



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

September 10, 2013

Motion 13968

Proposed No. 2013-0313.2

Sponsors Gossett, Patterson, McDermott and
Phillips

1 A MOTION concerning the recommendations of the low
2 income fare options advisory committee.

3 WHEREAS, King County is responsible for the Metro transit system, which has a
4 mission to provide the best possible public transportation services and improve regional
5 mobility and quality of life in King County, and

6 WHEREAS, King County provides public transportation fare discounts to seniors,
7 disabled and youth riders, and

8 WHEREAS, King County is committed to providing equitable opportunities for
9 people from all areas of King County to access the public transportation system, and

10 WHEREAS, the King County council passed Motion 13746 on October 8, 2012,
11 requesting the establishment of an advisory committee to assist in the review and
12 development of new King County public transportation fare options for low income
13 persons, and

14 WHEREAS, the King County council passed Motion 13806 on January 18, 2013,
15 approving the establishment and membership of the low income fare options advisory
16 committee, and

17 WHEREAS, the advisory committee was charged with several responsibilities as
18 part of their review of transportation fare options for low income persons, and

19 WHEREAS, the advisory committee convened on January 30, 2013, and met
20 seven times to review and discuss information related to the Metro transit system fare
21 structure, existing discounts, policy objectives and financial situation, and

22 WHEREAS, the advisory committee meetings were open to the public and there
23 were many comments received by the committee, and

24 WHEREAS, the committee also learned about the low income fare program
25 offered by the Kitsap transit system, one of only a handful of low income fare programs
26 in the nation, and

27 WHEREAS Motion 13806 requested that recommendations from the advisory
28 committee be sent to the council in the form of a motion for acceptance by July 1, 2013,
29 and

30 WHEREAS the county greatly appreciates the hard work and devotion of the low
31 income fare options advisory committee to this important effort:

32 NOW, THEREFORE, BE IT MOVED by the Council of King County:

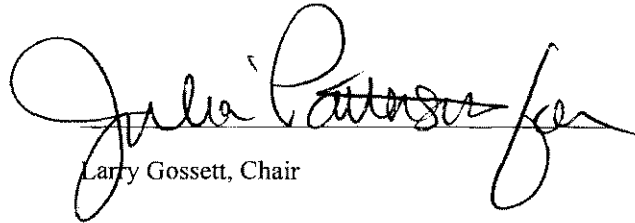
33 The low income fare options advisory committee final report and

34 recommendations and appendices as outlined in Attachments A and B to this motion are
35 hereby accepted.
36

Motion 13968 was introduced on 7/8/2013 and passed by the Metropolitan King
County Council on 9/9/2013, by the following vote:

Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Ms. Hague, Ms. Patterson,
Ms. Lambert, Mr. Dunn, Mr. McDermott and Mr. Dembowski
No: 0
Excused: 1 - Mr. Gossett

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



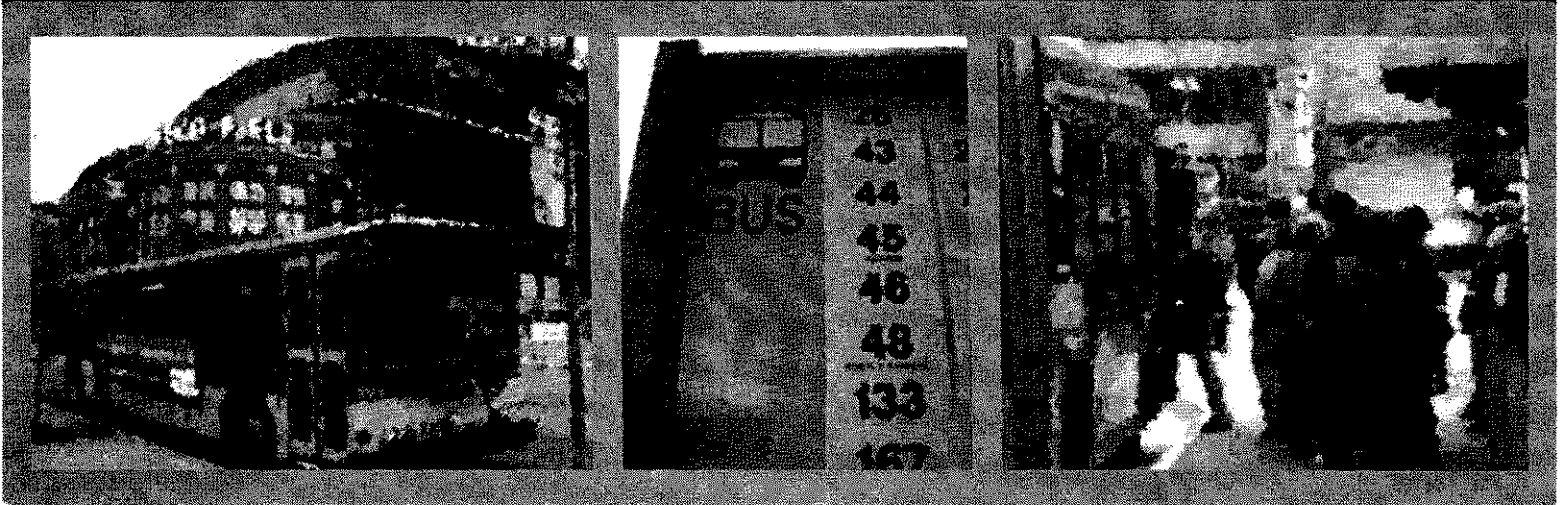
Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. King County Low-Income Fare Options Advisory Committee Final Report and
Recommendations, B. Appendices



KING COUNTY LOW-INCOME FARE OPTIONS ADVISORY COMMITTEE

Final Report and Recommendations

June 2013



King County

FOR INFORMATION CONTACT:

Doug Hodson, General Managers, Office

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Department of Transportation

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July 1, 2013

Dow Constantine, King County Executive
401 Fifth Avenue, Suite 800
Seattle WA, 98104

King County Council Members
516 Third Avenue, Room 1200
Seattle, WA 98104

Dear Executive Constantine and Council Members:

With this letter we are transmitting to you the final report of the Low-Income Fare Options Advisory Committee.

The issues you asked us to consider regarding development of new fare program options to assist in meeting the mobility needs of low-income persons as part of the health and human services safety net were challenging, but worth exploring given the County's focus on equity and social justice and the important role that Metro plays in providing mobility.

We have worked hard for six months to understand Metro's structure, policies, and financial challenges and to identify existing models for a low-income fare. We represent many diverse perspectives, but through our discussions we developed agreement on guiding principles and recommendations we believe are in the best interests of all King County residents.

When we began this process we agreed to attempt to reach unanimous consensus on our recommendations. We are pleased that the following report indeed reflects the unanimous approval of the Committee while also reflecting the diversity of perspectives on some topics.

We would be happy to serve as a resource in any way we can as you consider these recommendations. We look forward to your review and hope you and Metro will be able to establish a schedule for the adoption and implementation of these recommendations.

We would like to request that you provide us with a response outlining the status of the County's work to follow up on our recommendations by the end of 2013. We also request that future work include broad stakeholder and public engagement.

Thank you for the opportunity to serve on the Advisory Committee. It has been challenging, but very rewarding. We also thank Metro staff for their responsiveness and support of our efforts throughout the process.

Sincerely,

Low-Income Fare Options Advisory Committee Members

Executive Summary

In 2012, the King County Council approved a motion to establish an Advisory Committee to support the Council in the investigation and development of new fare program options to assist in meeting the mobility needs of low-income persons as part of the health and human services safety net.

The Committee met seven times from January through June 2013 and reviewed and discussed information on Metro's fare structure, existing discounts, policy objectives and financial situation. They also learned about the low-income fare offered by Kitsap Transit, one of only a handful of low-income fares in the country. An overarching theme of Committee discussions was the difficult financial situation facing Metro and the value of a sustainably funded public transit system.

The Committee believes that King County's emphasis on equity and social justice forms the policy basis for a low-income fare. Access to safe and efficient transportation is defined by the County as "providing all people and communities with transportation choices" and a low-income fare program would help to achieve this goal.

Low-income populations face an array of mobility barriers, which can impede their ability to sustain a job, access critical services, and obtain basic necessities. Many low-income individuals and families rely solely on public transit to move around the region, however, they often face obstacles that make it difficult to achieve their desired mobility.

Program Definition

Among the mobility barriers discussed by the Committee, cost is the one most directly related to the Committee's charge. Many Committee members believe the definition of low-income should be higher than the federal poverty level (FPL) and that a reduced fare could make a difference in an individual's ability to afford transit. In 2013, a family of four earning \$23,550 is at the poverty level. This is well below the King County median income for a family of four of \$86,700, which is why many members favor a more expansive definition than 100% of FPL.

The Committee believes the highest priority is access to transit service, but also believes the County should pursue a low-income fare program for working poor individuals and families with incomes in the range of up to 100% – 200% of federal poverty level. While there is insufficient data to identify a specific discount level for a low-income fare, the Committee believes Metro should provide the lowest fare possible that will also allow the fare program to be sustainable and relatively stable over time. Costs, changes in transit trips and revenue implications for Metro associated with a low-income fare are estimated on page 11.

Related Program Issues

A low-income fare program would have a relationship with a number of other existing programs:

The Human Services Ticket program, which provides transit trips for homeless individuals and those with no income, is a program that the Committee believes should be maintained.

Existing Youth, Senior and Disabled Persons discount fare programs currently all have riders that are low-income. The Committee believes all fare categories, and the policy bases for them, should be evaluated in an effort to rationalize the fare structure and ensure greater equity.

Administration

The Committee believes strongly that the administrative burden on Metro should be minimized and that use of external eligibility verification is preferred over Metro staffing a robust certification program. There are a number of agencies that already certify income for existing benefit programs within the Committee's identified income range.

Paying for a Low-Income Fare

As previously stated the Committee's highest priority is service availability. The Committee recommends that the County look at multiple funding sources to offset the financial impacts of a low-income fare program, including revising the existing fare box structure and other revenue sources. Given Metro's current financial challenges, the Committee believes that implementing a low-income fare at some level and growing the discount as Metro's finances stabilize, or phasing in some other way, would be a reasonable implementation approach.

Recommendations

- 1. A low-income fare program should be created.**
- 2. All fare categories, and the policy bases for them, should be evaluated in an effort to rationalize the fare structure and ensure greater equity.**
- 3. The Human Services ticket program should be maintained due to its important role in providing mobility for the homeless and those with no income through distribution of free tickets.**
- 4. A low-income fare program should minimize the burden on Metro, other agencies, and the people served.**
 - a. Rather than create a new entity, existing eligibility verification systems run by third-party agency partners that determine eligibility for existing benefit programs should be leveraged.**
 - b. An option to verify eligibility based on income should be made available for those not enrolled in other benefit programs and explored with agencies that already verify income or that would be willing to provide this service.**
- 5. Multiple funding sources should be evaluated to offset the financial impacts of a low-income fare program, including revising the existing fare box structure and other revenue sources.**
- 6. A low-income fare program should be considered as a beneficiary if the County has new or increased revenue.**
- 7. This report should be transmitted to the heads of the agencies included in the ORCA Joint Board.**
- 8. King County and Sound Transit should coordinate on the implementation of a low-income fare when it is approved.**

Section 1: Introduction

In 2012, the King County Council approved a motion to establish an Advisory Committee to support the Council in the investigation and development of new fare program options to assist in meeting the mobility needs of low-income persons as part of the health and human services safety net.

The motion directed that an Advisory Committee be formed by February 1, 2013 and meet at least monthly before submitting recommendations to the Council on July 1, 2013. Twenty-one members were selected representing a variety of interests throughout King County (see page 14). BERK was hired to facilitate the process and help draft the report.

The overall charge to the Committee was as follows:

Assist in the review and development of new King County public transportation fare options for low income persons

The motion also outlined the following Committee responsibilities:

- Establish an understanding of mobility barriers for low-income persons and how fare price points affect their access to transit
- Review various types of transit fare options to assist in meeting the mobility needs of low-income persons
- Review costs of potential low-income fare programs
- Recommend definitions of low-income to be used in the implementation of transit fare programs
- Make prioritized recommendations of low-income fare programs for King County
- Identify different funding options for low-income fare programs and potential funding partners
- Identify opportunities and recommendations for regional low-income fare programs for consideration by ORCA agency partners

Following, this **Introduction**, the report is organized as follows:

Section 2 summarizes the policy basis for a low-income fare.

Section 3 is organized by Committee responsibilities and provides detail on Committee deliberations to get to recommendations.

Appendices include information provided at Committee meetings and submitted by Committee members and/or their organizations.

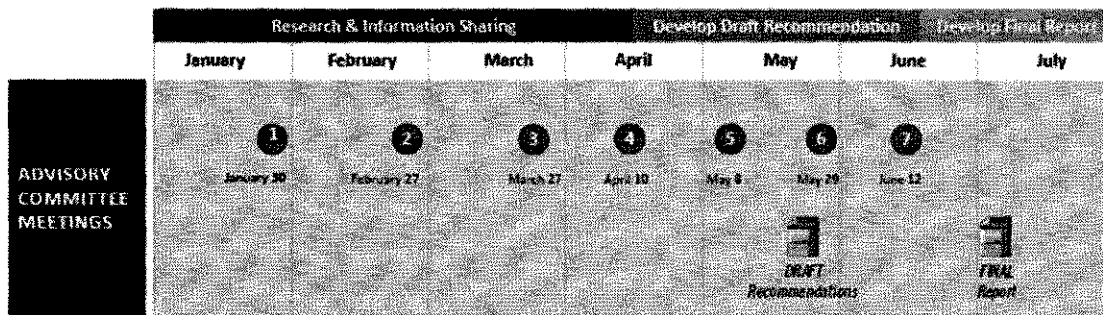
Work Plan

The Committee met seven times from January through June 2013. The Committee used a consensus-based decision-making approach, which defined consensus as “all members can support or live with the recommendations.” The Committee agreed that if consensus was not unanimous, differences of opinion would be included in the final report. All meetings were open to the public and public comments could be submitted on the County’s website.

Committee meetings were organized around five broad topics:

- Foundation – Metro fare structures and policy, financial context (Meetings 1 and 2)
- Other models – Q&A with Kitsap Transit (Meeting 3)
- Fare Scenarios – results of modeling different fares (Meeting 4)
- Eligibility and program issues (Meetings 3-6)
- Draft and Final Recommendations and Report (Meetings 5-7)

Advisory Committee Schedule



Foundation

Given the Committee’s broad representation of perspectives and backgrounds, the objective of the first two meetings was to provide a common understanding of Metro and the Committee’s charge and responsibilities. The Committee reviewed and discussed information on Metro’s fare structure, existing discounts, policy objectives and financial situation.¹ An overarching theme of these foundational discussions was the difficult financial situation facing Metro. Members commented several times that it was difficult to think about implementing a program that would impose additional costs on a system that may not be able to maintain current service.

Metro’s largest source of funding is sales tax revenue. Since 2008, the weak economy has caused a substantial and ongoing revenue shortfall. Metro and King County have taken sweeping actions to reduce Metro’s costs, increase revenue and preserve as much transit service as possible. However, the temporary funding source that was implemented in an effort to maintain service expires next summer. Although Metro continues cost-cutting efforts and is considering a fare increase in 2014, there is no identified source to close a \$75 million gap without service reductions.

King County has joined with the Sound Cities Association and the City of Seattle to ask the legislature for local transportation funding tools. If new funding does not become available, deep service cuts will be necessary. Metro’s 2013-2014 budget assumes that Metro will cut up to 600,000 annual hours of service beginning in fall 2014 and continuing in 2015.

¹ Summaries of all Committee meetings are available on [Metro’s website](#). Meeting materials are in Appendix B.

Section 2: Policy Basis for a Low-Income Fare

The Committee looked to the motion establishing the Low-Income Fare Options Committee and to the County's *Strategic Plan 2010-2014* to develop the policy basis for a low-income fare.

The motion references several elements of the Strategic Plan and specifically calls out the guiding principle of "fair and just". The Plan defines this principle as follows: "We serve all residents of King County by promoting fairness and equality and eliminating inequities." Fair and just is implemented through "equity and social justice foundational practices", outlined in King County Ordinance 16948. The ordinance outlines 14 determinants for equity for all people to thrive and reach their potential regardless of race, income status, or language spoken. The determinant that is relevant to the Committee's work is "transportation that provides everyone with safe, efficient, affordable, convenient and reliable mobility options."

Committee members noted that countywide equity and access to the transit system should be key objectives of a low-income fare program. It is clear from the motion (see Appendix A) and the fact that the County Council and the Executive have prioritized exploration of "regional public transportation fare concepts to meet the growing mobility needs of low income persons as part of the health and human services safety net", that they also believe a low-income fare is important to achieving greater equity.

The motion also references United Way of King County information that finds that the economic recovery has not been felt equally and that the County is "currently experiencing its longest period of sustained, high unemployment since monthly unemployment rates began to be measured in the early 1940s." Several Committee members noted transit's role in helping many people to obtain and keep employment, adding that rising fares in a weak economy have put pressure on many household budgets.

RECOMMENDATION

1. A low-income fare program should be developed.

The Committee developed the following guiding principles for consideration by the County when developing a low-income fare program.

Guiding Principles in Developing a Low-Income Fare Program

- A low-income fare program should be part of King County's ongoing strategy as it is critical to achieving the County's stated goal of providing all people and communities with transportation choices.
- Maintaining Metro's current service levels should remain a priority.
- Expanding access to low-income people should be part of Metro's plans for growth.
- A low-income fare program should partner with other agencies to help minimize the administrative burden on Metro.
- A low-income fare program should respect the rights of the individual and preserve dignity through both the eligibility process and the product itself.
- Metro should provide the lowest fare possible that will also allow the fare program to be sustainable and relatively stable over time.
- A phased program that helps some people now would be preferable to delaying implementation due to lack of full funding.

Section 3: Committee Responsibilities

Establish a common understanding of mobility barriers for low-income populations, and how transit fare price points affect access and use of transit by low-income persons.

Low-income populations face an array of mobility barriers, which can impede their ability to sustain a job, access critical services, and obtain basic necessities. Many low-income individuals and families rely solely on public transit to move around the region; unfortunately, within our current system they often face obstacles that make it difficult to achieve the mobility they need. Committee members identified the following as the primary barriers to mobility facing low-income populations:

- **Cost.** Many low-income people cannot afford to spend \$90 per month on a transit pass or pay for several individual bus fares (at full price) per day. For some, even a \$3 round trip fare is prohibitive. Research by the Transit Riders Union finds that in the mid-1970s a minimum wage employee had to work for just over 10 minutes to pay for bus fare to and from work. Today, they'd have to work almost 35 minutes.
- **Lack of Alternatives.** Many low-income individuals do not own vehicles, cannot afford to operate vehicles they may own, or cannot afford parking costs, making transit the only option for trips beyond walking distance.
- **Service Coverage.** For those who rely on transit, service coverage is essential to travel to work, school, services or other destinations. In many areas, service has been reduced and stops are inconvenient. Even if a route stop is convenient, it may not reach the rider's destination without one or more time-consuming transfers. Service-related issues may result in long commutes requiring as much as 2-3 hours to travel a relatively short distance.

A recent publication from the Brookings Institution, *Confronting Suburban Poverty in America*, found that two out of three Seattle metro area residents at or below the poverty line live in the suburbs. While Metro's current system is fairly efficient for commutes to and from Seattle, it is much more burdensome to travel between outlying areas.

- **Operating Hours and Frequency.** Individuals who work night shifts or need to travel outside 7 am to 7 pm may face limited or no service on many routes. Operating hours on some routes can make travel via transit impossible or time-consuming.
- **Language and Cultural Barriers.** Riders with limited English proficiency often find it challenging to travel independently because they cannot read the route maps or understand the station announcements, and they are reluctant to ask for help if they become lost. A high percentage of non-English speaking seniors report a low literacy rate, so they cannot read materials even if they are translated into their native language. In addition, some recently-arrived immigrants have never encountered a similar transit system so they do not understand how to effectively navigate it.
- **Safety.** Low-income individuals and families may live in areas with higher crime rates, where waiting at a bus stop for a long period of time is, or is perceived as, unsafe. Long transfer windows, late night or early morning travel, and long walks between the stop and home can also put people at greater risk.

Fare Price Points and Access

Among the mobility barriers discussed above, cost is the one most directly related to the Committee’s charge. Committee members agreed that within the low-income population there are at least two distinct groups and they cannot be served by the same fare. The first group includes those who have no income or are homeless and will not be served by a fare no matter how low. The second group is the working poor.

Many Committee members believe the definition of low-income should be broader than the federal poverty level (FPL) and that a reduced fare could make a difference in an individual’s ability to afford transit. As shown below, in 2013, a family of four earning \$23,550 is at the poverty level. This is well below the King County median income for a family of four of \$86,700, which is why several members favor a broader definition than 100% of FPL (see page 9 for a discussion on the definition of low income). Many benefit programs, including Washington’s Basic Food Program, use 200% of the FPL to determine eligibility.

