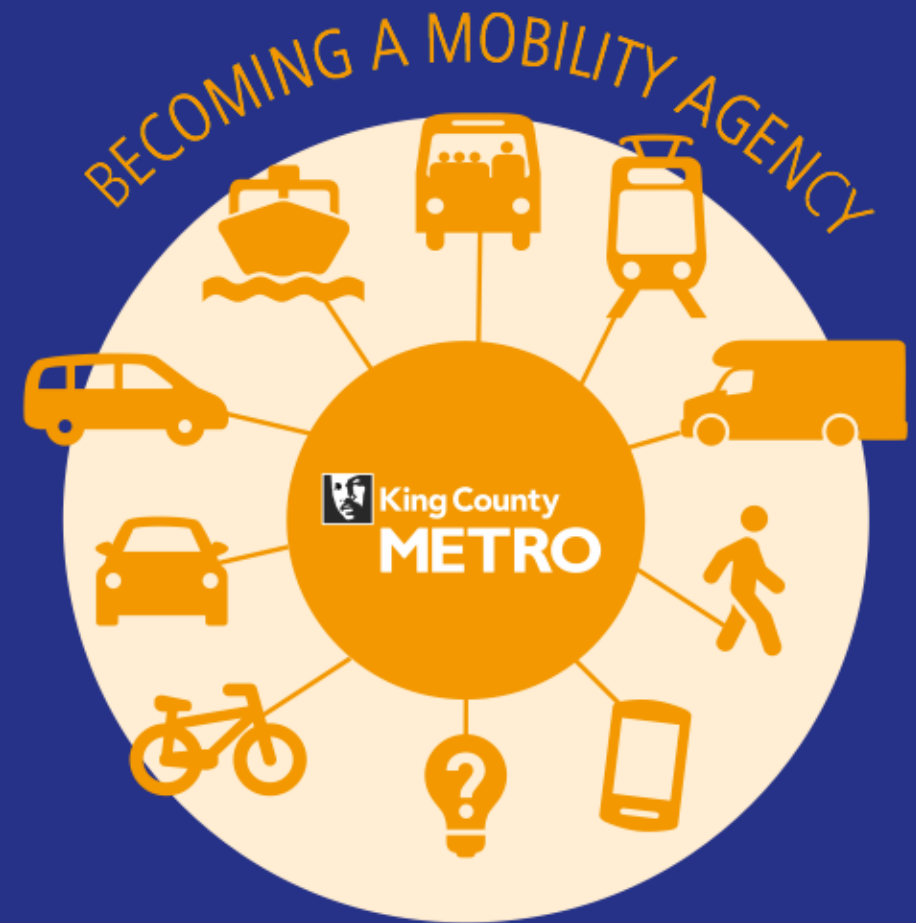


Income-based fares Program update

Seattle Transit Advisory Board
January 7, 2020

Lindsey Greto & Cindy Chen



Mobility is a human right, leading to thriving communities, sustainable environment, and a vibrant economy

EXISTING PROGRAMS

ORCA LIFT

Human Service Tickets

Regional Reduced Fare Permit

Youth fare

Income based fares

ONGOING EFFORTS

Mobility Framework

METRO CONNECTS

Fare Enforcement reform

Next Generation ORCA

Studies and pilot projects

Last briefing

We are here

| Existing conditions | Stakeholder engagement | Customer engagement | Implementation report | Decision |
|--|--|---|--|---|
| January – July 2019 | | | June – Dec 2019 | 2020 |
| <ul style="list-style-type: none"> Consult with experts and peer agencies Research affordability | <ul style="list-style-type: none"> Recruit stakeholders Hold four workshops: current barriers, potential solutions, long-term vision, program recommendation | <ul style="list-style-type: none"> Community based organization-led community conversations Customer survey | <ul style="list-style-type: none"> Consult with partners and Councilmembers Write and submit report to Council | <ul style="list-style-type: none"> Council action (early 2020) Negotiate with Sound Transit, SDOT, Seattle Center |
| Program development | | | | Program launch |
| <ul style="list-style-type: none"> Develop program concepts: free and low-cost | <ul style="list-style-type: none"> Use feedback to refine options Determine what we need to learn from customers Include recommendation in report | <ul style="list-style-type: none"> Use feedback to refine options | <ul style="list-style-type: none"> Estimate ridership impact and cost Design final program | <ul style="list-style-type: none"> Develop systems for anticipated launch in mid-2020 Start evaluation Learn and adjust for Phase 2 and Next Generation ORCA |

Program guiding principles

1. Center on the needs of customers

- Focus resources on customers who can't afford the current fares
- Be simple for customers to access/use
- Avoid stigmatizing or burdening customers
- Include customer-centric outreach and education

