

# Funding Options for Low-Income Transit Pass Pilot Programs

**July 25, 2012**  
Commission



METROPOLITAN TRANSPORTATION COMMISSION

# Background

- Discussions from May to July at Programming and Allocations Committee on requests for regional funding to support low-income pilot programs

Sponsor	Proposal	Duration	Est. Cost	Request for Regional Funding
SFMTA	Free transit passes for low-income youth	22 months	\$9.4 million	\$5.0 million
VTA	Reduced-cost monthly passes to low-income adults	24 months	\$4.0 million	\$2.0 million
ACTC	Student pass program (pending passage of Measure B3)	TBD	TBD	\$500,000 + \$4.5 million
		<b>TOTAL</b>	<b>\$13.4 + million</b>	<b>\$12 million</b>

# Options

- **1. Focus on SFMTA pilot program in near term, establish reserve for future pilots including VTA and ACTC**
- **2. Support three pilot programs: SFMTA, VTA, ACTC**
- **3. Establish framework for regional reduced fare program for low income youth**

# Option 1: Focus on SFMTA pilot program now, reserve for future pilots

- **SFMTA's program farther along in development**
- **Available Funding: \$5 million available from carryover Climate funds, \$20 million in OBAG Climate Initiatives**

- **Distribution:**

Amount	Purpose	Source	Timing
\$4 million	SFMTA low income youth pilot program	Carryover Climate Funds	Allocation in July 2012
\$4 million	Reserve for future pilots	\$1 million Carryover, \$3 million OBAG Climate	Revisit in Spring 2013

- **Preserves \$17 million for OBAG Climate Program**

# Option 2: Support Three Pilot Programs: SFMTA, VTA, ACTC

- **Available Funding: \$5 million available from Climate carryover, \$20 million in OBAG Climate Initiatives**

Amount	Purpose	Source	Timing
\$4 million	SFMTA low income youth pilot program	Carryover Climate Funds	Allocation in July 2012
\$1 million	VTA low income adult pilot program	Carryover Climate Funds	Allocation in July 2012
\$0.5 million	ACTC student pass program development	OBAG Climate	Allocation in July 2012
\$2.5 million	ACTC student pass implementation	OBAG Climate	TBD, following B3 approval

- **Preserves \$17 million for OBAG Climate Program**

# Option 3: Framework for New Regional Reduced Fare Program for Low Income Youth

- **Discount of 50% off current youth monthly passes; approximately \$7.6 million in revenue loss\***
- **Funding potentially available starting in FY2013-14, if redirect STA funds from Lifeline Transportation Program (Total STA Available = \$11.9 million)**
- **Benefits: relief for low-income youth; region-wide approach; and long-term funding source**
- **Trade-off: use of Lifeline Transportation Program funds for fare discounts would reduce funding for other county Lifeline needs**

*\*For large seven operators*

# Regional Context

- **Calculated subsidies needed to support free or discounted fare programs for low-income youth**
- **Annual regional revenue loss for largest operators ranges from ~\$8 million to \$15 million (excluding admin and increased service costs)**

*Revenue Loss Amounts shown are Annual and in Million \$*

Option 3

Operator	Low Income Youth Free	Low Income Youth at 75% Discount off of Youth Fare	Low Income Youth at 50% Discount off of Youth Fare
AC Transit	\$2.96	\$2.22	\$1.48
BART	\$2.06	\$1.55	\$1.03
Caltrain	\$0.70	\$0.52	\$0.35
Golden Gate Transit	\$0.48	\$0.36	\$0.24
San Francisco MTA	\$4.71	\$3.53	\$2.35
SamTrans	\$1.02	\$0.77	\$0.51
Santa Clara VTA	\$3.30	\$2.47	\$1.65
<b>Total</b>	<b>\$15.22</b>	<b>\$11.42</b>	<b>\$7.61</b>

# Summary of Options

- **1. Focus on SFMTA pilot program in near term, establish reserve for future pilots including VTA and ACTC**
- **2. Support three pilot programs: SFMTA, VTA, ACTC**
- **3. Establish framework for regional reduced fare program for low income youth**