2013 Federal Poverty Level Guidelines

Household Size	100% of FPL	200% of FPL
1	\$11,490	\$22,980
2	\$15,510	\$31,020
3	\$19,530	\$39,060
4	\$23,550	\$47,100
5	\$27,570	\$55,140
6	\$31,590	\$63,180
7	\$35,610	\$71,220
8	\$39,630	\$79,260

Source: U.S. Census Bureau, 2013.

A review of fare scenarios (see page 11) demonstrated that the lower the fare, the more additional boardings are likely to occur. There was general agreement that increased ridership, even at a lower fare, would achieve multiple county policy goals related to transportation and the environment. However, the tradeoff between increasing ridership and fares was discussed frequently throughout the process.



Review the different types of transit fare options available to meet the mobility needs of low-income persons.

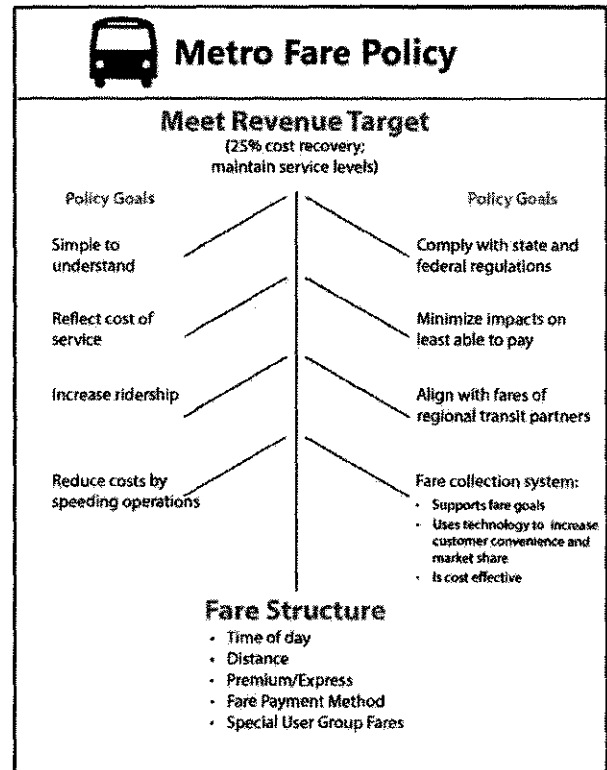
King County Programs and Discounts

The Committee’s charge included reviewing the transit fare options currently available to meet the mobility needs of low-income individuals. As part of this discussion, Committee members reviewed Metro’s policy framework shown at right. A key component of this framework is meeting revenue targets by recovering a minimum of 25% of operating costs from fare box revenue. This target is specifically identified in Metro’s fund management policies, which are adopted by the King County Council. In 2012, Metro received approximately \$135 million in fare revenue, representing the second largest source of revenue for the agency behind sales tax.

Metro provides a fare discount to seniors, people with disabilities, and Medicare card holders² with a Regional Reduced Fare Permit (RRFP), many of whom are low-income. Metro also provides a discount for youth ages 6 to 18. The RRFP fares are shown below along with the off-peak fares and the youth fare. While the off-peak fare provides a lower-cost option for those who can and do travel in the off-peak, it is not considered a low-income fare program due to the restrictions around time of day.

The reduced fare options are subsidized by Metro with the senior/disabled/Medicaid fare receiving about \$6.9 million in annual subsidy and the youth and off-peak fares receiving about \$3.5 million each annually (see page 23 of the Appendices).

While Metro does have a variety of discount fares that serve low-income individuals, the basis for the discount is not income. Committee members noted that a high-income individual over the age of 64 receives a discount while a low-income individual does not. While having a discount for seniors is a federal requirement, the amount of the discount is greater than required.



RECOMMENDATION

2. All fare categories, and the policy bases for them, should be evaluated in an effort to rationalize the fare structure and ensure greater equity.

² Under 49 U.S.C. Section 5307(d)(1)(D) of the Federal Transit Act, federally subsidized transit providers may not charge more than half of the peak fare for fixed route transit during off-peak hours for seniors, people with disabilities, and Medicare cardholders.

2013 Metro Fares

	Off-Peak All Zones	Peak One Zone	Peak Two Zone
Adult (19-64)	\$2.25	\$2.50	\$3.00
Senior (65+ with Regional Reduced Fare Permit)	\$0.75	\$0.75	\$0.75
Riders with disabilities and Medicare card holders (with Regional Reduced Fare Permit)	\$0.75	\$0.75	\$0.75
Youth (6-18)	\$1.25	\$1.25	\$1.25
Children (birth to 5)	Free w/ fare-paying adult		
Access Transportation	\$1.25	\$1.25	\$1.25

Source: King County METRO, 2013.

In addition to the reduced-fare options above, Metro offers a number of programs that directly assist low-income customers. These include:

- **ADA Paratransit program**, which includes:
 - Curb-to-curb Access van service for people with disabilities who cannot use regular bus service
 - Taxi scrip available to Regional Reduced Fare Permit holders who meet the income eligibility guidelines. Provides a 50 percent discount on taxi service.
 - The Community Access Transit program that provides retired Metro vehicles and some operating assistance to human service agencies.
- **Jobs Access Van program**, which helps low-wage workers get to jobs and work training.
- **Passport Pass Partnerships** with the public school system, the University of Washington and other employers. While these are not intended as programs for people with low-incomes, it is likely that many recipients—especially students—have low-incomes or are from low-income families.
- **The Human Services Ticket program** for the sale and distribution of tickets to human services agencies at 20 percent of their cash value for the purpose of meeting the transportation needs of people who have low-incomes or are homeless. Tickets are priced at an 80 percent discount and purchased by the agencies; the total subsidy for the tickets is limited to \$1.875 million per year by King County Code, with temporary increases in 2012, 2013 and 2014. Tickets are distributed to individuals at no cost.

The program is administered by the City of Seattle Human Services Department and the King County Department of Community and Human Services. In 2012, 1.3 million tickets (rides) were distributed through this program. This included extra tickets from a \$250,000 additional subsidy as authorized by the King County Council and additional tickets distributed to human service agencies through a ticket incentives program.

The Committee discussed the Human Services Ticket program and its relationship to a potential low-income fare program at length. The Committee noted that through the provision of free tickets to homeless individuals and those with no-income the program fulfills an important role, but it does not fully serve all the needs of this population.

RECOMMENDATION

- 3. The Human Services ticket program should be maintained due to its important role in providing mobility for the homeless and those with no income through distribution of free tickets.**

Reduced Fare Program: Kitsap County (ORCA partner)

Kitsap Transit has had a reduced fare program that includes a low-income fare category since 1985, shortly after the agency was formed. To learn more about the program parameters, benefits, and challenges, the Committee had a question and answer session at its March 27 meeting with Kitsap Transit's Executive Director, John Clauson, and Customer Service Manager, Trudy Stacy. Key aspects of the program include:

- In Kitsap County, all reduced fares – including Low-Income, Senior, Disabled, and Youth – are 50% off of the standard fare. The initial ORCA card fee is waived for low-income applicants each year of eligibility.
- Kitsap Transit automatically approves those who are already enrolled in a qualifying low-income program (e.g. food assistance, public housing benefits, state medical assistance). In many cases, these programs have a threshold for eligibility of up to 200% of FPL.
- Eligibility can also be determined by income for those earning up to 100% of FPL.
- In order to maintain privacy, ORCA cards issued to low-income fare riders are identical to the Standard Cards. Expiration stickers are placed on the back as a reminder for the customer.
- Program participants must come into the Kitsap Transit office once a year to re-establish income eligibility. The pass requires a monthly payment, but participants can make the payment via phone, mail, or at other establishments such as grocery stores.
- Several Social Service agencies have elected to contract directly with Kitsap Transit as a Business Account to offer low income fare eligibility to a large population. These agencies qualify their clients, saving them a trip to the Kitsap Transit customer service office. Business Account passes are renewed every four years.

There were several elements of the Kitsap Transit program that Committee members identified as desirable, including:

- Simplicity – one reduced fare
- Preserves dignity – through the use of an ORCA card that is indistinguishable from that of full fare cards
- Provides two options to determine eligibility – proof of existing benefits and proof of income
- Sustainability – established in 1985, the program has not been cut or scaled back

The primary concern noted was around scalability, as Kitsap is a much smaller transit system than Metro. Metro has annual ridership of about 114.6 million while Kitsap is at about 2.7 million. Similarly, the size of the population that is at or below 200% of FPL is much larger in King County than in Kitsap County (480,000 versus 65,000).

Summaries of programs in place in other parts of the country are available on page 42 of the Appendices.

Recommend definitions of low income to be used for the implementation of transit fare programs.

The definition of low-income was a difficult topic and for many Committee members the answer may have changed from what they would ideally like to what is practical. Early discussions focused on whether a low-income fare should target the most vulnerable or serve the working poor. Generally, there was agreement that it should ideally serve the working poor (defined as someone earning up to 200% of FPL). However, some members remain concerned that a definition that reaches 200% (almost 25% of the adult County population would meet this eligibility requirement) may limit the ability to implement a low-income fare program given limited resources. Others noted that an expanded definition would broaden the constituency served and increase the number of people who will support the program and advocate on its behalf.

Since the Committee has an interest in following a verification model similar to the one used by Kitsap Transit, many Committee members were interested in using a definition that matches up with existing benefits eligibility. This would also support a Committee objective of leveraging other agencies to help determine eligibility for the program.

The table below shows some of the existing programs that could be used as part of the definition.

Benefit Programs and Eligibility Used in Washington

Program	Eligibility
Washington Basic Food Program (DSHS)	200% of FPL
Women, Infants and Children Suppl. Nutrition Program, DSHS	200% of FPL
Head Start Program, DSHS	200% of FPL
Low-Income Weatherization Program	200% of FPL or 60% of area median income
Washington Telephone Assistance Program (DSHS)	200% of FPL
Basic Health Insurance Program (DSHS) – current	133% of FPL
Affordable Health Care Act (DSHS) – January 2014	138% of FPL for Medicaid
Low-Income Energy Assistance Program (DSHS)	125% of FPL

Source: King County METRO, 2013.

In Committee discussions around the definition of low-income several tradeoffs were noted. For example, serving a broader definition would bring greater benefit to low-income individuals and potentially achieve other policy goals around environment and equity, but it would also increase the administrative burden, which would increase costs. However, if the definition was narrowed in an effort to increase the feasibility of implementing a low-income fare program, it would need to match one of the existing benefit programs since without a verification model there would be increased implementation costs.

Committee members were very supportive of verifying eligibility through demonstration of receipt of existing benefits. However, it was noted that some immigrant and refugee populations are excluded from these programs and that other individuals do not receive benefits that they may be eligible for, making proof of income an important option.

The Committee believes that the ability to qualify for a low-income fare based on income alone (if the individual does not currently receive any benefits) should be part of a program. There was some discussion around the feasibility of allowing self-certification of income in an effort to reduce administrative time and cost for the program agency and burden for the individual. However, the group deemed it too risky for audit and other reasons. Committee members favor looking to third party agencies, like Public Housing Authorities, that already determine income eligibility to help with the verification process. There may also be other organizations that would be willing to take on this function for compensation. The Committee discussed the difficulty and risks related to fraud associated with verifying income, which is another reason they favor working with one or more partner agencies on verification.

Committee members discussed the tradeoffs between a system that is accountable and one that respects the rights of individuals and is not overly intrusive. They also discussed the fact that regardless of who does it, there will be costs associated with verifying eligibility.

RECOMMENDATION

- 4. A low-income fare program should minimize the burden on Metro, other agencies, and the people served.**
 - a. Rather than create a new entity, leverage existing eligibility verification systems run by third-party agency partners that determine eligibility for existing benefit programs.**
 - b. An option to verify eligibility based on income should be made available for those not enrolled in other programs and explored with agencies that already determine income eligibility or that would be willing to provide this service.**

Review costs of potential King County low-income fare program.

The Committee reviewed the results of a model that shows the revenue and ridership impacts associated with low-income fare programs based on two different low-income thresholds, differing discount policies, and four potential low-income cash fares. A standard set of assumptions was used for all of the scenarios.

Specifically, each scenario assumed that the proportion of boardings taken by low-income customers would be equal to the proportion of low-income residents in King County. The scenarios also assumed that each of these low-income boardings would be paid for with a reduced fare and that an elasticity impact would result in customers who are eligible for the reduced fare taking more boardings (with a resulting revenue impact). These scenarios maintain the existing fare levels for non-discounted boardings and maintain the pass price at 36 times the cash fare, whether passes were purchased for regular or reduced fare boardings.

Beyond these broad assumptions, additional assumptions were made about the individual scenarios related to the treatment of existing fare discounts and institutional pass pricing. Scenarios I.A. and II.A. assumed that institutional pass pricing would reflect the discount offered to low-income customers. Scenario II.B. assumed that institutional pass pricing would reflect only regular fares, not reduced fares. These scenarios also assumed that non-low income customers eligible for existing discounts (i.e. youth, senior, disabled) would remain at those current discount levels.

Low-Income Fare Scenarios¹ (all figures in millions)

Poverty Level Definition ²	Low-Income Adult Cash Fare ³			
	\$0.75	\$1.00	\$1.25	\$1.50
I. 100% of Federal Poverty Level (12% of King County Population)				
<i>A. Low-income fares with existing discounts⁴</i>				
Revenue	-\$8.1	-\$6.8	-\$5.5	-\$4.3
Ridership	1.0	0.8	0.5	0.4
<i>A. Low-income fares with existing discounts⁴</i>				
Revenue	-\$16.9	-\$14.2	-\$11.5	-\$9.1
Ridership	2.1	1.6	1.1	0.9
<i>i) Single discount fare (i.e. Kitsap model)⁵</i>				
Revenue	-\$18.4	-\$13.7	-\$9.0	-\$4.3
Ridership	3.4	1.8	0.3	-1.3
<i>B. No change to institutional pass pricing⁶</i>				
Revenue	-\$12.1	-\$10.3	-\$8.4	-\$6.6
Ridership	2.9	2.2	1.6	1.2
<i>i) Single discount fare (i.e. Kitsap model)⁵</i>				
Revenue	-\$12.6	-\$9.3	-\$6.0	-\$2.6
Ridership	4.0	2.4	0.7	-0.9

Source: King County METRO, 2013.

As shown above, generally the lower the fare, the higher the expected boardings and the greater the lost revenue (this represents money that would have otherwise been collected through a regular fare). Given that fare revenue represents the second largest source for the agency, significant lost revenue could have an impact on Metro's ability to maintain service. Higher boardings can come from new riders, either those that did not take the bus previously due to the fare or existing riders taking more trips as a result of the lower fare. While the Committee agrees that generating new riders is an important policy goal, there were concerns expressed that it should not come at the expense of service.

Committee members unanimously agreed that a low income fare program would impose costs in terms of lost revenue to Metro and administrative costs to any and all agencies involved with program administration.

These model results also included two scenarios (II.A.i and II.B.i – Single discount fare) where pricing was assumed to be the same for all discounted fares (low-income, youth, senior, and disabled) to replicate the pricing structure used by Kitsap Transit. In this case, ridership starts to fall off as the price increases above \$1.25. This is because the model assumed seniors and individuals with disabilities would likely take fewer trips due to the fare increase from \$0.75 to \$1.25.

These scenarios did not include estimates of program administration costs and the Committee had many discussions about who should administer the program and what the impact might be in terms of staffing and other costs. Several members suggested that administration of the program should not be the responsibility of Metro. However, all agreed that even if another existing agency took over eligibility verification and/or administration there would be costs associated with that process.

Identify different options for funding low income fare programs and potential partners that may be willing to support such programs.

Committee members agreed that a low-income fare program would impose costs to Metro and any and all agencies involved with program administration. There was also agreement that any program must be sustainable. Introducing a low-income fare only to have to end it a year or two later would not be viewed as a success by the Committee.

Related to sustainability the Committee agreed that there is no readily available Metro controlled funding source, nor are there federal or other grants that would fully fund a low-income fare program. Others noted that this was a particularly difficult discussion given that Metro is currently looking for revenue just to maintain its current service at a time when it needs to grow.

Committee members identified three primary ways that a low-income fare program could be funded and that funding would need to come from multiple sources.

Other revenue sources: this could be an ongoing new revenue stream or an increase to an existing revenue source that would be available to fund a low-income fare program

Farebox revenue: this could include raising some or all fare categories to offset financial impacts of a low-income fare and increase farebox recovery; increased fare revenue that might come through increased ridership through mode shifts or fare increases, and reprioritizing existing fare revenues.

Changes without revenue: this could include changes to service, cost cutting measures and other executive decisions to reduce expenditures.

The Committee discussed the political challenges of getting new revenue sources so soon after a recession, but noted that it should be part of the toolbox for when the time is right. They also acknowledged that fare changes create winners and losers. The Committee agreed that the goal should be to have a clear policy basis for the fare and an emphasis on equity. Finally, while cost cutting measures are one way that needed revenue might be made available, this is not a Committee recommendation given the challenges that Metro is facing and the importance of maintaining service, and ideally expanding service to improve mobility.

Committee members did suggest a few possible new revenue sources, including an Employer Tax, the Veteran's and Human Services Levy, and voluntary donation via ORCA at the point of sale. It was noted that voluntary donations are not a sustainable revenue source and could only be a supplemental funding source. However, there was no consensus on a new revenue source and some members stated that they felt the program should be funded with existing sources and not using new taxes or fees.

RECOMMENDATIONS

5. Multiple funding sources should be evaluated to offset the financial impacts of a low-income fare program, including revising the existing fare box structure and other revenue sources.
6. A low-income fare program should be considered as a beneficiary if the County has new or increased revenue.

Identify opportunities and recommendations for regional low income fare programs for potential consideration by agency partners of the ORCA joint board.

The ORCA joint board is made up of the heads of King County Metro, Sound Transit, Kitsap Transit, Pierce Transit, Community Transit, and Washington State Ferries. While the service of many of these agencies overlap, the committee recognizes King County Metro and Sound Transit have the most integrated set of services and fares and both agencies provide service in a few key corridors.

The Committee recognizes that integration with the regional transportation system is an important policy objective for King County Metro. Specifically, the Regional Transit Task Force recommended that integration with light rail and other bus services provided by partner agencies is required in order to provide an efficient network of services that is attractive for customers to use. The King County Metro Strategic Plan includes a specific strategy (Strategy 3.2.2) to “coordinate and develop services and facilities with other providers to create an integrated and efficient regional transit system.” In particular, coordination of fare categories between King County and Sound Transit is an important piece of this integration effort.

RECOMMENDATIONS

7. This report should be transmitted to the heads of the agencies included in the ORCA Joint Board.
8. King County and Sound Transit should coordinate on the implementation of a low-income fare when it is approved.

Low-Income Fare Options Advisory Committee Members

Name	Representing
Rob Beem – Board Member	North Urban Human Service Alliance
Al Smith – Board Member	Eastside Human Services Forum
Ginger Kwan – Executive Director, Open Doors for Multicultural Families	South King Council of Human Services
Alison Eisinger – Director, Seattle/King County Coalition on Homelessness	Seattle Human Services Coalition
Katie Wilson – Transit Riders Union	Low income consumer
Katheryn Flake – Southeast Seattle	Low income consumer
On Ho – Women's Advisory Board	Low income consumer
Jerry DeGriek – Seattle Mayor's Office	Local jurisdiction representative
Marilynne Beard – Kirkland Deputy City Manager	Local jurisdiction representative
John Hodgson – Kent City Manager (through 5/31/13)	Local jurisdiction representative
Londi Lindell -North Bend City Administrator	Local jurisdiction representative
Kate Joncas – President, Downtown Seattle Association	Business representative
Patrick Bannon – President, Bellevue Downtown Association	Business representative
Kelli Carroll	Ex officio member – County Council designee
John Resha	Ex officio member – County Council designee
Chris Arkills	Ex officio member – County Executive designee
Elissa Benson	Ex officio member – County Executive designee
Deborah Doyle	Ex officio member – Washington State Department of Social and Health Services
Katy Miller	Ex officio member – King County Human Services
Dennis Worsham	Ex officio member – King County Public Health
Kevin Desmond	Ex officio member – King County Metro Transit



Back row (L to R): Jerry DeGrieck, John Hodgson, Rob Beem, Chris Arkills, Elissa Benson, Londi Lindell, Al Smith, On Ho, Kate Joncas, Ginger Kwan, Alison Eisinger, Katie Wilson

Front row (L to R): Katheryn Flake, Kevin Desmond, Katy Miller, Kelli Carroll, Dennis Worsham, Marilynne Beard, Patrick Bannon

Not pictured: Deborah Doyle, John Resha.



King County

FOR INFORMATION CONTACT:

Doug Hodson, General Managers, Office

Metro Transit Division

Department of Transportation

KSC-TR-0415

201 S Jackson St, Seattle, WA 98104

(206)-553-3000

www.kingcounty.gov/metro



KING COUNTY LOW-INCOME FARE OPTIONS ADVISORY COMMITTEE

Appendices

June 2013



King County

FOR INFORMATION CONTACT:

Doug Hodson, General Managers, Office
Metro Transit Division
Department of Transportation
KSC-TR-0415
201 S Jackson St, Seattle, WA 98104
(206)-553-3000

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Alternative Formats Available

206-263-5277 TTY Relay: 711

APPENDIX A: Motion



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Legislation Text

File #: 2013-0039, **Version:** 1

Drafter

Clerk 01/18/2013

title

A MOTION regarding access to public transportation mobility for low income populations; and the establishment of an advisory committee for mobility as an element of the health and human services safety net to assist in the development of new regional public transportation fare programs; and rescinding Motion 13746.