2. Partner with human service agencies for enrollment, verification, outreach

- Consider their capacity limitations

3. Strive for regional integration

4. Ensure program and transit system sustainability

- Recognize that fares are not the only barrier to mobility

5. Evaluate results and grow/adapt

Program proposal

- Leverage existing LIFT infrastructure
- **Fully subsidized Metro services**
- On an ORCA LIFT or Regional Reduced Fare Permit card
- For customers who earn **≤80% federal poverty**
- Through state, local, and community programs
- Anticipated public launch, mid-2020
- Access through six state benefit programs
- Aim to expand in 2021 via a call for partners
- Employ robust evaluation

Services included at launch

Full subsidy: Metro-operated services

- Metro bus
- Metro first/last mile
- King County Water Taxi
- King County Access
- Trailhead Direct
- Metro permit parking
- Seattle Center Monorail
- Seattle Streetcars

No subsidy: customer pays with E-purse

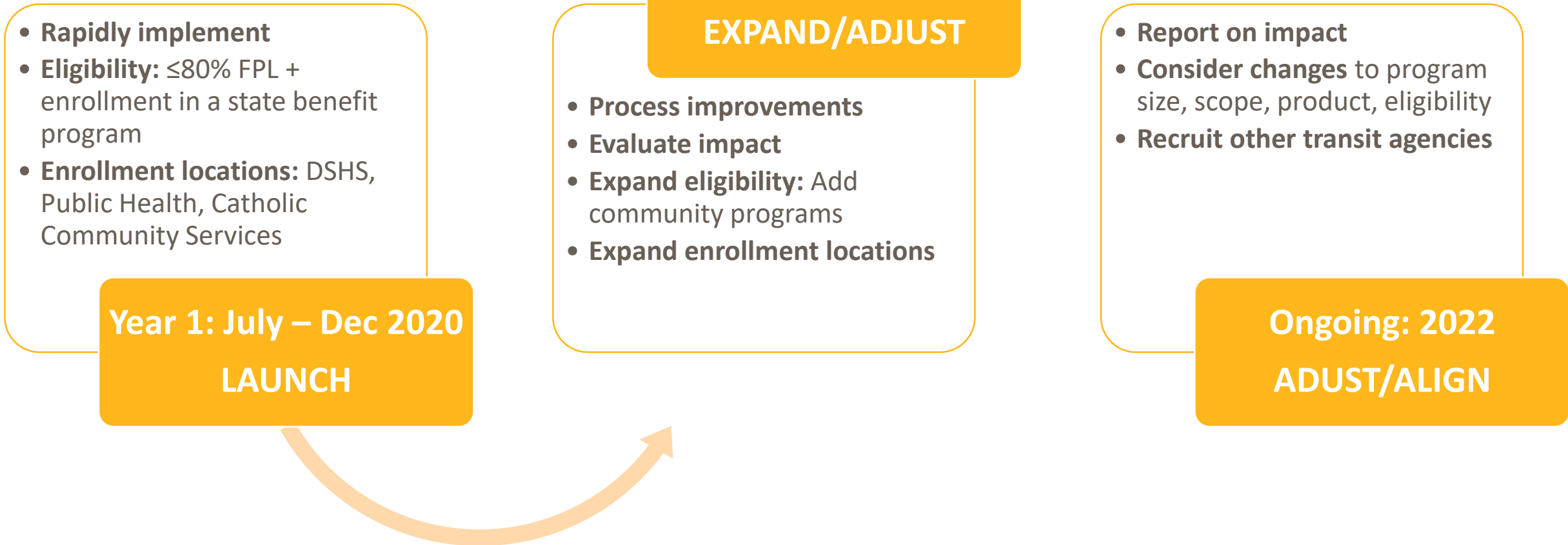
- Community Transit (LIFT or RRFP fare)
- Everett Transit (LIFT or RRFP fare)
- Kitsap Transit (LIFT or RRFP fare)
- Pierce Transit (regular or RRFP fare)
- Washington State Ferries
- Metro Vanpool

TBD

- Sound Transit (Link, ST Express bus, and/or Sounder)



Proposed phased schedule



Eligibility: Launch year

- Automatic qualification for clients of state benefit programs with $\leq 80\%$ FPL:
 - Temporary Assistance for Needy Families (TANF) & State Family Assistance (SFA)
 - Pregnant Women Assistance (PWA)
 - Refugee Cash Assistance (RCA)
 - Supplemental Security Income (SSI)
 - Aged, Blind, or Disabled (ABD)
 - Housing & Essential Needs (HEN)
- Enroll at DSHS, Public Health, Catholic Community Services

17
enrollment sites

54,000
people eligible

40%
Seattle residents

Next steps

- Anticipated Council action in coming months
- Starting implementation now
- Make necessary changes to the ORCA system
- Aim for public launch July 2020 (pending Council approval, system readiness)
- Continue partnership discussions with Sound Transit, SDOT, Seattle Center
- Procure evaluation consultant, start baseline data collection
- Develop expansion plan

Questions?

