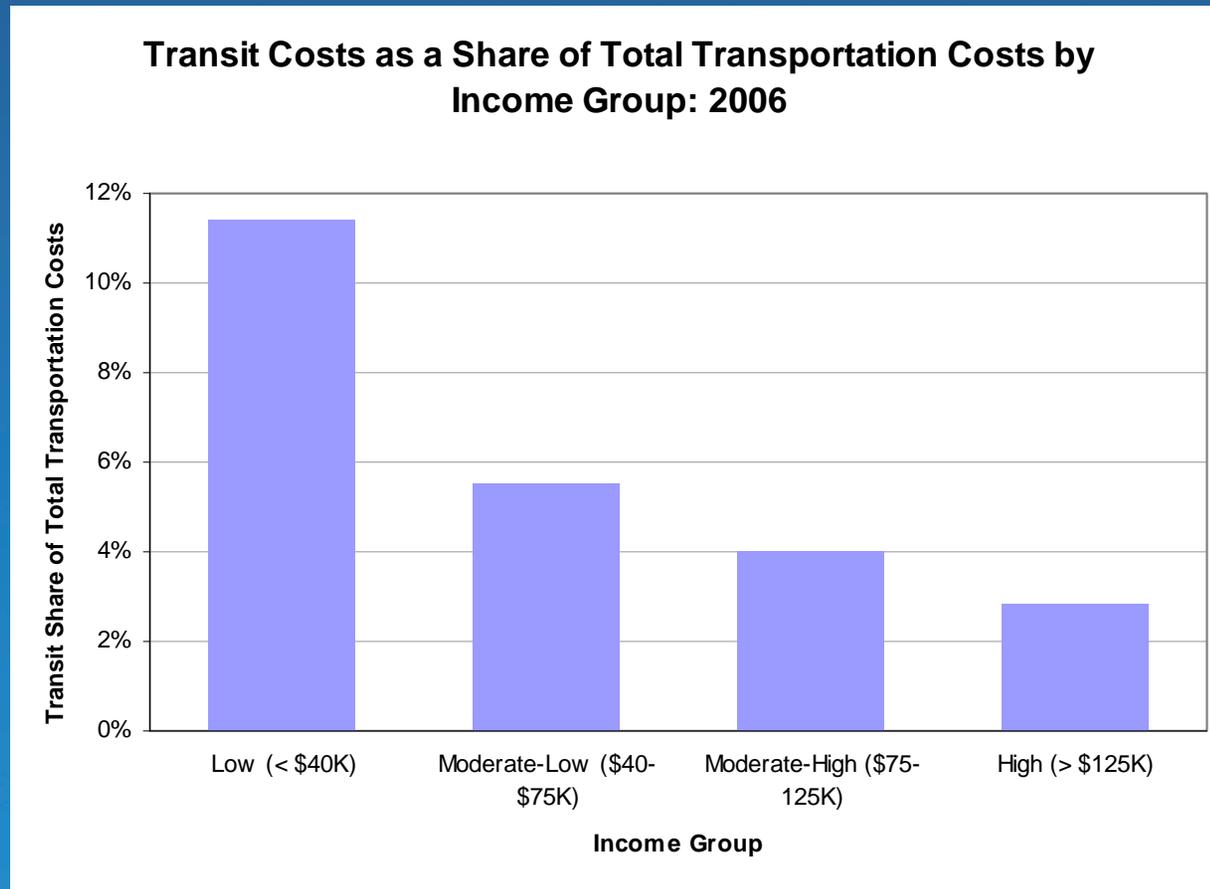


# Existing Discounts

- Social Service Discounts
  - CalWORKS
  - Children and Family Services
  - Food Stamps/General Assistance
- Nonprofits (ad hoc)
  - Anecdotal, not extensively documented
- County-level discount programs
  - UPLIFT Program (VTA, Santa Clara)
  - Lifeline Transportation Program (MUNI, SF)
  - Lifeline Transportation Program (SamTrans, SM)



# Transit Costs by Income Group



# The Benefit of a County Level Approach

- Inconsistent fare policies
- Inflexibility of regional Lifeline funds
- Program better suited for counties where transit network is densest
  - San Francisco, Santa Clara, San Mateo, Alameda, Contra Costa
  - Other investments in the remaining counties
- Based on identified community-based low income transportation needs



# Who Should Administer and Distribute?

Entity	Recommendation
Transit Operators	Not recommended. Transit operators are not well-positioned to perform means-testing or to verify means-tests at the point of sale/distribution.
County Human Service Agencies	Recommended for administration and distribution. Additional effort needed to identify and replicate effective strategies, such as potential collaboration with nonprofits.
Nonprofits	Recommended for distribution. Still under consideration for administration. Recommended to engage with HSAs to identify areas of collaboration.



# The Question of Funding

- At present, there is no dedicated, eligible revenue source to fund the program.
- A revenue source can be identified through:
  - A new regional source of revenue
  - Legislative change to existing programs such as STA to increase their flexibility
  - Raising senior and disabled fares to federal minimums or eliminating peak-hour discounts



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