Body

WHEREAS, King County is responsible for the Metro transit system, which has a mission to provide the best possible public transportation services and improve regional mobility and quality of life in King County, and

WHEREAS, King County established "fair and just" as a countywide guiding principle within the adopted King County Strategic Plan and defined this equity and social justice program via Ordinance 16948 in order to achieve equitable opportunities for all people and communities, and

WHEREAS, King County provides public transportation fare discounts to seniors, disabled persons and youth riders, and participates in the regional reduced fare permit program with the goals of advancing the "fair and just" guiding principle, and

WHEREAS, because King County is committed to the goal of providing opportunities for all communities and individuals to realize their full potential, King County forgoes more than two million

dollars per year of fare revenue through a program where community health and human services agencies purchase transit fare scrip at twenty percent of the cash transit fare value, and

WHEREAS, the United Way of King County, via its community assessment basic needs indicators, reports that requests for assistance with basic needs remains at high levels, and in many cases at the highest levels. United Way of King County also report that King County is currently experiencing its longest period of sustained, high unemployment since monthly unemployment rates began to be measured in the early 1940s, and

WHEREAS, the King County council desires to explore and develop new regional public transportation fare program concepts to meet the growing mobility needs of low income persons as part of the health and human services safety net, and

WHEREAS, Ordinance 16415, authorizing the executive to execute an amended and restated interlocal cooperation agreement for design, implementation, operation and maintenance of the regional fare coordination system, established the King County transit general manager as King County's representative on the joint board, which serves as the governing, policy-setting body overseeing the activities related to the ORCA fare media system, and

WHEREAS, the general manager notified the members of the ORCA joint board of King County's interest in exploring local and regional low income fare programs, and

WHEREAS, it is expected that low income fare programs will be considered as part of an overall transit fare program proposal from the King County executive, anticipated to be transmitted in 2013, and

WHEREAS, King County council adopted Motion 13746 establishing a low income fare advisory committee, and

WHEREAS, the King County executive transmitted to council membership in the low income fare advisory committee consistent with Motion 13746, and

WHEREAS, the King County council desires to increase breadth of the membership by adding two

members of the committee in addition to those specified in Motion 13746 and appointed by the executive;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. Motion 13746 is hereby rescinded.

B. The executive is requested to convene an advisory committee on mobility as an element of the health and human services safety net. The purpose of the advisory committee is to assist in the review and development of new King County public transportation fare options for low income persons.

C. The committee membership shall consist of the following executive-level representation:

1. One representative of the North Urban Human Service Alliance;
2. One representative of the Eastside Human Services Forum;
3. One representative of the South King Council of Human Services;
4. One representative of the Seattle Human Services Coalition;
5. Three representatives of low income consumer populations;
6. Four local jurisdiction representatives representing geographic diversity; and
7. Two business representatives.

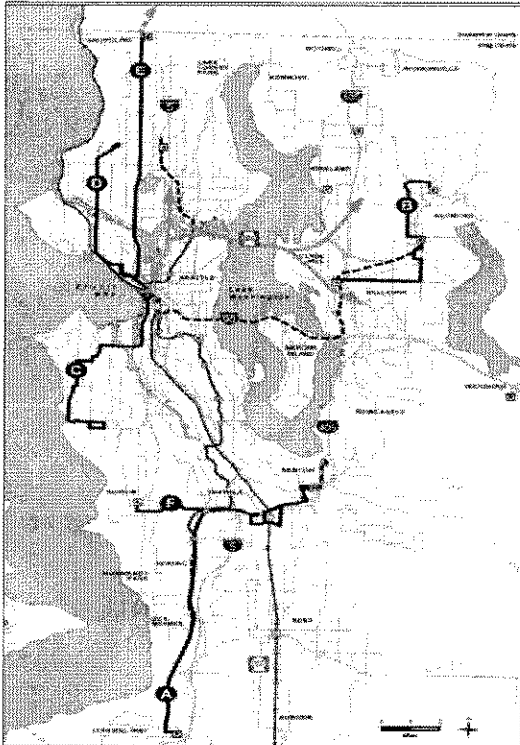
D. The following staff shall serve as ex officio members of the advisory committee:

1. Two staff designated by the council;
2. Two staff designated by the executive;
3. A representative designated by the Washington state Department of Social and Health services;
4. The directors of the department of community and human services and public health; and
5. The general manager of the transit division of the King County department of transportation;

E. The advisory committee shall:

1. Establish a common understanding of mobility barriers for low income populations, and how transit fare price points affect access and use of transit by low-income persons;
 2. Review the different types of transit fare options available to meet the mobility needs of low-income persons;
 3. Review costs of potential King County low-income fare programs;
 4. Recommend definitions of low income to be used for the implementation of transit fare programs;
 5. Make prioritized recommendations related to the establishment of King County low-income fare programs;
 6. Identify different options for funding low income fare programs and potential partners that may be willing to support such programs; and
 7. Identify opportunities and recommendations for regional low income fare programs for potential consideration by agency partners of the ORCA joint board; and
- F. Recommendations to the council by the advisory committee should be transmitted, in the form of a motion for acceptance by the council, by July 1, 2013, regarding regional low-income public transportation fare program. The report should include fare program definitions, priorities, costs and mobility impacts and funding recommendations, as a well as recommendations for regionalization of the fare programs.
- G. The advisory committee should be convened by February 1, 2013, and meet at least monthly, at times convenient to a majority of the noncounty employee members.
- H. The membership for the advisory committee is set forth in Attachment A to this motion.

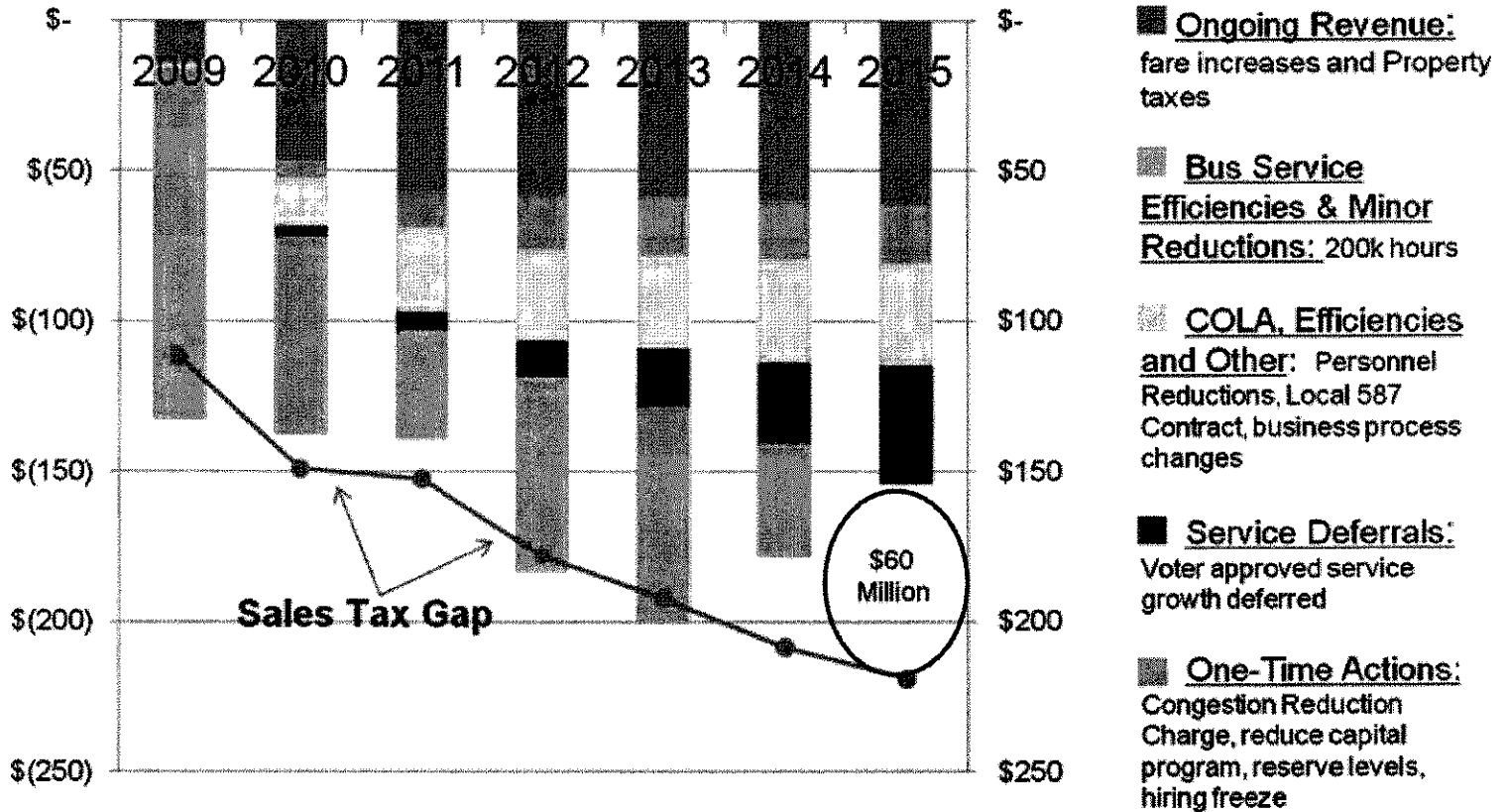
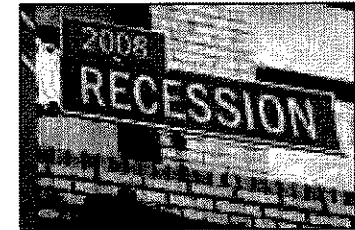
APPENDIX B: Meeting Materials



- 1958 – Metro formed, wastewater
- 1972 – took on transit
- 1994 – merged with King County
- 9-member King County Council, elected County Executive
- District: 2,134 square miles / 1.9 million people
- 0.9% sales tax, 2-year \$20 congestion reduction charge, 7.5¢/\$1000 assessed value property tax
- Over 260 routes
- Buses, vanpools, paratransit
- Downtown Seattle Transit Tunnel
- Transit facilities
- 115 million boardings
- 460 million passenger miles

Metro's Financial Picture: Closing the Transit Budget Gap

(\$ in millions)



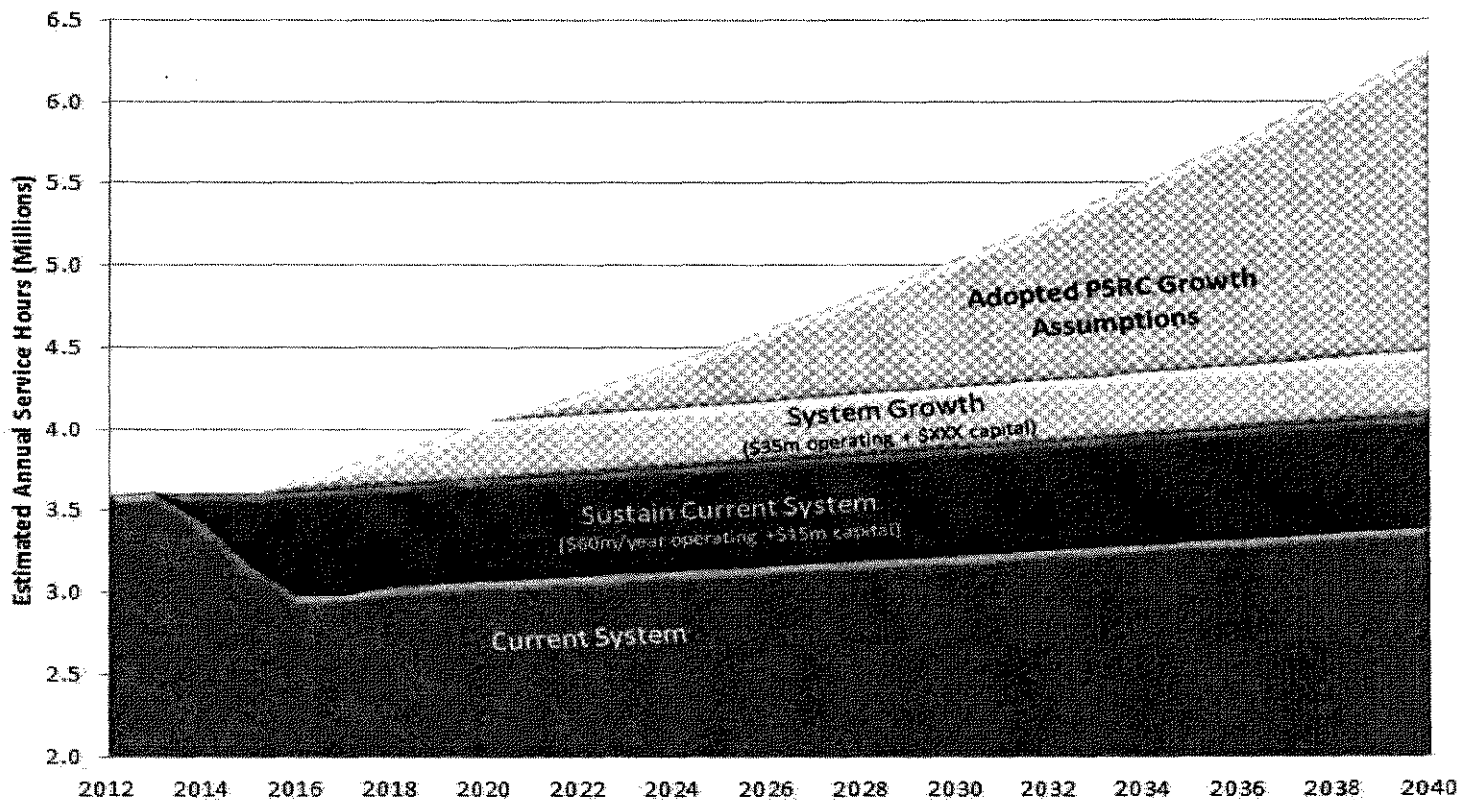
In addition to closing the gap for annual bus service, funds are needed to purchase buses to operate the service. Assuming debt financing, this cost is estimated at \$15 million per year for 12 years.

- **Ongoing Revenue:** fare increases and Property taxes
- **Bus Service**
Efficiencies & Minor Reductions: 200k hours
- **COLA, Efficiencies and Other:** Personnel Reductions, Local 587 Contract, business process changes
- **Service Deferrals:** Voter approved service growth deferred
- **One-Time Actions:** Congestion Reduction Charge, reduce capital program, reserve levels, hiring freeze

13968

Draft Metro Service Needs

Based on current sales tax forecast



13968

Strategic Plan for Public Transportation

- **Guiding Metro toward its vision**
 - Builds on King County’s Strategic Plan 2010-2014
 - Drawn from the recommendations of the Regional Transit Task Force in 2010
- **Navigating the road ahead to meet complex challenges**
 - 8 goals
 - 17 objectives
- **Ensuring success**
 - Requires Metro to monitor its performance and measure its success in achieving the plan’s objectives, goals and vision
- **Managing the system**
 - Includes service guidelines to help plan and manage the transit system and enable the public to see the basis of proposals to expand, reduce or revise service



2012: Big System Changes

- Largest service change in agency history including the launch of two new RapidRide lines
- Eliminated the downtown Seattle Ride Free Area
- Transitioned to pay-on-entry throughout the system



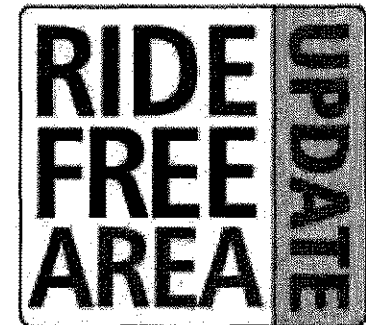
Ride Free Area Ends 9/29/12

NEW Pay On Entry

ORCA

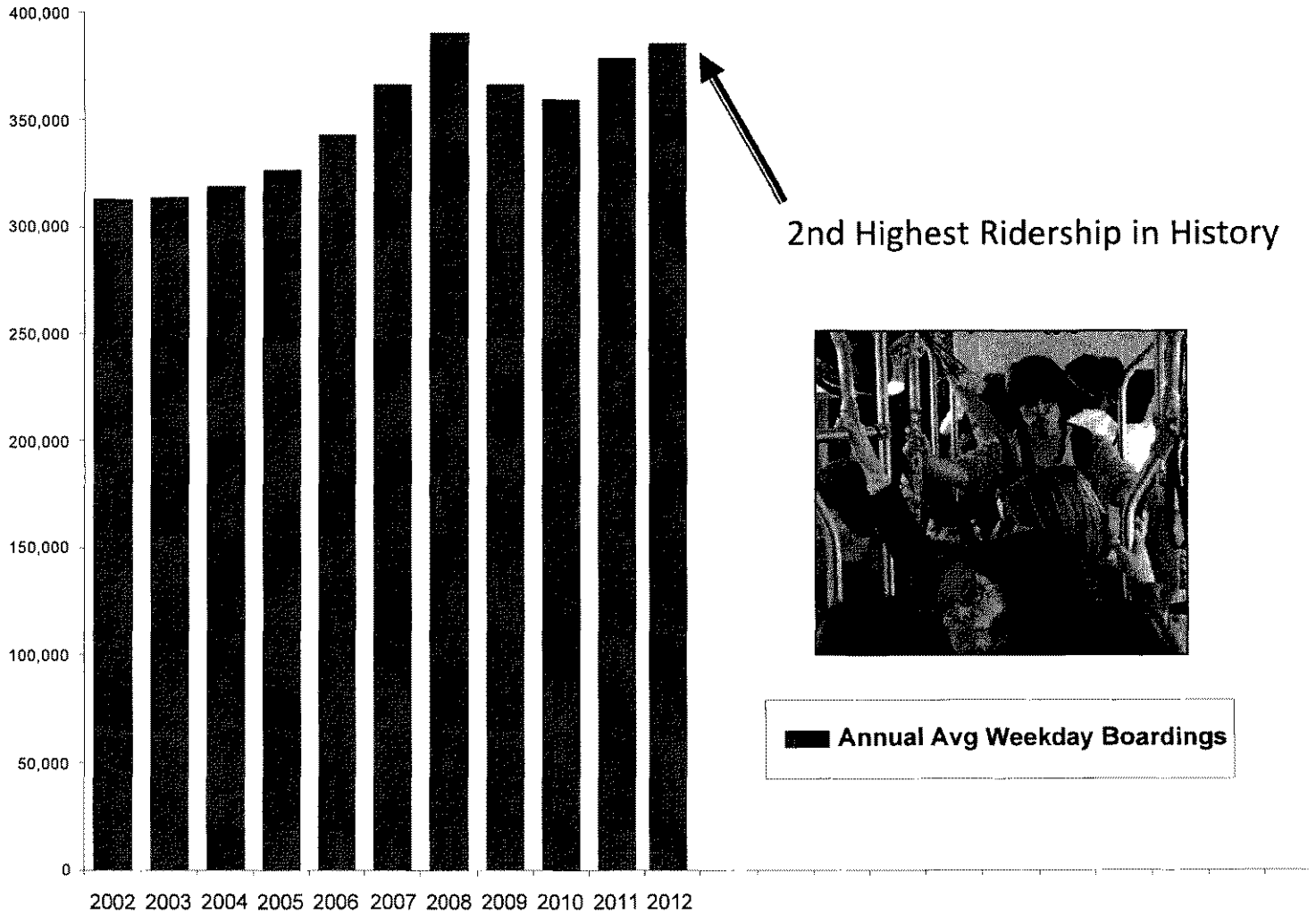
How you ride buses in King County changes September 29.

Bus riders will now pay when they enter the bus by all ports. Riders can use ORCA, cash, or a farebox machine. See complete details of changes at www.orca.wa.gov.