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Reference slides

Poverty in King County

| | People ages 6+ in King County | Single adult | Family of 4 | |
|----------------|-------------------------------|----------------|-----------------|---------------------|
| 50% FPL | 4%, 83k people | \$6,245 | \$12,875 | |
| 80% FPL | 6%, 130k people | \$9,368 | \$19,313 | This program |
| 100% FPL | 9%, 184k people | \$12,490 | \$25,750 | |
| 30% AMI | 14%, 167k 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 |
| 50% AMI | 26%, 210k people | \$38,750 | \$55,333 | |

Eligible customers

| Launch year programs | King Co clients | Pierce Co clients | Snohomish Co clients |
|--|-----------------|-------------------|----------------------|
| Temporary Assistance for Needy Families (TANF) & State Family Assistance (SFA) | 24,418 | 7,664 | 3,971 |
| Pregnant Women Assistance (PWA) | 66 | 8 | 2 |
| Refugee Cash Assistance (RCA) | 98 | 12 | 71 |
| Supplemental Security Income (SSI) | 16,384 | 5,071 | 4,139 |
| Aged, Blind, or Disabled (ABD) | 10,100 | 2,006 | 2,355 |
| Housing & Essential Needs (HEN) | 3,509 | 522 | 327 |
| Total eligible customers at launch | 54,575 | 15,283 | 10,865 |

Source: current DSHS caseload

| Highest ceiling for expansion | King Co | Pierce Co | Snohomish Co |
|----------------------------------|---------|-----------|--------------|
| Total population ≤80% FPL (est.) | 130,000 | 73,304 | 48,992 |

Source: ACS population estimates

Key findings: Existing conditions

- The affordability of transit and transportation is a key equity issue.
- The need for affordable transportation is exacerbated by the increasing cost of living in King County.
- Mobility for low-income populations depends on the development of high-quality alternatives to driving.
- Existing data does not make it clear how important lower fares are for low-income populations as compared with other priorities.
- More work is needed to understand and further reduce the barriers of enrolling and using Metro's lowest fares for those who are eligible.

Key findings: Peer outreach

- It's 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.

LIFT program utilization by mode (2018)

| | Metro bus (Metro) | Water Taxi (Metro) | Streetcar (Metro + Seattle) | Link (Sound Transit) | ST Express (Sound Transit) | Souder (Sound Transit) |
|---|----------------------|-----------------------|--------------------------------|-------------------------|-------------------------------|---------------------------|
| ORCA LIFT | 5,461,565 | 3,589 | 50,542 | 1,010,994 | 592,370 | 55,146 |
| Total ORCA | 130,037,262 | 598,167 | 1,366,000 | 24,658,390 | 16,010,000 | 4,595,500 |
| % of total ORCA Boardings | 4.20% | 0.60% | 3.70% | 4.10% | 3.70% | 1.20% |
| % of total ORCA LIFT Boardings | 76.13% | 0.05% | 0.70% | 14.09% | 8.26% | 0.77% |

Estimated net program costs

| Net impact | 2020 | 2021-2022 | 2023-2024 |
|------------|-------|-----------|-----------|
| Expenses | \$30M | \$78M | \$82M |
| Revenue | \$24M | \$60M | \$62M |
| Net costs | \$6M | \$18M | \$20M |

- At the root of the issue is income inequality and regional poverty
- Success hinges on consistent and sustainable funding
- Ongoing conversations with County Council in 2020 about sustainable funding

Estimated expense details

| Estimated expenses | 2020 | 2021-2022 | 2023-2024 | |
|---------------------------------------|--------|-----------|-----------|---|
| Transit passes | \$27M | \$72M | \$76M | Subsidy value of the passes |
| Staffing | \$700K | \$3M | \$3M | Metro staff to administer the program and coordinate customer service, anticipated ratio of 4,000 to 1 for staff people to individual customers |
| Card stock | \$150K | \$150K | \$150K | Card production (new and replacement), freight, local taxes, and international tariffs |
| Evaluation | \$750K | \$1M | \$500K | Staff and consultant services |
| Professional services | \$300K | \$500K | \$500K | Materials, promotions, financial support for human service agencies, estimate ORCA system change |
| Tenant improvements | \$500K | | | Estimate for one-time space configuration |
| Partner transit agency reimbursements | \$500K | \$1M | \$1M | Revenue sharing if agreements are not met for Streetcar and Monorail participation in the subsidy |

Projected revenue

| Estimated revenue impact | 2020 | 2021-2022 | 2023-2024 | |
|--------------------------|-------|-----------|-----------|---|
| Metro | \$27M | \$72M | \$76M | Revenue from subsidy value of the passes returns to Metro (Metro buys the passes, so revenue is net zero) |
| Lost revenue | (3M) | (\$12M) | (\$14M) | Existing riders |