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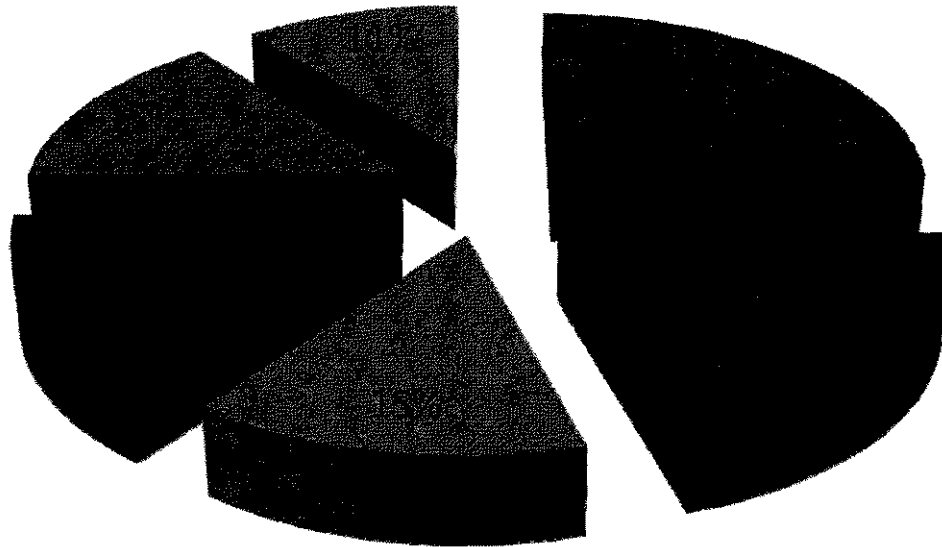
Average Weekday Ridership on Metro's Buses and Trolleys



Rider Demographics

Source: 2011 Metro Rider Survey

By Income Level



- Less than \$35K
- \$35K - \$55K
- \$55K - \$75K
- \$75K - \$100K
- \$100K - \$150K
- More than \$150K

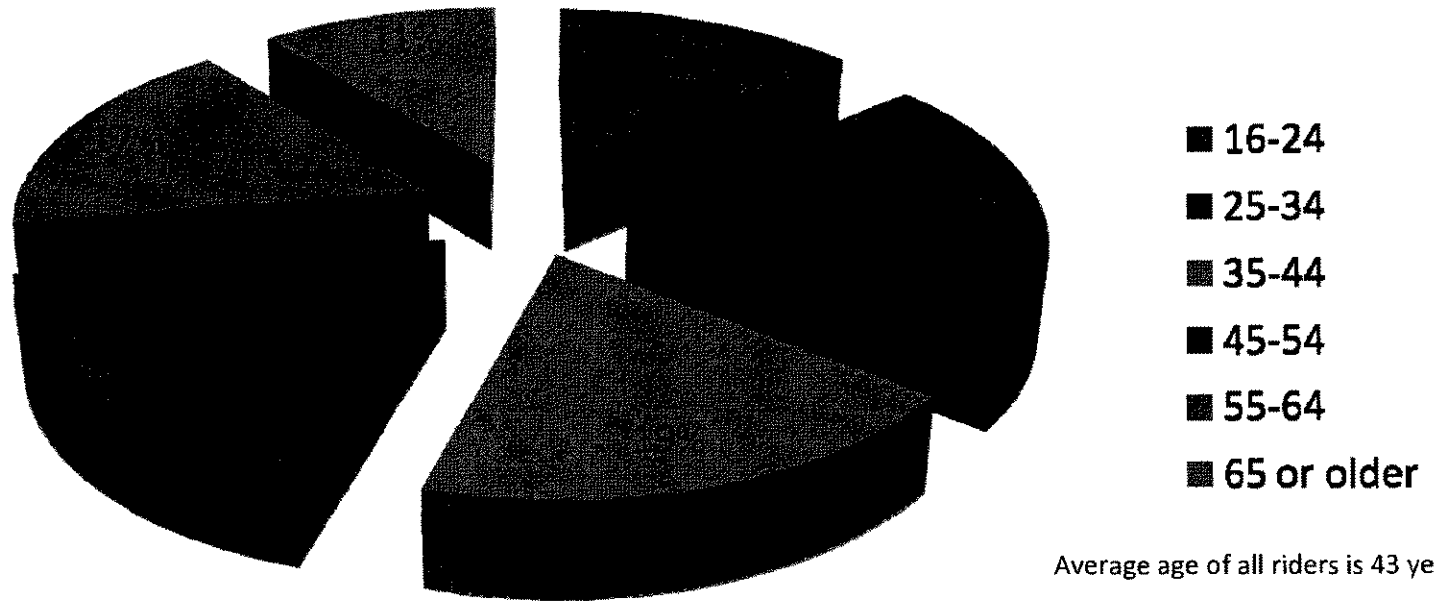
Median income of all riders is \$63K

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Rider Demographics

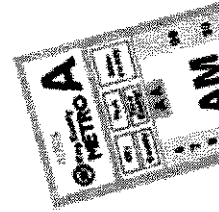
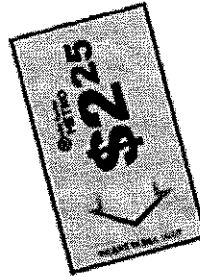
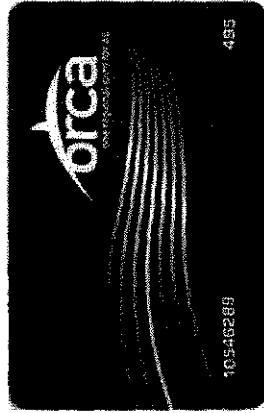
Source: 2011 Metro Rider Survey

By Age



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Metro Fare Categories



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	Off-Peak/All Zones	Peak One Zone	Peak Two Zone
Adult Age 19-64	\$2.25	\$2.50	\$3.00
Senior with Regional Reduced Fare Permit	\$0.75	\$0.75	\$0.75
Riders with disabilities and Medicare card holders with Regional Reduced Fare Permit	\$0.75	\$0.75	\$0.75
Youth Age 6-18	\$1.25	\$1.25	\$1.25
Children Age 0-5	Free w/ fare-paying adult	Free w/ fare- paying adult	Free w/ fare- paying adult
Access Transportation	\$1.25	\$1.25	\$1.25

King County
METRO We'll Get You There.

2013 Fare Policy Review



Ordinance 17476

- King County Council directive: report on fares
 - The role of fares in meeting needs of customers
 - Types of fares or fare categories
 - Discussion of potential fare changes with impacts
 - Comparison of forecasted ridership and fare revenue
 - Consider recommendations from Low Income Fare Options Advisory Committee

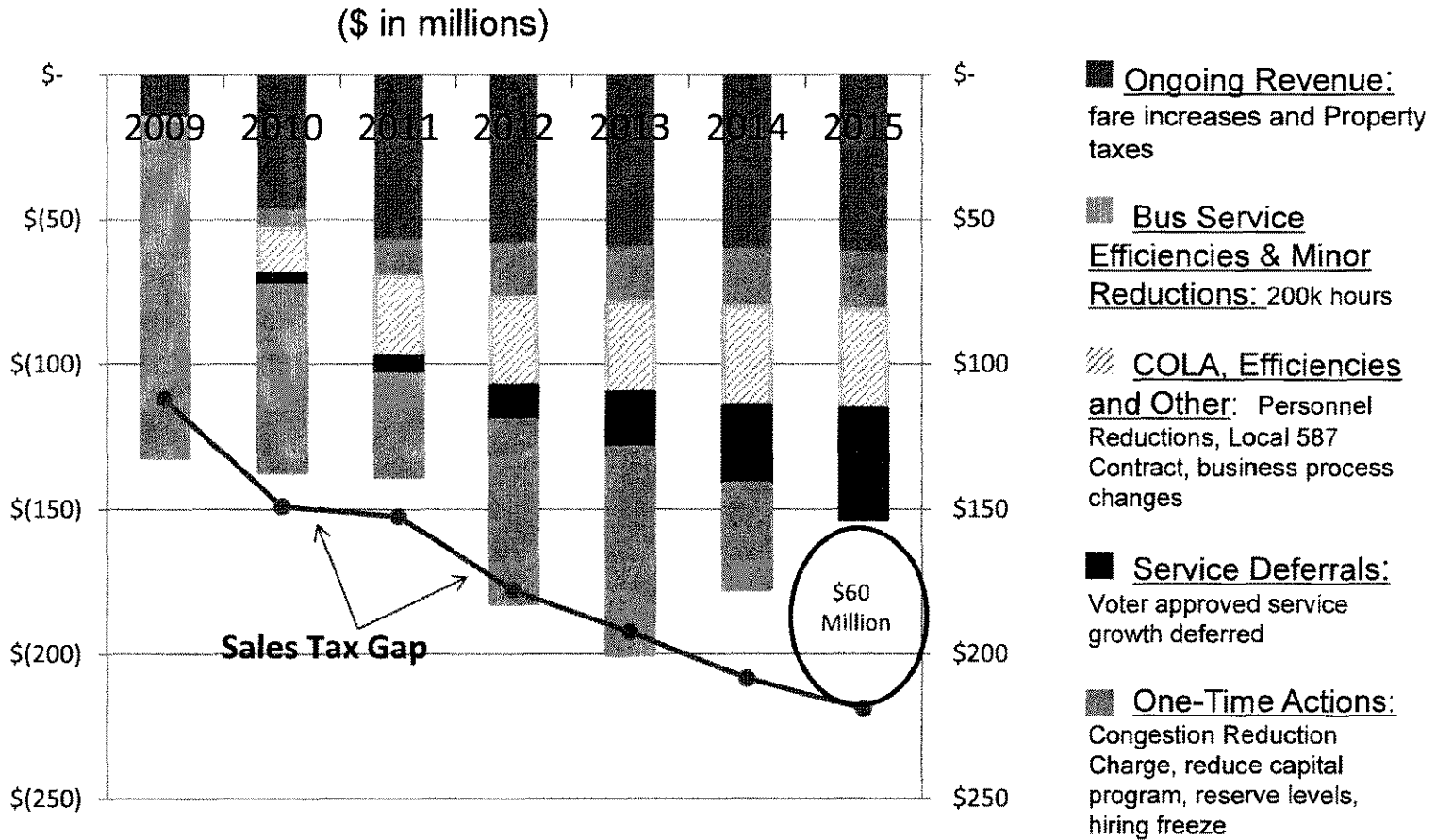
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Existing Fare Policy Guidance

- Metro's strategic plan includes or implies a number of goals related to fares:
 - Meet revenue targets
 - Reduce fare transaction time
 - Simplify fares for customers
 - Ensure access for low-income riders
 - Align fares with regional transit partners
 - Reflect the cost of service



Metro's Financial Picture: Closing the Transit Budget Gap

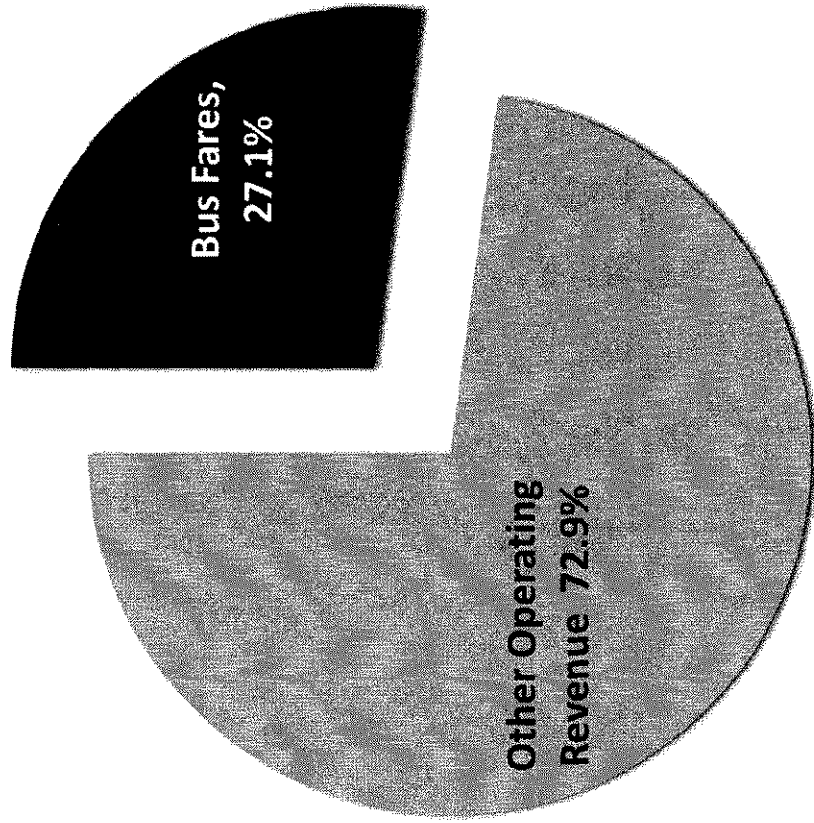


In addition to closing the gap for annual bus service, funds are needed to purchase buses to operate the service. Assuming debt financing, this cost is estimated at \$15 million per year for 12 years.



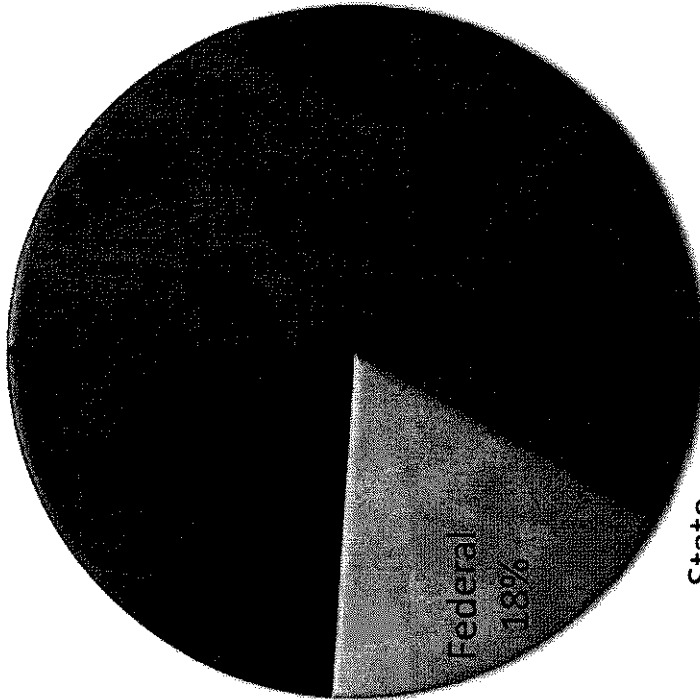
Metro Farebox Recovery Ratio

“Recover 25% of operating costs from farebox revenues for bus service”

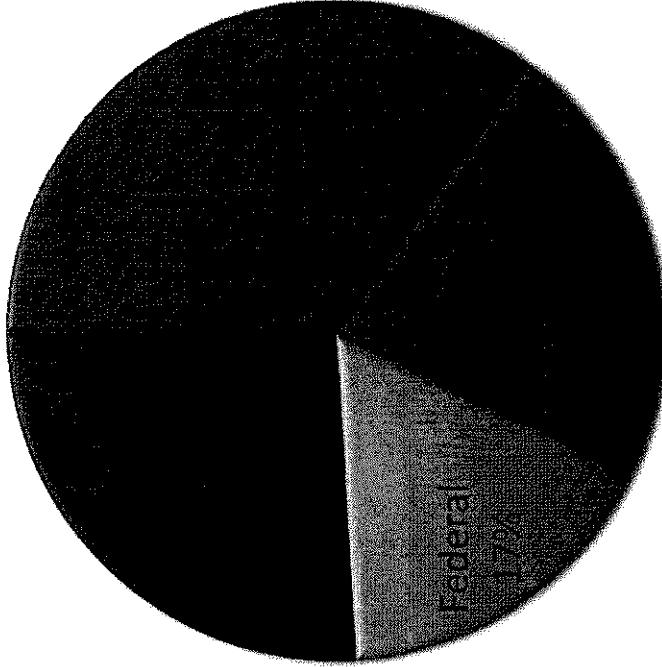


Transit Industry Revenue Sources

Washington State



National Average





Products and Fares

Products	Cash Fare/ E-Purse	Pass
Adult		
One-Zone Peak	\$2.50	\$90
Two-Zone Peak	\$3.00	\$108
Off-Peak	\$2.25	\$81
Youth	\$1.25	\$45
Senior/Disabled	\$0.75	\$27
Other		
Access	\$1.25	\$45
South Lake Union Streetcar	\$2.50	\$90



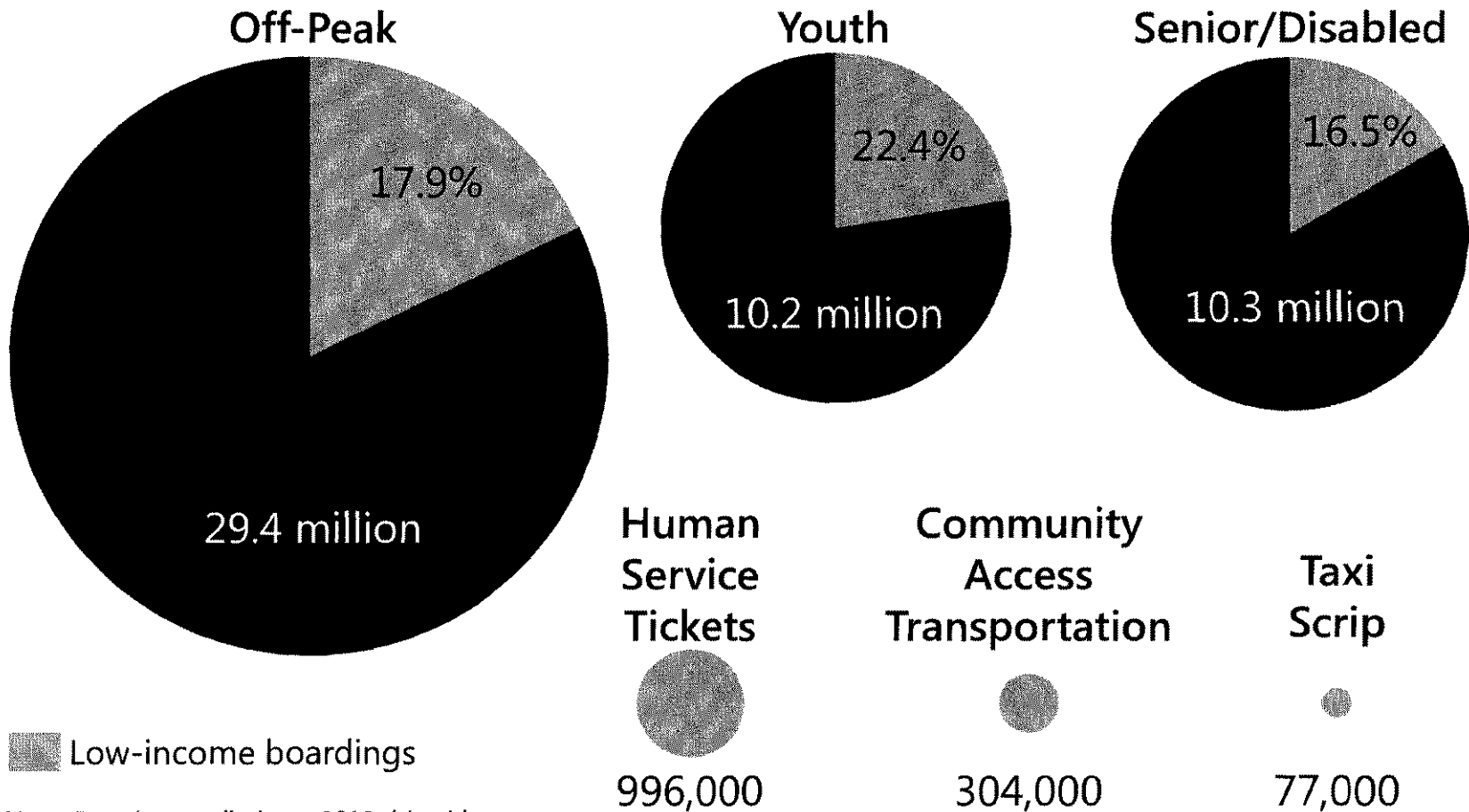
METRO DISCOUNT PROGRAMS BY CUSTOMER TYPE

	Low Income	Senior/Disabled	Youth	Other Riders
Total Boardings:	18,837,000	8,586,000	7,947,000	71,055,000
% of Total Boardings:	18%	8%	7%	67%
Discount Programs for Metro Trips				
1. Off-Peak Discount (10-25%)	5,261,000			24,135,000
2. Youth Discount (50-58%)	2,295,000		7,947,000	
3. Senior/Disabled Discount with Regional Reduced Fare Permit (70-75%)	1,696,000	8,586,000		
4. Human Service Tickets (80%)	996,000			
Total Discounted Boardings:	10,248,000	8,586,000	7,947,000	24,135,000
% of Customer Type Served:	54%	100%	100%	34%
Other Programs				
5. Community Access Transit (CAT) Program (Free fare)	304,000			
6. Taxi Scrip Program	77,000			
Total Subsidy:	\$6,968,000	\$6,992,000	\$3,504,000	\$3,487,000
% of Total Subsidy:	33%	33%	17%	17%

*Notes: Ridership numbers are based on preliminary 2012 actuals
 Low income estimates come from Metro's Rider/Non-rider survey.
 Senior/Disabled and Youth categories exclude low income riders.
 "Low income" assumes 200% of Federal Poverty Guideline or below.*



Metro Discount Programs (Number of Boardings)



Note: Based on preliminary 2012 ridership
Source: Metro Rider/Non-rider survey



Federal Poverty Guidelines by Household Size

Household Size	100%	185%	200%
1	\$11,490	\$21,257	\$22,980
2	\$15,510	\$28,694	\$31,020
3	\$19,530	\$36,131	\$39,060
4	\$23,550	\$43,568	\$47,100
5	\$27,570	\$51,005	\$55,140
6	\$31,590	\$58,442	\$63,180
7	\$35,610	\$65,879	\$71,220
8	\$39,630	\$73,316	\$79,260

Source: U.S. Health and Human Services Department, 2013



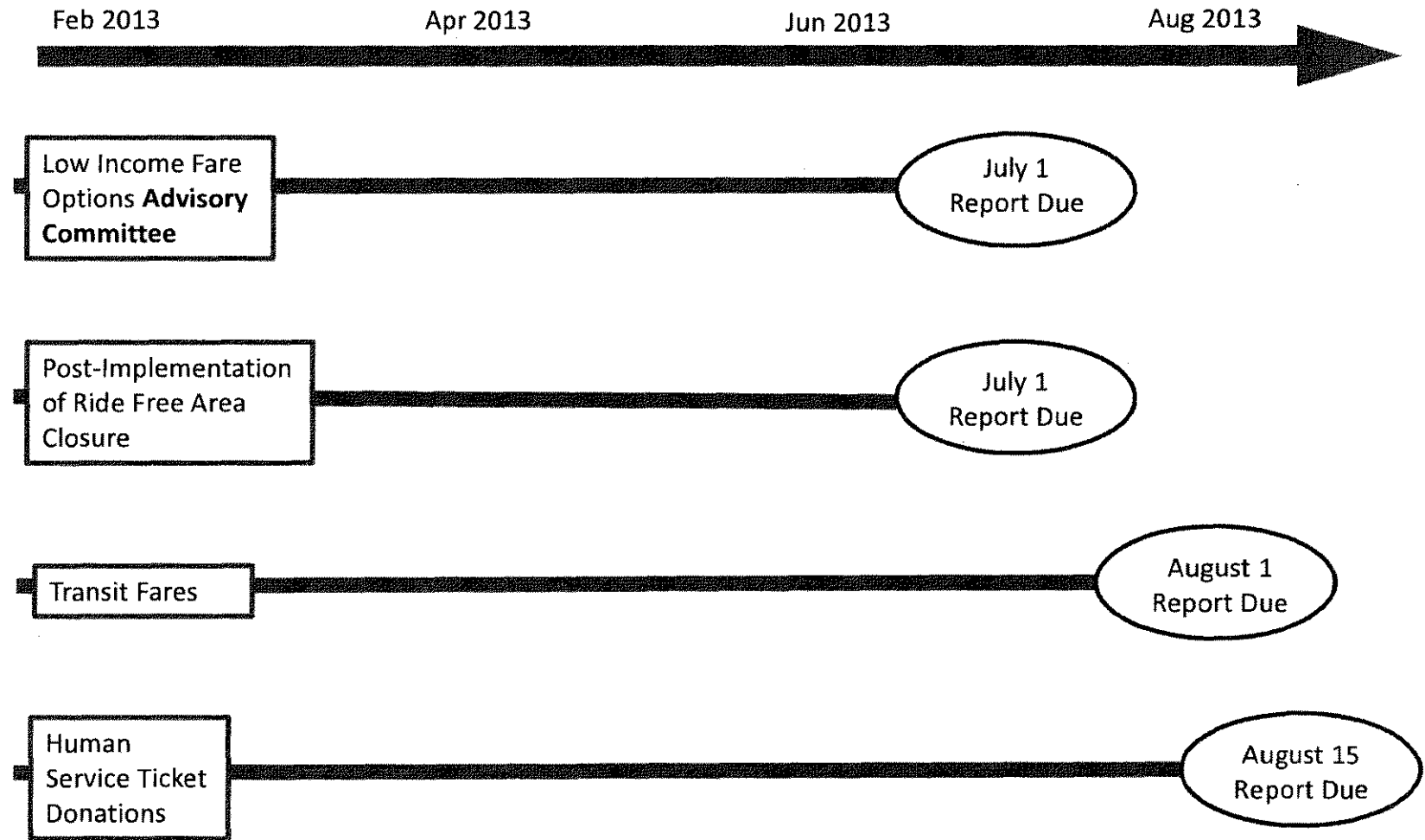
Estimated Population by Status

	Number of People	Percent of County Population
King County	1,969,722	100%
Youth (0-18)	446,386	22.7%
Seniors (65 and over)	220,609	11.2%
Disabled	195,002	9.9%
Adults	1,302,727	66.1%
100% of Federal Poverty Level	230,000	11.7%
185% of Federal Poverty Level	445,000	22.6%
200% of Federal Poverty Level	480,000	24.4%

Source: American Community Survey, 2011



Transit Fare Structure and Related Reports due to the King County Council

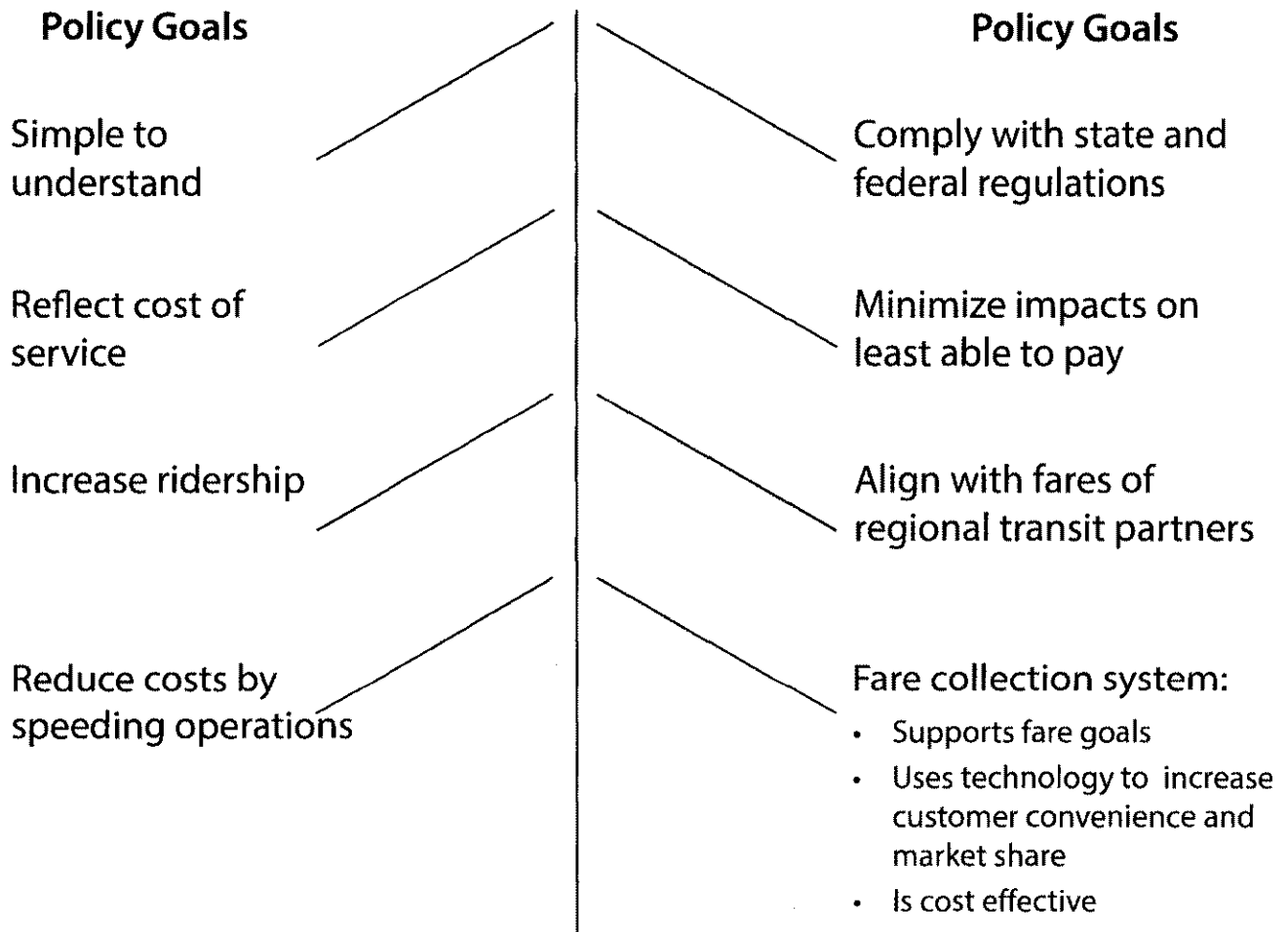




Metro Fare Policy

Meet Revenue Target

(25% cost recovery;
maintain service levels)



Fare Structure

- Time of day
- Distance
- Premium/Express
- Fare Payment Method
- Special User Group Fares



How to qualify for a Low Income ORCA card

Reduced Fare Qualifications for Low Income ORCA Cards

As the holder of a Kitsap Transit Low Income Reduced Fare ORCA card, you receive reduced fare on Kitsap Transit routed buses and the Kitsap Transit Foot Ferry. To receive the discount, you must pay your fare with a monthly pass or E-purse loaded onto your ORCA card. You will not receive a discount by simply showing the card to the operator. Paying your reduced fare from E-purse entitles you to a free 2-hour transfer at any location.

Low income cards must be renewed every year by showing proof of eligibility.

You can qualify for a Low Income Reduced Fare ORCA card if you are enrolled in a qualifying low income program or if you meet federal poverty guide lines. A current letter of participation from one of the following qualifying low income programs is valid:

- Food Assistance
- State Medical Assistance
- Public Housing Benefits (Section 8)
- Home Energy Assistance from KCR
- WorkFirst Program
- Social Service Agency or Shelter
- Work Release Program with Department of Corrections
- FAFSA/Financial Aid

If you are not enrolled in a qualifying program, you must meet the federal poverty level with your household income. Household income is defined as the total gross income of all household members over the age of 18. You must provide current proof of income for all family member(s) over the age of 18 with one of the following:

- Income Tax Return
- W-2 forms
- 3 months of paystubs

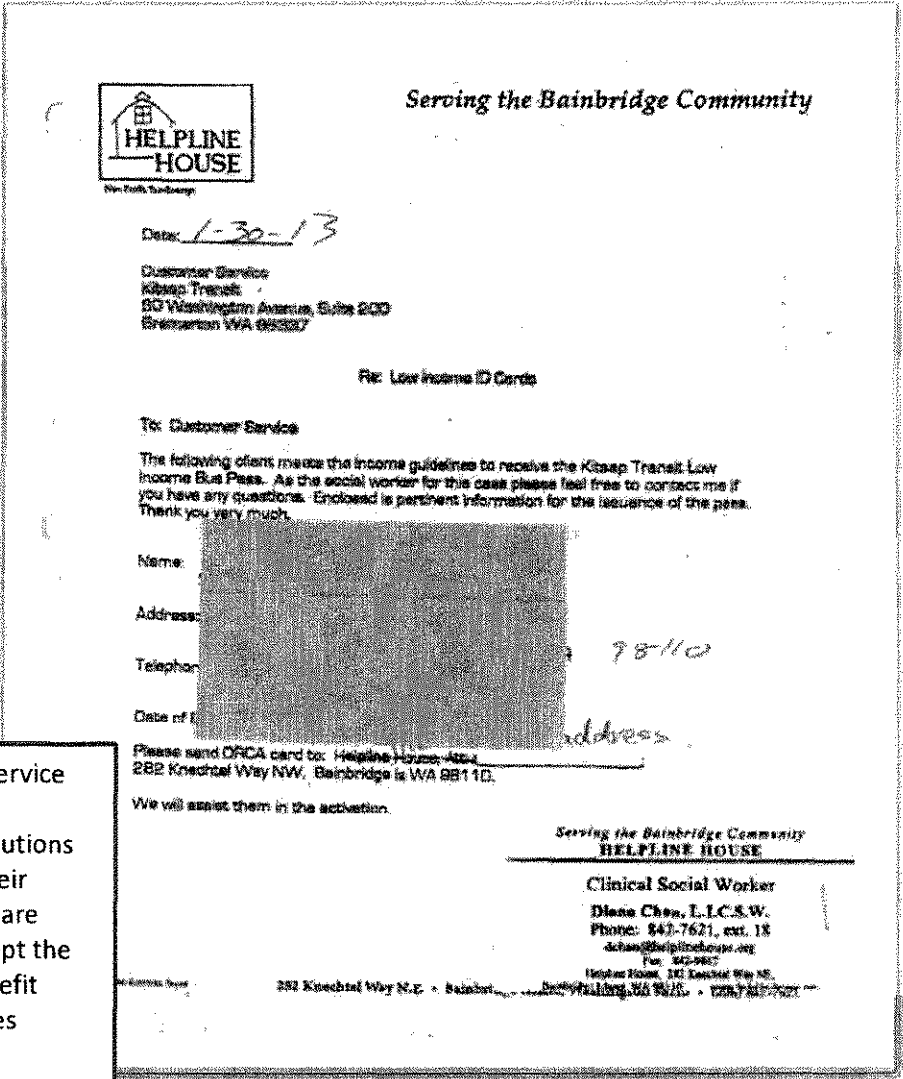
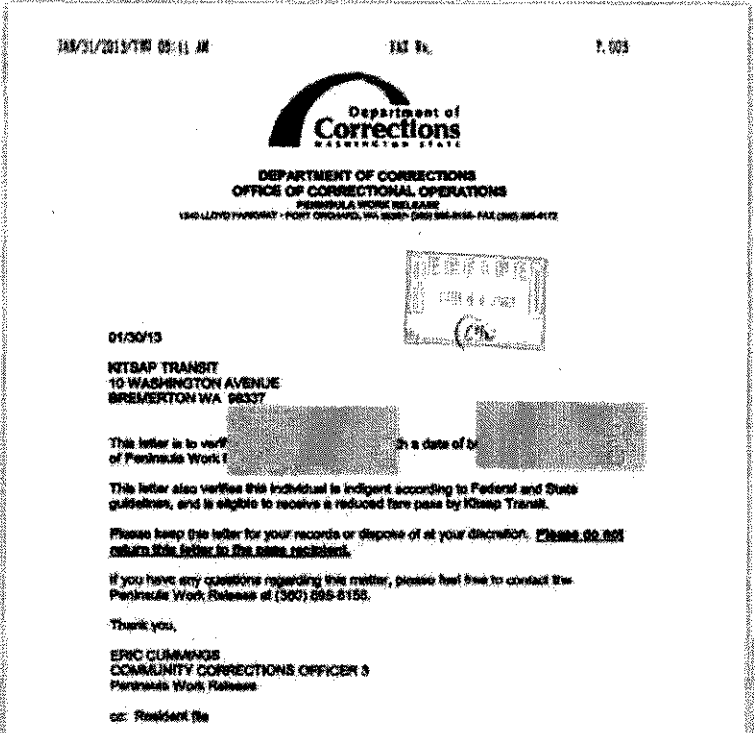
Persons In Household	2013 Federal Poverty Guideline (Annual Income)
1	\$11,490
2	\$15,510
3	\$19,530
4	\$23,550
5	\$27,570
6	\$31,590
7	\$35,610
9	\$39,630

Source:
 US Department of Health & Human Services

Examples of qualifying documentation:

Department of Corrections – Peninsula Work Release Resident
This type of documentation is faxed direction from DOC to our office and not hand carried by the residents.

Bainbridge Island – Helpline House
This type of documentation is hand carried and is printed on letterhead. It's completed by the Clinical Social Worker.



A great portion of the eligibility process is done at our larger Social Service agencies like DSHS, Unemployment, our community college "SING" (Students in Need) Program and a County agency called "Housing Solutions Center". These agencies have internal "navigators" that work with their clients during the intake process and determine what programs they are eligible for and make recommendations. In many cases, we only accept the initial award letter issued by a Social Service agency because the benefit cards awarded to their clients don't display expiration dates. Examples would be DSHS benefits, EBT cards and medical coupons.

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Examples of qualifying documentation (cont.):

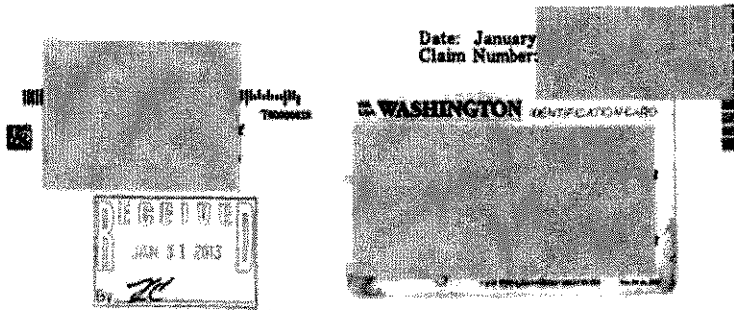
Social Security Administration – SSI Recipient

We require current year award letters for this type of documentation.

YWCA – Resident Program

Letters from shelters and/or community programs are hand carried. They are printed on letterhead and signed by the approving organization.

Social Security Administration



You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Supplemental Security Income Payments

Beginning January 2013, the current Supplemental Security Income payment is \$ 710.00.

This payment amount may change from month to month if income or living situation changes.

Supplemental Security Income Payments are paid the month they are due. (For example, Supplemental Security Income Payments for March are paid in March.)

Date of Birth Information

The date of birth shown on our records is [redacted]

Type of Supplemental Security Income

You are entitled to monthly payments as a disabled individual.

If You Have Any Questions

If you have any questions, you may call us at 1-800-772-1213, or call your local Social Security office at 825-820-0101. We can answer most questions over the phone. You can also write or visit any Social Security office. The office that serves your area is located at:

SOCIAL SECURITY
9504 MICKELBERRY RD NW
SILVERDALE, WA 98363

See Next Page

administering centers:
empowering women
ywca

P.O. Box 658
Bremerton, WA 98337
360-479-5115
Fax: 360-479-2480

Date: 12/27/12

To Whom it may concern:

This letter is to confirm the [redacted] is a client of the A.L.I.V.E. Program and is residing at the shelter for battered women.

She has left her home due to the violence that she was experiencing.

She has been a resident here since 12/24/12

Any assistance you can offer her would be appreciated. If you have any questions concerning her stay at this facility, please give one of our A.L.I.V.E. staff members a call at (360) 479-5115.

Thank you for your time and attention to this matter.

Sincerely,

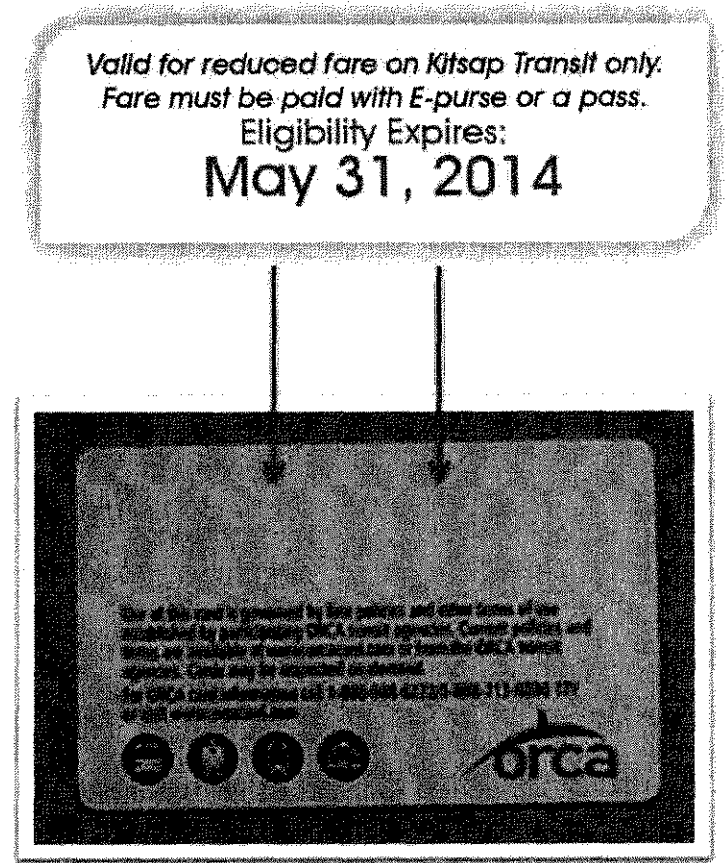
Charlene Edmond
(Print Name)
Charlene Edmond
(Signature)

(Sign)
Client Advocate
YWCA A.L.I.V.E. Program

Our goal is to evolve this program even further with the portable CSTs. We plan to attend local community homeless and low income events and approve and issue low income cards on-site.

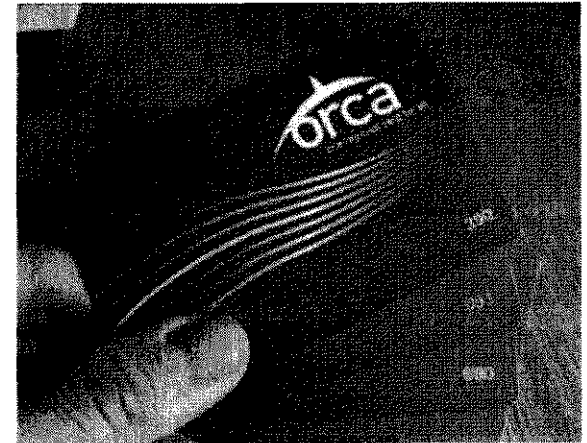
Kitsap Transit's Low Income Program Highlights

- ORCA cards issued are identical to the Standard Cards. Expiration stickers are placed on the back as a reminder for the Customer.
- The initial ORCA card fee is waived for Low Income applicants each year of eligibility. (The card fee is collected for lost, stolen or damaged cards)
- The system requires low income cards to be registered to the cardholder.
- Community & State Agencies issue tokens, checks and/or pre-approved purchase orders to assist their clients with their transportation needs. If the client doesn't already have a low income card, we'll use the Social Service agency documentation as proof of eligibility.



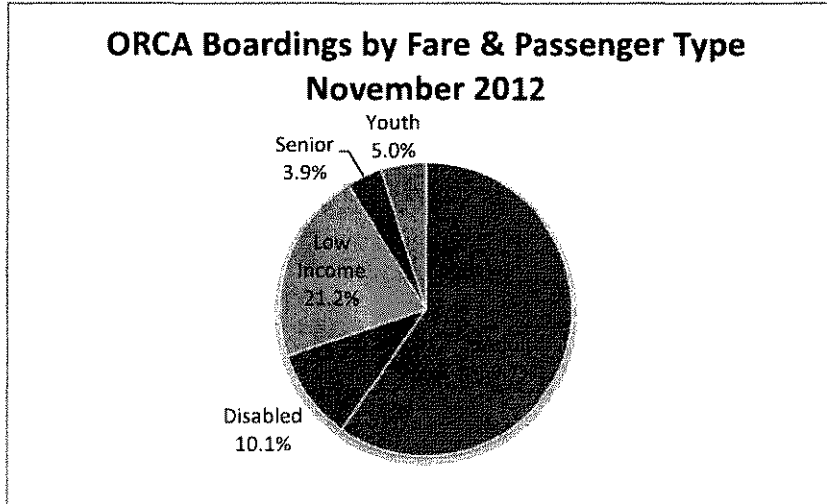
Challenges of Kitsap Transit's Low Income Program

- Renewals: If a customer remains eligible for low income, the system does not allow the expiration date to be updated; a new card must be issued.
- Lost or stolen cards: If a low income card is reported lost or stolen, we must log into the Call Center Website to verify the expiration date before issuing a new card.
- If we need to transfer product or e-purse, we have to add product using an internal purchase order; e-purse takes 5-7 days to follow.
- If a customer becomes stranded by this process, we issue day passes to help with their transportation needs.



The functionality of the system restricts us from simply replacing the card when the card is expired. Because the system doesn't allow us to update the expiration date, we must issue a whole new card. This is not only a challenge for Kitsap Transit; it sometimes becomes a hardship for the customer. In many of these cases we are working with the most vulnerable and in-need population, and the card they're renewing is loaded with the only money available. By issuing a new card, the e-purse will take 5-7 days to transfer.

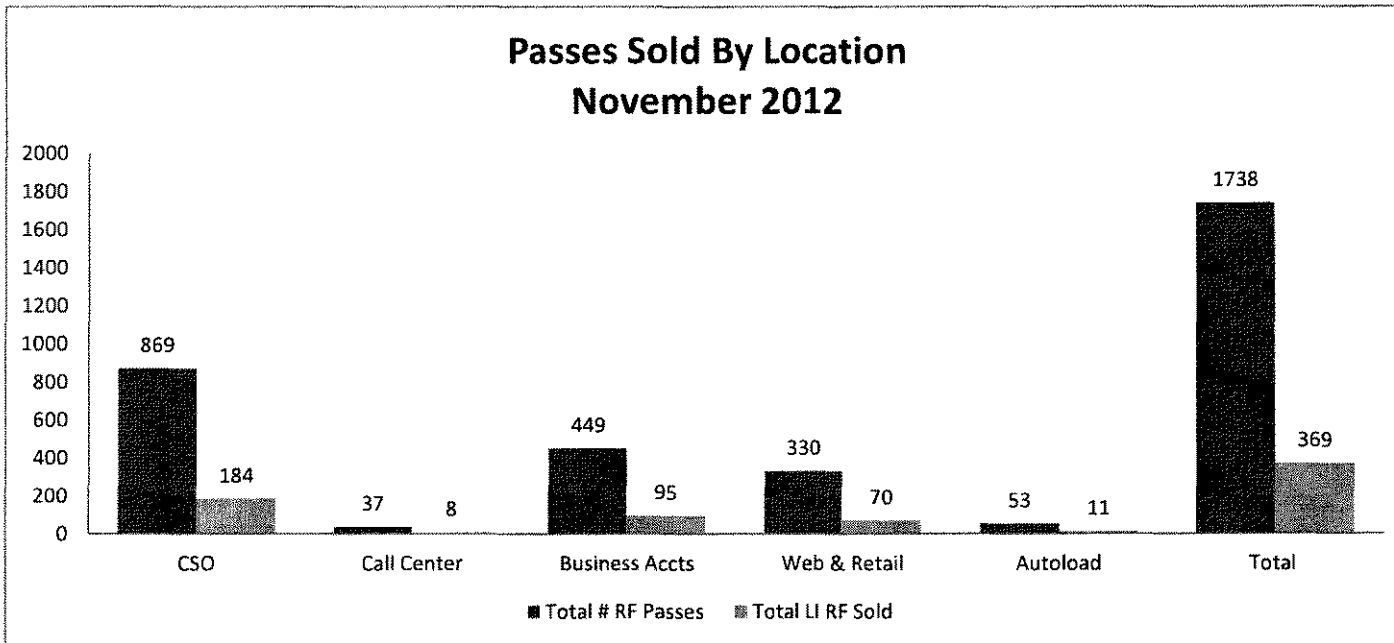
Kitsap Transit's November ORCA Stats



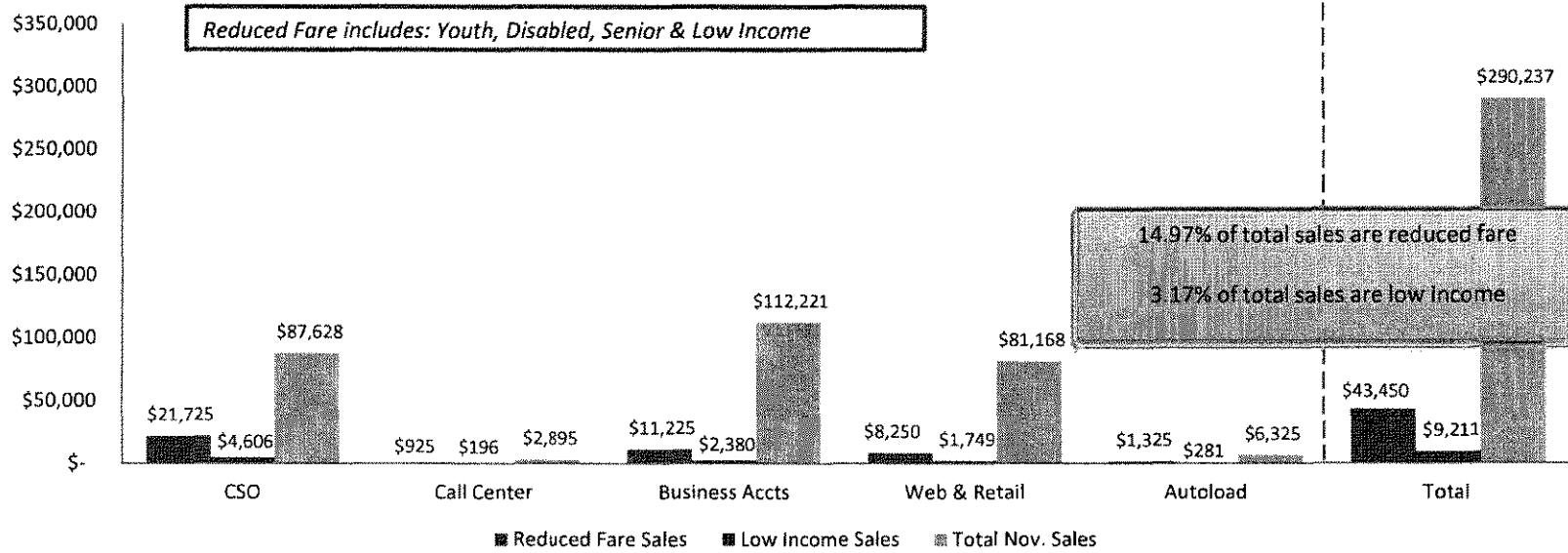
Calculation: We took the total reduced fare sales by location and converted into total number of reduced fare passes sold. We then used the ORCA Boardings by Fare and Passenger Type and determined the percentage by type. We applied the low income percentage to total RF passes sold to give us our total low income passes sold by location.

For example:

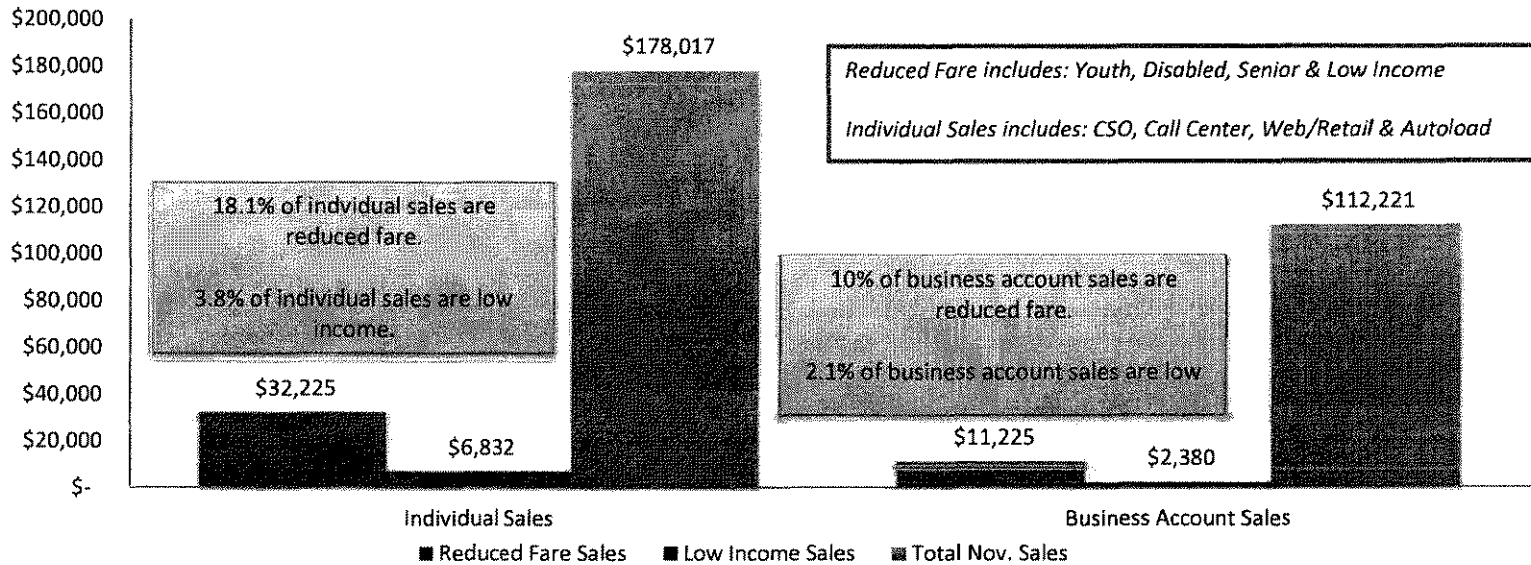
In November, we had \$925.00 in reduced fare sales at our Call Center. Divide this total, \$925.00 by \$25.00 (cost of our reduced fare pass) which gives us 37 reduced fare passes sold for November at this location. Using the 21.2% from the ORCA report, we can apply this to the 37 reduced fare passes sold at this location and assume that approximately 8 were low income.

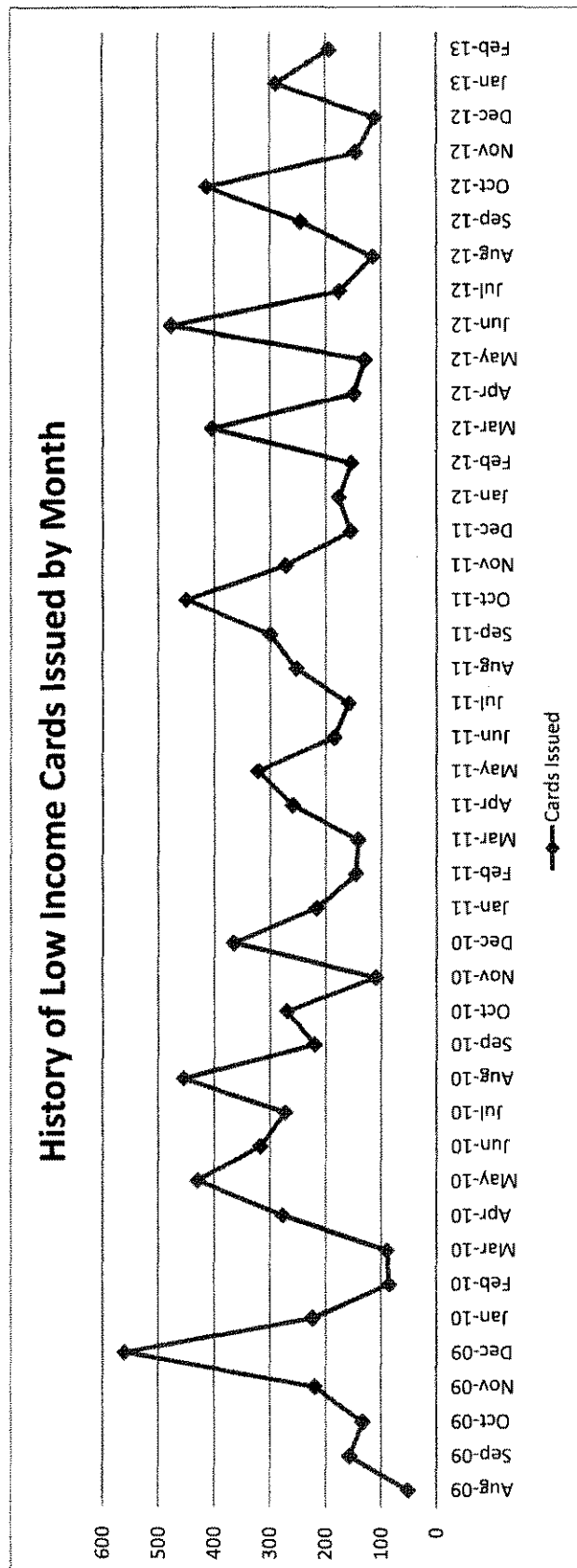
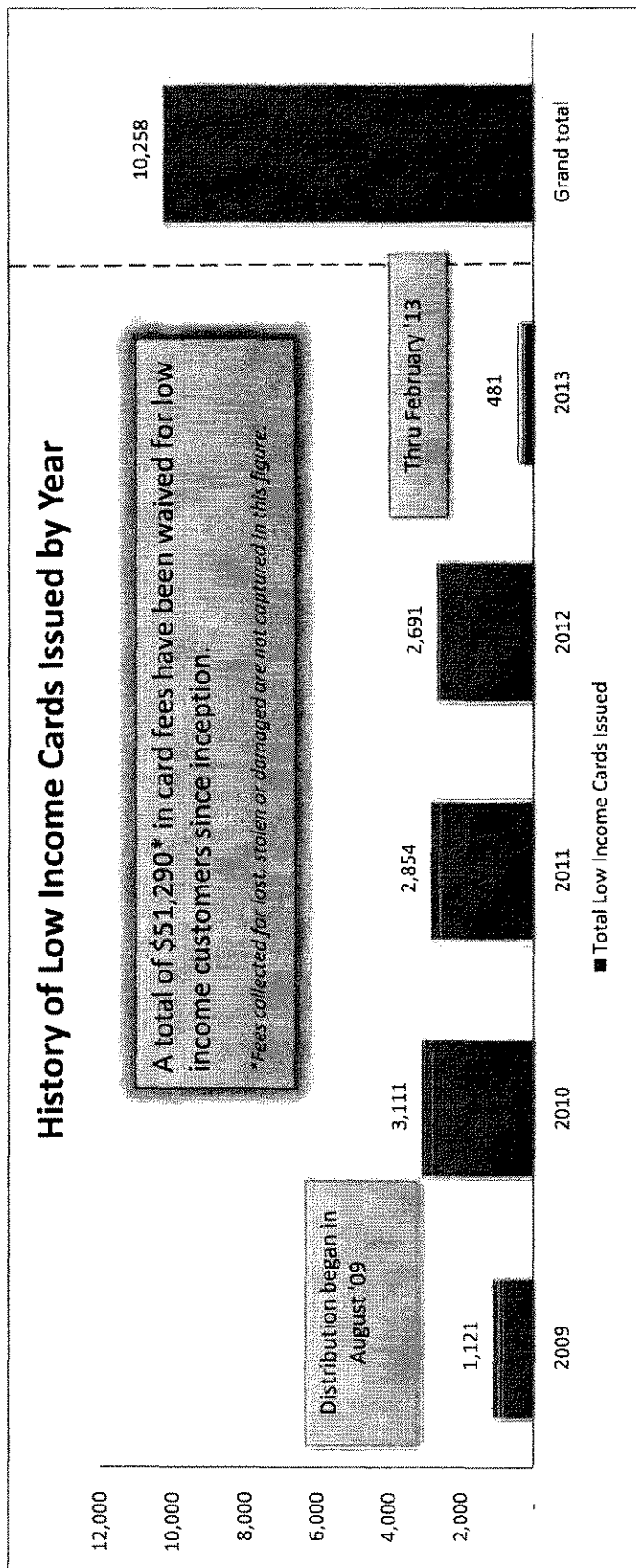


November 2012 Sales



November 2012 Individual Sales vs. Business Accounts Sales





What ORCA already does:

- Low income passenger type exists in the system. Kitsap Transit is the only ORCA agency that currently uses this passenger type.
- All ORCA agencies have fare tables that include a placeholder for a low income fare, but only Kitsap Transit sets a reduced fare.
- Low income ORCA cards can be used on any service that accepts ORCA, but currently a reduced low income fare will be charged only on Kitsap Transit service. All other ORCA agencies set their low income fare to adult fare.
- Only Kitsap Transit Customer Service Terminals (CSTs) can issue ORCA cards coded as low income. These ORCA cards “tell” the fare card readers to charge the low income fare from the fare table.
- The low income designation has an expiration date after which the ORCA card will act as an adult card.
- The expiration date for the low income designation cannot be extended. Kitsap Transit provides new low income ORCA cards to customers who continue to qualify for low income fares.
- Low income ORCA cards must be registered to the cardholder’s name and address. A low income ID field is available but not currently used by Kitsap Transit.
- Low income cards can be loaded and reloaded at any retail sales locations and through the Business Accounts website.

Business Accounts:

Several Social Service agencies have elected to contract directly with Kitsap Transit as a Business Account to offer low income fare eligibility to a large population. These agencies self-qualify their clients, saving them a trip to our Customer Service Office to complete the low income reduced fare application process.

This process is customer friendly but is a major administrative task for the Social Service agency and Kitsap Transit.

Process/Challenges:

- The current system doesn't allow low income designated cards to be ordered through ORCA system for the Business Account.
- Each card must be initialized and registered at the CST, one card at a time.
- Each card needs to be added to the Business Account, one card at time, and tapped on the CST one card at a time. We will also verify that the cards are visible in the Business Account – *many of these steps require 24-48 hours in between.*
- By issuing these cards to the Business Account, Kitsap Transit is surrendering the overall eligibility authority.
- Kitsap Transit enables our low income cards for four years, as it is not realistic to re-card the Business Account each year.
- If the Business Account stops funding the cards issued to clients, the cards are rarely recovered and remain in circulation. In many cases, the customer will assume the responsibility of loading their own funds, pass, etc. until the card is blocked or becomes expired.

During the registration process, we must enter the low income expiration date, the name of the Social Service agency, the address and a secret password.

Kitsap Transit depends on the Business Account/Social Service agency to actively maintain their low income cards.

Kitsap Transit enables our low income cards for four years. We decided that, in addition to the fees associated with re-carding a Business Account annually, it would be unrealistic to have random expiration dates throughout the Business Account. We would never know which card has lost the low income designation, returning to a regular Adult ORCA card or at what time. For example, many of our current Business Accounts will be expiring in December of 2014. In 2010, 2011 and 2012, when these cards were ordered and initialized, we assigned the same expiration date to all – 12/14. Preparing for orders going forward, we're in discussion of moving the date out to 2017 or 2018.

Additional Findings:

Agencies that use Purchase Orders for clients:

- Kitsap County Drug Court
- Salvation Army
- Kitsap County SC SEP/ALTC
- Catholic Community Services
- Employment Security
- Services for the Blind
- Kitsap Residences
- St. Vincent De Paul
- Kitsap Community Resources
- South Kitsap School District
- DSHS
- Kitsap Tenant Support

This is what the Driver Display Unit (DDU), On Board Fare Transaction Processor (OBFTP) and the Portable Fare Transaction Processor (PFTP) all say when presented with a Low Income and Senior Card:

Low income card:

DDU: Low Income paid \$1 dollar

OBFTP: Paid \$1 dollar

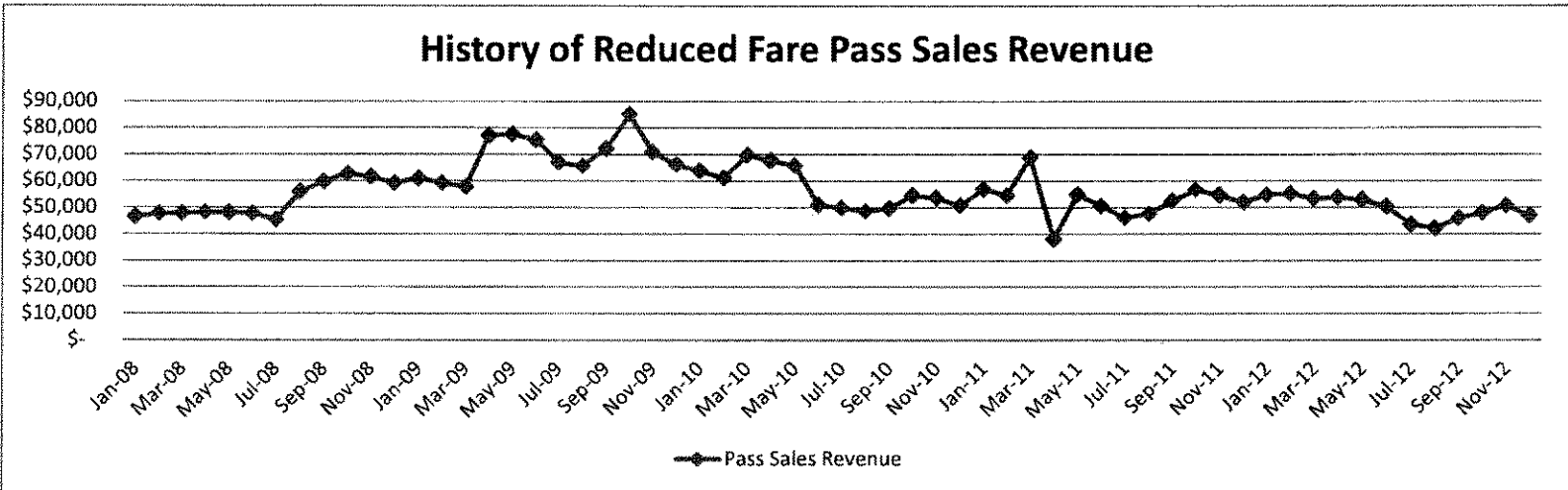
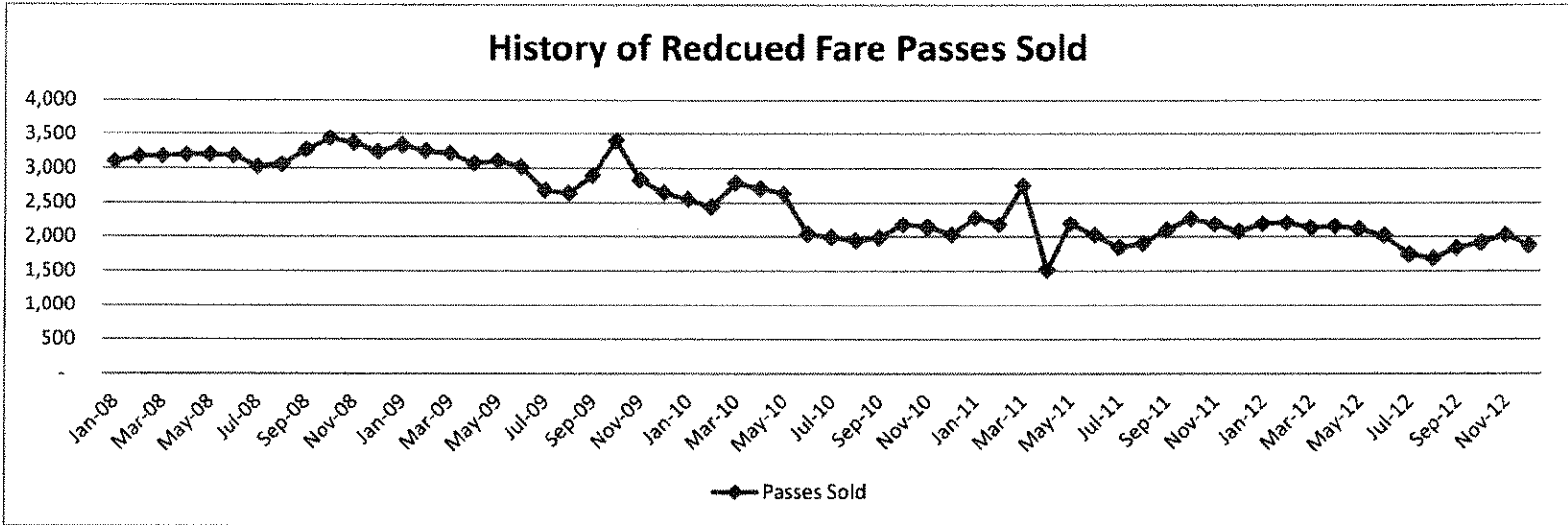
PFTP: Low Income Purse \$1 dollar

Senior Card:

DDU: Senior paid \$1 dollar

OBFTP: Paid \$1 dollar

PFTP: Senior Purse \$1 dollar



Notes: Reduced fare includes Youth, Disabled, Senior and Low Income.

Paper passes were sold through August 2010. These sales include Business Accounts, retail outlets, ACCESS and our CSO. ORCA starts 4/20/2009. ORCA sales don't include ACCESS.

These two graphs represent "true" pass sales months. For example: February sales are 1/15/12 to 2/14/12. Data presented early is sorted by calendar month.

Peer Transit Agencies' Low-Income Programs

Peer Transit Agencies' Low-Income Programs						
Agency	Program Background	Target Groups	Eligibility Criteria	Discount Level	Distribution	Participation
King County Metro	Human services agency ticket program	Clients of human service agencies	People who qualify for benefits through participating agencies.	Agencies may purchase bus tickets at 20% of cash value. Amount of discount provided shall not exceed \$1,875,000.	The \$1,875,000 is divided between the City of Seattle and King County's Department of Community and Human Services (DCHS). The city and DCHS allot value of bus tickets to agencies based on their program's guidelines. Agencies may use this allotment to purchase discounted tickets.	Nearly the entire \$1,875,000 is used each year, resulting in about 930,000 boardings annually.
Metro Transit Minneapolis, MN	Eligible Charitable Organizations Developed in response to 2009 state legislation to establish pilot program.	Charitable organizations serving the homeless	Must have 501(c)(3) designation and serve homeless individuals (as defined by Minnesota statute)	Eligible organizations receive 50% discount on fare products including passes and tokens. Tokens represent a \$1.75 fare, so tokens are discounted to 87 cents for organizations	Agencies wishing to participate must apply and be approved by Metro. When approved, agencies may purchase at the discount price and distribute as they see fit. Difficult to monitor resale of tokens, but organizations usually distribute only 1-2 tokens at a time, reducing opportunity for resale. Significant screening process for organizations that distribute passes. For smart cards, if organization suspects a problem, Metro can deactivate card. Agencies can get a new card for \$5.	<ul style="list-style-type: none"> • 20-25 agencies participating • 163,000 rides (2011) • \$309,000 gross sales through October 2011 • \$150,000 in discounts provided • Program losses capped at \$250,000 in 2011.
	Job Seekers Program	Social service agencies that help individuals seek employment	Must be nonprofit organization and tax exempt; and provide documentation of services provided.	Jobseekers Program provides 50% discount on purchases of 31-day passes and stored-value cards.		<ul style="list-style-type: none"> • 1.1 million rides (2011) • \$2.3 million gross sales through October 2011 • \$1.1 million in discounts provided

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Peer Transit Agencies' Low-Income Programs

Agency	Program Background	Target Groups	Eligibility Criteria	Discount Level	Distribution	Participation
MTA Los Angeles, CA	Rider Relief Transportation Program Approved by MTA board in 2006.	Income-eligible individuals, distributed through nonprofit groups	Agencies that distribute subsidy coupons must be: <ul style="list-style-type: none"> • 501 (c)(3) nonprofit in LA County • Be established in LA County for 3 years • Have more than 50 people participating in their program Participants must meet household income criteria, e.g. one-person household income \$25,9000, and show eligibility through tax returns, proof of public assistance, etc.	MTA covers cost of fare subsidy coupons up to \$5 million worth of coupons per year. Subsidy coupons can be used to purchase daily, weekly or monthly passes. \$10 subsidy coupons for riders who purchase for monthly or weekly pass e.g.: 30-day Metro pass is \$75, with subsidy, \$65 \$6 subsidy coupon for seniors, college, or school-age children who do not receive subsidies through other programs.	Program is administered by two contractors: FAME Assistance Corporation and Human Services Association, both nonprofit agencies. These agencies also partner with other nonprofits for subsidy coupons to ensure wider distribution and access.	FAME distributes: <ul style="list-style-type: none"> • 9,000 coupons to regular riders • 15,000 to seniors and disabled • 5,500 to students
TriMet Portland, OR	Social Service Agency Outlet Sales Program	Clients of social service agencies (includes direct service agencies and nonprofits)	Federal, state or local government agencies that receive public funding for TriMet fares.	Agencies receive 5% discount on purchase of TriMet fare products. (TriMet operates a Free Rail Zone in downtown Portland.)	Agencies purchase and distribute TriMet passes to their clients.	N/A
The Bus Honolulu, HI	Bus Subsidy Program City and County of Honolulu established the program in response to fare increases in 2003 and 2004.	Income-Eligible Individuals	Applicant's annual family gross income must not exceed 30% of median household income (HUD). Income verification required (tax, social security or public assistance records.	Discount only applies to monthly passes. Adult passes: \$10 discount = \$50 for a monthly pass Youth passes: \$6.50 discount = \$24.50 for a monthly pass	Distributed to individuals on an annual rolling renewal basis.	1,200 pass users per year

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Peer Transit Agencies' Low-Income Programs

Agency	Program Background	Target Groups	Eligibility Criteria	Discount Level	Distribution	Participation
Kitsap Transit Kitsap County, WA	Reduced Fare ORCA card for low-income individuals	Income-eligible individuals	Verification including low-income housing paperwork, letter from public shelter, voucher from public assistance agency, etc.	50% discount on bus fare: \$1 per ride \$25 for monthly pass	Agency distributes cards to individuals who verify income eligibility. <ul style="list-style-type: none"> Low income passenger type is programmed onto ORCA card. Participants can purchase monthly passes or include a stored value amount on their card. <p>Low-income passes renewed on a rolling basis; participants must verify eligibility annually. When pass expires, ORCA card becomes a full fare adult card. Social service agencies with ORCA business accounts may also load \$25 passes onto their clients' cards.</p> <p>Resale of passes is a concern that requires some monitoring; less so for paper passes.</p>	N/A
San Francisco Muni (MTA) San Francisco, CA	Lifeline Pass Program. Began in 2005, after three straight years of fare increases, to reduce impact on low-income populations.	Income-eligible individuals	Lifeline pass program participants must be provide the following: <ul style="list-style-type: none"> Proof they live in San Francisco Income level at or below 200% of federal poverty level <p>Participants who qualify for benefits through a human services agency (HSA) automatically eligible.</p>	Lifeline passes are monthly passes sold for \$31; good only on Muni services. Passes are 50% less than adult Fast Passes, which are Muni-only monthly passes sold for \$62.	Passes distributed at five service centers – two human service offices, two SFMTA customer service centers and an SFMTA parking garage in Chinatown. Pass sales dates are limited, typically to the last few and first few days of the month. Non-HSA clients who qualify for Lifeline pass renew eligibility during a three-month period every spring. HSA clients renew eligibility on a rolling basis, or as they become eligible for other HSA programs.	264,000 passes annually

Peer Transit Agencies' Low-Income Programs

Agency	Program Background	Target Groups	Eligibility Criteria	Discount Level	Distribution	Participation
Chicago Transit Authority	<p>RTA reduced fare permit (not an Illinois resident and not enrolled in Illinois Dept. of Aging Breaker program)</p> <p>Free Ride Programs Illinois Dept. of Aging Circuit Breaker program (SB 1920 People with Disabilities Ride free program)</p>	<p>Seniors, Medicare recipients and people with disabilities</p> <p>Military Service Pass People with Disabilities Ride Free (RTA)</p>	<p>65+ and not enrolled in the Illinois Dept of Aging Breaker Program, disabled, Medicare card holders</p> <p>Active US military, Veterans</p> <p>Riders with "Circuit Permit"</p>	Discount fare of \$1 paying with cash on buses without transfer. 85¢ with reduced fare transit card or reduced fare permit—buses, trains	Apply in person at customer service center.	CTA, Metro and Pace buses and trains.
C-TRAN Clark County	C-TRAN issued reduced ID card Or Honored photo ID card or Honored Disabled	<p>Low-income</p> <p>Honored Senior 65+</p> <p>Honored Disabled</p> <p>Honored Medicare participants</p>	<p>Income qualifications</p> <p>65+</p> <p>Disability</p> <p>Medicare</p>	<p>Reduced C-Zone monthly pass</p> <p>Discount on cash fares, tickets, and monthly passes</p>	<p>C-TRAN Passenger Service Office issues a Reduced ID card or Honored photo and non-photo ID card that can be used to purchase specific discounted fares</p> <p>Valid ID at time of purchase and boarding</p>	C-TRAN buses and express buses to DT Portland and Connector, TriMet buses and MAX, and the Portland Streetcar.
UTA Salt Lake City	<p>Utah State Horizon Card</p> <p>Senior and reduced fare</p> <p>Free Fare Zone</p>	<p>Low-income monthly pass \$50 (18-64)</p> <p>65+, Medicare, disabled</p> <p>Downtown Salt Lake City</p>	<p>Passengers 65+; Valid Medicare card holders; disabled prequalified by UTA</p>	<p>Discount pass on local buses and TRAX</p> <p>50% on TRAX fares and monthly pass</p>	Pass available at UTA pass sales outlets and website	Local buses and TRAX
StarTran Lincoln, NE	StarTran 31-day pass	Low-income monthly pass, \$8	Low-income: 200% of 2012 FPL	31-day pass for \$8	No information available	StarTran
Metro Transit Madison, WI	Metro Transit 31-day pass	Low-income self-certification form. 6-month eligibility card	Low-income at 150% of FPL Self-certification form card	31-day pass for \$27.50	Pass available at Metro Transit, Dane County Job Center and City of Madison's Treasurer's office.	Metro Transit



Revenue and Ridership Impacts of Low-Income Fare Options¹

(all figures in millions)

Poverty Level Definition ²	Low-Income Adult Cash Fare ³			
	\$0.75	\$1.00	\$1.25	\$1.50
<i>I. 100% of Federal Poverty Level (12% of King County Population)</i>				
A. Low-income fares with existing discounts ⁴				
Revenue	-\$8.1	-\$6.8	-\$5.5	-\$4.3
Ridership	1.0	0.8	0.5	0.4
<i>II. 200% of Federal Poverty Level (28% of King County Population)</i>				
A. Low-income fares with existing discounts ⁴				
Revenue	-\$16.9	-\$14.2	-\$11.5	-\$9.1
Ridership	2.1	1.6	1.1	0.9
i) Single discount fare (i.e. Kitsap model) ⁵				
Revenue	-\$18.4	-\$13.7	-\$9.0	-\$4.3
Ridership	3.4	1.8	0.3	-1.3
B. No change to institutional pass pricing ⁶				
Revenue	-\$12.1	-\$10.3	-\$8.4	-\$6.6
Ridership	2.9	2.2	1.6	1.2
i) Single discount fare (i.e. Kitsap model) ⁵				
Revenue	-\$12.6	-\$9.3	-\$6.0	-\$2.6
Ridership	4.0	2.4	0.7	-0.9

NOTES:

1. These scenarios:
 - a. **Do not** include costs associated with administration of the low-income program.
 - b. **Do** include elasticity impacts related to low-income riders taking more trips and generating additional revenue due to lower fares.
 - c. **Do not** include additional revenue that could be gained by increasing regular adult fares.
2. The initial percentage of boardings by low-income customers is assumed to be the same as the percentage of population that is low-income. Note that elasticity impacts will cause this percentage to increase somewhat with a low-income fare.
3. Low-income customers may also purchase low-income passes priced at 36 times the equivalent cash fare.
4. The *low-income fare with existing discounts* scenario assumes:
 - a. Adult, youth and senior/disabled customers continue to pay current fares unless they are eligible for a discounted low-income fare.
 - b. The low-income discounts **are** reflected in institutional pass pricing and revenue per boarding totals.
5. The *single discount fare* scenarios assume the same discounted fare for youth, senior/disabled and adult low-income customers.
6. The *no change to institutional pass pricing* scenario assumes:
 - a. Adult, youth and senior/disabled customers continue to pay current fares unless they are eligible for a discounted low-income fare.
 - b. Approximately 90% of Metro's low-income customers pay for trips without an institutional pass.

Current Situation (2013)

Ridership	117.8 million
Revenue	\$142.7 million
Adult One-Zone Peak	\$2.50
Adult Two-Zone Peak	\$3.00
Adult Off Peak	\$2.25
Youth fare	\$1.25
Senior/Disabled fare	\$0.75
King County Population	1.9 million
Population at 100% FPL	12%
Population at 200% FPL	25%

APPENDIX C: Transit Riders Union Materials

January 30, 2012

Dear Fellow Advisory Committee Members:

As a representative of the Transit Riders Union, I am excited to work with all of you to come up with recommendations for a low income fare program. I think we have a chance to envision a really great program that King County can be proud of, and that can pave the way for similar efforts in other cities and counties across the country.

The need for a low income reduced fare is serious and growing. This is most obvious since the recession began in 2008, but it is important to recognize the longer-term trends reaching back decades. Stagnating wages, rising costs of living, and the replacement of stable high-paying "middle-class" jobs with part-time, temporary, and low-wage jobs have left more and more people in precarious economic situations. According to the 2010 Census, almost half the population of the U.S. is now low income.

While the economic situation has deteriorated, riding the bus has gotten more and more expensive. Attached are two graphs, one showing how King County Metro fares have risen steadily since the early 1970s even when adjusted for inflation, and the other showing how the number of minutes a worker making minimum wage has to work to pay for their bus ride to and from work has risen three-fold over the same period.

The Transit Riders Union has done some research and has published preliminary recommendations for a low income fare program. Attached is a position paper approved by our membership in October 2012. There is much more research to be done, of course, but since these recommendations are relevant to the issues this committee will be considering and may provide a good starting point for discussion I wanted to share them with all members of the committee.

The Transit Riders Union has reached out to numerous organizations in Seattle and King County that represent or advocate for low income people who are often also transit riders, and we have found overwhelming support for a low income reduced fare program. Twenty-eight groups have joined in signing a letter in support of a strong program – the letter and list of signatory organizations can be found at: <http://transitriders.org/low-income-fare-campaign/>. I believe the broad support and interest in this issue give us on this committee a mandate and a responsibility to do our job well. I look forward to working with you.

Sincerely,

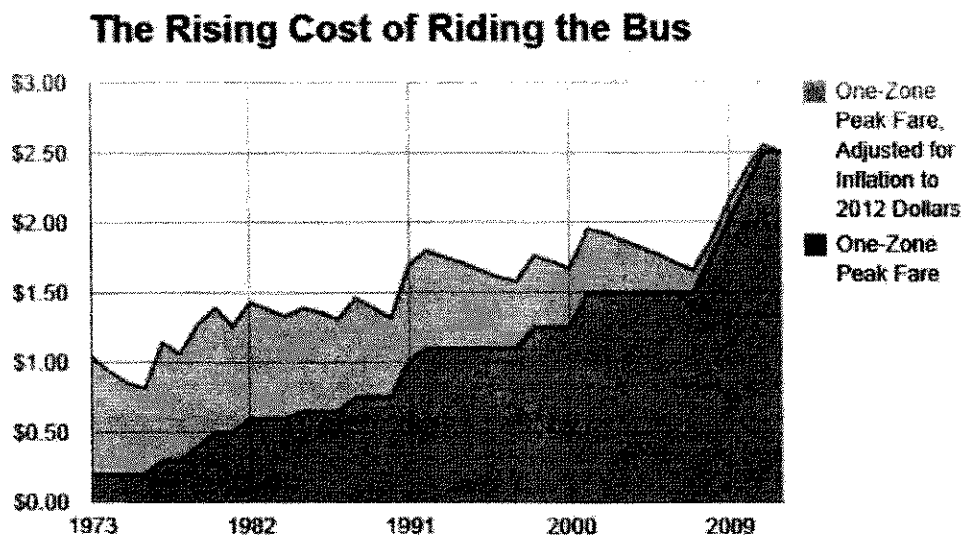


Katie Wilson
TRU general secretary

The Rising Cost of Riding the Bus

Has riding the bus really gotten more expensive, when you take inflation into account? The answer is a definite YES!

In the mid-1970s, it cost 20 cents to ride a Metro bus. Adjusted for inflation to today's dollars, that was still less than a dollar. Today we pay \$2.50 during peak hours – that's a fare increase of 250%.



The source data is on the next page. Fare data is compiled from Metro's site: <http://metro.kingcounty.gov/am/history/history.html>. Inflation statistics are readily available on-line.



Transit Riders Union, 2012

Year	One-Zone Peak Fare	One-Zone Peak Fare, adjusted for inflation to 2012 dollars
1973	\$0.20	\$1.04
1974	\$0.20	\$0.93
1975	\$0.20	\$0.85
1976	\$0.20	\$0.81
1977	\$0.30	\$1.14
1978	\$0.30	\$1.06
1979	\$0.40	\$1.27
1980	\$0.50	\$1.39
1981	\$0.50	\$1.26
1982	\$0.60	\$1.43
1983	\$0.60	\$1.38
1984	\$0.60	\$1.33
1985	\$0.65	\$1.39
1986	\$0.65	\$1.36
1987	\$0.65	\$1.31
1988	\$0.75	\$1.46
1989	\$0.75	\$1.39
1990	\$0.75	\$1.32
1991	\$1.00	\$1.69
1992	\$1.10	\$1.80
1993	\$1.10	\$1.75
1994	\$1.10	\$1.71
1995	\$1.10	\$1.66
1996	\$1.10	\$1.61
1997	\$1.10	\$1.58
1998	\$1.25	\$1.76
1999	\$1.25	\$1.72
2000	\$1.25	\$1.67
2001	\$1.50	\$1.95
2002	\$1.50	\$1.92
2003	\$1.50	\$1.87
2004	\$1.50	\$1.82
2005	\$1.50	\$1.77
2006	\$1.50	\$1.71
2007	\$1.50	\$1.66
2008	\$1.75	\$1.87
2009	\$2.00	\$2.14
2010	\$2.25	\$2.37
2011	\$2.50	\$2.55
2012	\$2.50	\$2.50

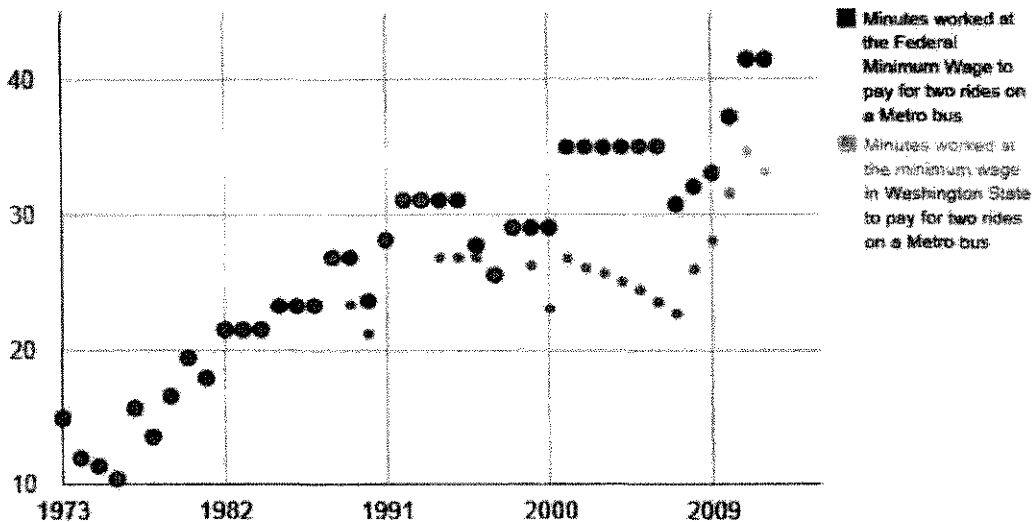
Working More to Ride to Work

Ever get the feeling that riding the bus is taking a bigger bite out of your paycheck than it used to? Well, that's because it is.

In the mid-1970s, a worker in Seattle making the Federal minimum wage had to work for just over 10 minutes to make enough money to pay for their bus rides to and from work. Today, they'd have to work for over 40 minutes to cover their commute – or, at Washington State's higher minimum wage, almost 35 minutes.

For low wage workers, the cost of riding public transit has effectively tripled in the past forty years!

Working More to Ride to Work



The source data is on the next page. Fare data is compiled from Metro's site: <http://metro.kingcounty.gov/am/history/history.html>. Federal and Washington State minimum wage date is readily available on-line.

Transit Riders Union, 2012



Year	Peak Metro fare	Fed. Min. wage	Wash. Min. wage*	Minutes at Fed min. wage to afford 2 rides	Minutes at WA min. wage to afford 2 rides
1973	\$0.20	\$1.60	\$1.60	15.00	15.00
1974	\$0.20	\$2.00	\$1.80	12.00	13.33
1975	\$0.20	\$2.10	\$2.00	11.43	12.00
1976	\$0.20	\$2.30	\$2.30	10.43	10.43
1977	\$0.30	\$2.30	\$2.30	15.65	15.65
1978	\$0.30	\$2.65	\$2.30	13.58	15.65
1979	\$0.40	\$2.90	\$2.30	16.55	20.87
1980	\$0.50	\$3.10	\$2.30	19.35	26.09
1981	\$0.50	\$3.35	\$2.30	17.91	26.09
1982	\$0.60	\$3.35	\$2.30	21.49	31.30
1983	\$0.60	\$3.35	\$2.30	21.49	31.30
1984	\$0.60	\$3.35	\$2.30	21.49	31.30
1985	\$0.65	\$3.35	\$2.30	23.28	33.91
1986	\$0.65	\$3.35	\$2.30	23.28	33.91
1987	\$0.65	\$3.35	\$2.30	23.28	33.91
1988	\$0.75	\$3.35	\$2.30	26.87	39.13
1989	\$0.75	\$3.35	\$3.85	26.87	23.38
1990	\$0.75	\$3.80	\$4.25	23.68	21.18
1991	\$1.00	\$4.25	\$4.25	28.24	28.24
1992	\$1.10	\$4.25	\$4.25	31.06	31.06
1993	\$1.10	\$4.25	\$4.25	31.06	31.06
1994	\$1.10	\$4.25	\$4.90	31.06	26.94
1995	\$1.10	\$4.25	\$4.90	31.06	26.94
1996	\$1.10	\$4.75	\$4.90	27.79	26.94
1997	\$1.10	\$5.15	\$5.15	25.63	25.63
1998	\$1.25	\$5.15	\$5.15	29.13	29.13
1999	\$1.25	\$5.15	\$5.70	29.13	26.32
2000	\$1.25	\$5.15	\$6.50	29.13	23.08
2001	\$1.50	\$5.15	\$6.72	34.95	26.79
2002	\$1.50	\$5.15	\$6.90	34.95	26.09
2003	\$1.50	\$5.15	\$7.01	34.95	25.68
2004	\$1.50	\$5.15	\$7.16	34.95	25.14
2005	\$1.50	\$5.15	\$7.35	34.95	24.49
2006	\$1.50	\$5.15	\$7.63	34.95	23.59
2007	\$1.50	\$5.85	\$7.93	30.77	22.70
2008	\$1.75	\$6.55	\$8.07	32.06	26.02
2009	\$2.00	\$7.25	\$8.55	33.10	28.07
2010	\$2.25	\$7.25	\$8.55	37.24	31.58
2011	\$2.50	\$7.25	\$8.67	41.38	34.60
2012	\$2.50	\$7.25	\$9.04	41.38	33.19

* For years in which Washington's minimum wage was lower than the Federal minimum wage, the graph only depicts the Federal data; the lower Washington standard would only have applied to categories of workers exempted from the Federal regulations. Since 1989 the Washington minimum wage has been higher than the Federal minimum wage.

Low Income Reduced Fare: Position Paper

Since 2000, the standard King County Metro bus fare has more than doubled; over that same period, the real median household income in the United States has fallen by more than 10% for working-age households. Riding public transit is fast becoming a financial hardship for low income people, at a time when we should be striving to make it more affordable for everyone. We believe that one effective means of making public transit more affordable is to introduce a regional low income reduced fare. However, we also believe that close attention must be paid to how “low income” is defined, how eligibility is determined, and how a regional low income fare program is administered.

Scope of a Low Income Reduced Fare Program: A low income fare program should be regional, ideally covering all the transit agencies that recognize the Regional Reduced Fare Permit for seniors and people with disabilities; at the least it should cover King County Metro Transit and Sound Transit.

Relation to the Reduced Fare Bus Ticket program: A low income reduced fare program should not be conceived as a replacement for the existing Reduced Fare Bus Ticket program, which allows health and human service agencies to purchase subsidized bus tickets for the people they serve. There will continue to be a need for these bus tickets, especially for transitory populations and since even a reduced fare will be unaffordable for individuals with no income.

Fare Levels: We recommend that a low income reduced fare match the current senior and disabled fare of \$0.75. We also recommend that there be a monthly pass option; for a \$0.75 fare, the cost of a PugetPass would be \$27 per month.

Eligibility Criteria: Among transit agencies that have a low income reduced fare program, there are two main ways of determining eligibility. Some, such as Kitsap Transit, piggyback on other income-based assistance programs, so that an individual who is receiving some other form of assistance is also considered eligible for the reduced fare. Other transit systems use an income standard. We recommend that receiving another form of assistance be sufficient for eligibility, but that an income standard also be accepted, because many people who would qualify for assistance based on their income do not in fact apply for and receive it.

Definition of Low Income: The “low income” category is commonly defined as comprising those earning less than 200% of the Federal Poverty Level, but there are several other standards currently in use. The Self-Sufficiency Standard developed by Dr. Diana Pearce, which was conceived as a replacement for the Federal Poverty Level, is used by the Workforce Development Council of Seattle King County, the King County Work Training Program, and the City of Seattle Youth Employment Program. We recommend that eligibility criteria for a Low Income Reduced Fare program be based upon this standard, since it is superior to other standards in its sensitivity to family composition and local costs of living. We recommend that the low income threshold be set at no less than 100% of the Self-Sufficiency Standard. There is already a “Self-Sufficiency Calculator” for Washington State online, www.thecalculator.org, that can be used to determine eligibility.

Proof of Eligibility: Several transit agencies, including StarTran (Lincoln, NE) and Madison Metro Transit (Madison, WI), have successfully used a self-certification form (honor system) rather than requiring proof of eligibility. We recommend that this option be considered, both because it is simple, accessible, and dignified and because the administrative savings of not having to verify and maintain records of everyone’s income or assistance would likely outweigh the cost of the very small percentage of riders who might abuse the system.

Administration: We believe it is extremely important that it be possible to apply for a low income reduced fare card or pass throughout the year, rather than by some particular date. We also recommend that people be required to renew their application no more frequently than once per year. A low income reduced fare program could be administered as an extension of the existing Regional Reduced Fare Permit program.

Funding: We recognize that a good low income reduced fare program will result in substantial costs to the transit agencies that participate in it, and that sources of funding must be found. However, we also believe it is incorrect and inappropriate to consider the full amount of the discount to be “lost” fare revenue that must be funded by other means. In fact, many of the people who would use a low income fare card, like many of the people who currently receive subsidized bus tickets, would not otherwise be paying the full fare; instead they would not be riding the bus, or they would ride much less often. We recommend that a county-wide Employer Tax (RCW 81.100.030) be considered, since this is one of the few unused funding mechanisms King County already has at its disposal.

How should “Low Income” be defined and eligibility determined?

(A draft proposal from Katie Wilson, representing TRU)

1. Peer Transit Agencies' Low Income Programs

- Many of the Peer Transit Agencies reviewed in Section 6 of the Resource Notebook have programs similar to Metro's existing human services agency ticket program, or they offer a small low income discount on monthly passes. **While these are good starts, there is a great need for a broader low income fare program.**
- The two agencies on the list with the most comprehensive programs, offering both a discounted single fare and a monthly pass for low income riders, are **Kitsap Transit** and **StarTran** in Lincoln, NE. TRU research found that **SunTran**, which serves Tuscon, AZ and the surrounding area, also has a similar program.
- **Kitsap Transit's** program is also **integrated with ORCA**, making it a great model for us to build on.

2. Income Standard

- Section 5 of the Resource Notebook lists examples of low-income guidelines, some based on Median Income and others on the Federal Poverty Level. **For a program like this, it makes sense to use a standard based on need rather than relative income.**
- However, the **Federal Poverty Guidelines** have long been recognized as **out-dated**. The TRU recommends that this Advisory Committee consider the **Self-Sufficiency Standard** as a superior option.
- The Self-Sufficiency Standard is **similar to 200% of the Federal Poverty Level** for individuals, making it comparable in scope to the income qualifications used by many State Programs listed in the Resource Notebook. (It is higher for families, see below.)

3. What is the Self-Sufficiency Standard?

- The **Self-Sufficiency Standard** was developed by **Dr. Diana Pearce** of the **University of Washington**, when she was director of the **Center for Women's Welfare**.
- There's a simple on-line tool, the **Self-Sufficiency Calculator** (<http://thecalculator.org>), that can be used to determine whether one's household income meets the Standard.
- The Standard is **already used by Seattle King County Workforce Development Council** to help clients determine what wage they need to earn to support their families and to access work support programs such as child care assistance and food stamps.*

4. *What are the advantages of the Self-Sufficiency Standard over 200% FPL?*

- The Standard is much more **sensitive to family composition**. As household size rises, and depending on the ages of the children, the Standard is significantly higher than 200% of the Federal Poverty Level. This would especially **benefit single women with young children**, who are already overburdened with paying multiple bus fares. (In Washington, households headed by women are almost twice as likely to fall below the Standard as households headed by men.**)
- The Standard is also more **sensitive to local costs of living**: taking into account the higher transportation costs associated with car-ownership, **in transit-poor areas of the county outside Seattle** the threshold is higher and so **more people would qualify**, which could be an incentive to increased transit use.
- The Self-Sufficiency Calculator also **tells people what other services they may qualify for**, so using this tool may help people to stabilize and improve their lives in other ways.

5. *What percentage of riders (or rides) would qualify?*

- We would estimate, based on a 2007 report*** by Diana Pearce et al., that in 2000 **17% of households in King County were below the Standard**. Based on studies in other areas, Dr. Pearce says that now that percentage is higher, but probably by no more than 5%.
- So we might suppose that **today 20 to 25% of King County households** are below the Standard. Some demographic research and calculations will be necessary to estimate what percentage of bus riders would qualify, what percentage of total rides are currently taken by these riders, and how their riding habits might change if they were eligible for a reduced fare.

6. *Eligibility and Administration*

- It will be useful to have a **categorical component to eligibility**: individuals who are already receiving other forms of income-based assistance (e.g. food stamps) should automatically qualify. This is what Kitsap County does.
- However, it is **very important to supplement this with a direct income standard**. Often the “working poor” are not receiving assistance even if they qualify based on income. **The Self-Sufficiency Calculator can be used for these individuals.**
- This program could be administered partly by **partnering with social service agencies** that serve low income individuals and households. This would **lessen the administrative burden on Metro** and be convenient for people who are already going to another location for assistance. **Partner agencies could issue an official letter that applicants bring to the Metro office to receive their low-income ORCA, or**

they could be authorized to issue ORCAs directly.

- **However, it is vital that part of this program be administered directly through Metro.** This could be done as an extension of the Regional Reduced Fare Permit (RRFP) program for disabled and senior riders. This is important because many eligible riders will not be receiving other assistance, or if they are, do not make regular trips to social service agencies.

7. Should Proof Be Required?

- For the part of the program administered through social service agencies, this question may be moot because individuals will already have qualified for other income-based assistance.
- However, assuming that Metro will be issuing some passes directly based on income, there is a question what kind of proof if any should be required. Of the Peer Agencies listed in the Resource Notebook, **StarTran in Lincoln, NE and Metro Transit in Madison, WI both use a self-certification form**, i.e. honor system, rather than requiring pay stubs, bank statements, or tax forms as proof of poverty. This **reduces administrative costs** and is much **less degrading for the applicant**.

8. Extension and Integration with Human Services Agency Ticket Program

- A low income fare program developed along these lines could be extended to include a **no-fare or very-low-fare option for people with no income.**
- Human service agencies, instead of just giving out single-use tickets, could put the same amount of money (**e.g. \$0.40/ride**) **on their clients' ORCA cards**, through something **similar to Metro's existing "business choice" program** for employers.
- There would **still be a need for some single-use tickets**, but this could take a lot of the administrative burden off human service agencies that serve very-low-income and homeless riders.

* From a 2006 report about uses of the Self-Sufficiency Standard: *"Most of the entities using the Self-Sufficiency Standard for eligibility purposes are Workforce Investment Boards (WIBs). However, some nonprofits also use the Standard to set eligibility for services. For example, Women at Work in Pasadena uses the Self-Sufficiency Standard to determine eligibility for some of their special programs, so that people who are working at low-wage jobs can access them."*
<http://www.insightcced.org/uploads/publications/wd/Keeping%20the%20Goal%20in%20Sight.pdf>

** This statistic is for non-elderly, non-disabled households, and includes both family and non-family households, including single person households.

*** This report can be found here:

<http://www.selfsufficiencystandard.org/docs/Washington%20State%20Demographic.pdf>

Two proposals from Katie Wilson, representing the Transit Riders Union and twenty-eight King County organizations that support a strong low income fare program (listed on the reverse side)

1. DEFINITION OF LOW INCOME

I propose that this committee recommend the following as our strongly-preferred option, assuming sufficient funding can be found either now or in the future:

Eligibility for other income-based assistance should be sufficient to qualify for a low income fare, as in Kitsap County. In addition, an income guideline based on the Self-Sufficiency Standard should be accepted.

To administer this latter component of the program (which would likely be small, since most people would qualify through proof of other assistance), one or several partner organizations would need to be empowered to qualify people using the Self-Sufficiency Standard.*

2. FUNDING A LOW INCOME FARE PROGRAM

I propose that this committee recommend that the County consider the "Employer Tax" laid out in RCW 81.100.030 as a funding mechanism for a low income fare program. This is a \$2 per month per employee tax on businesses, with exemptions for employers that purchase bus passes for their employees. It makes sense, and it is fair and reasonable, for businesses to contribute in this way to the transit system that gets their employees to work and reduces congestion – as individuals we already contribute through the sales tax, and as riders we contribute through fares.

The Washington Department of Revenue estimates that the Employer Tax could generate between \$20 and \$25 million annually in King County (assuming no exemptions; the actual figure would be somewhat lower). **This amount is enough to fund the maximal \$18.4 million program, including the costs of administration.**

With Metro funding in jeopardy, we need investigate at ALL funding possibilities, especially dedicated sources that wouldn't compete with funding for bus service. The state legislature hasn't given us many options – but King County **already has the power** to implement an Employer Tax, so we have a responsibility to encourage the County to consider this option.

- This is extremely simple to do using the on-line Self-Sufficiency Calculator. On Tuesday, April 9 I met with Diana Pearce, who developed the Standard, and two representatives of the Workforce Development Council of Seattle-King County, which uses the Standard. They suggested several organizations (including United Way, the YMCA, and Opportunity Place) that may be willing to help administer this component of a low income fare program, maybe running a pilot program first to gauge how much work it would entail. I can contact these and other organizations and try to identify one that is willing to play this role.

Organizations that support a low income fare program based on no less than 200% of the Federal Poverty Level, with the low income fare matching the current senior and disabled fare of \$0.75:

- Casa Latina
- El Centro de la Raza
- Got Green
- International Socialist Organization--Seattle Branch
- Lutheran Volunteer Corps
- Metropolitan Democratic Club of Seattle
- Organized Workers for Labor Solidarity (OWLS)
- Puget Sound Advocates for Retirement Action (PSARA)
- Puget Sound Sage
- Real Change
- Seattle King County NAACP
- SEIU Healthcare 775NW
- SEIU 925
- Seattle Housing and Resource Effort (SHARE)
- Socialist Alternative--Seattle Branch
- Statewide Poverty Action Network
- Sustainable Ballard
- Sustainable West Seattle
- Teamsters Local 117
- Tenants Union
- Transit Riders Union
- UFCW 21
- Unemployment Law Project
- UNITE HERE Local 8
- Urban Sparks
- Washington Community Action Network (CAN)
- Women's Housing Equality and Enhancement League (WHEEL)
- Youth in Focus

APPENDIX D: Kent Stories

Below are three stories submitted by an employee of a refugee resettlement agency in Kent. While they don't all deal with cost, they do demonstrate some of the transportation difficulties facing low-income people.

Sameer, a Palestinian refugee recently resettled to Kent, is currently working part-time at a local print shop. His hours have been low, so he does not have enough money to pay for the bus fare to and from his job. Right now, he walks from his apartment on the East Hill to his job in the valley. Sometimes the walk takes him up to an hour each way.

Laila is a Somali refugee from Ethiopia. She was so excited to start a new job in the U.S.A at a production warehouse in Seattle, even though she knew the bus ride would be over 2 hours each day from Kent. She waits out in the cold to catch 3 different buses to get to work. After a recent illness, she is considering quitting her job because her health is more important than anything. The long commute prevents her from assimilating and engaging with her new community on a daily basis.

Jackson recently started working the swing shift in downtown Seattle. Sometimes he gets off in time to catch the last 150 bus back to Kent Station, but other times he waits until the early AM hours when it starts running again. Even if he catches the last bus, he has to walk up the Kent East Hill to make it home because there is no bus going up the hill at that hour. After working a long shift sorting garbage, it often takes him 3 or more hours to get back to his family.



King County

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