

Means-Tested Fares 30 Day Report Back

April 4, 2016

- MBTA Fiscal and Management Control Board approved a fare increase on March 7, 2016
- As part of the vote they requested staff report back in 30 days on the feasibility of means-tested fares
- 30 day report back
 - Existing reduced fare products
 - Define means-tested fares
 - Peer analysis on key variables
 - Previous means-testing at the MBTA
 - Next steps

Existing MBTA Reduced Fare Programs



	Eligibility	Products	Percent of trips on the bus/subway system FY15
Student	Enrolled in middle school or high school	50% fares and Student Pass for subway, bus, and up to Zone 2 for \$26	7.7%
Senior	65 years or older	50% fares and Linkpass for \$29	5.1%
TAP	People with disabilities, application process	50% fares and Linkpass for \$29	5.4%
Blind/visually impaired	ID from Massachusetts Commission for the Blind	Free	0.25%

- A process in which an individual or family's eligibility for a reduced transit fare is determined by their income, often utilizing definitions set by federal and state programs.

Key Variables to Consider

- Eligibility and target populations
- Reduction or product type offered
- Funding and program sustainability
- Administration model

Peer Comparison

- King County Metro
- San Francisco Muni
- Portland Tri-Met
- Los Angeles Metro

Eligibility and Product Offered



	King County	Los Angeles Metro		San Francisco MTA		Portland TriMet	
	Orca Lift	RRTP	INTP	Free MUNI	Lifeline	FAP	FRP
<i>Eligibility</i>	Federal poverty level	Federal poverty level	Regional poverty level	County-level, below 100%	Federal poverty level	Federal, below 150%	Federal, below 150%
<i>Discount</i>	Up to 50%	\$6-\$10 off per month	\$30 per month	Free	Up to 50%	20%	Free
<i>Partner(s)</i>	Multiple	1 agency	2 agencies	None	SF human service agency	501(c3) nonprofits CBOs	
<i>Certify</i>	<ul style="list-style-type: none"> • Proof of public assistance • Proof of income 	Proof of income		Proof of income		Proof of income	
<i>Re-certify</i>	Every 2 years	Every 6 months	Monthly	Lifetime	Every 2 years	Recipient still enrolled with agency	

For policy and discussion purposes only

- Transit agency funds
- Mix of transit agency and private funding
- Mix of transit agency and social service agencies
- Social service agencies fund

	Partner agency	Mixed approach	Transit agency
<i>Verification and distribution</i>	Partner agency verifies eligibility and distributes fare media (prepaid)	Partner agency verifies eligibility and distributes fare media	Transit agency verifies eligibility and distributes fare media
<i>Purchase</i>	Partner purchases fares from transit agency (at full or reduced cost)	Eligible individuals purchases from transit agency at reduced fare	Eligible individuals purchase from transit agency at reduced fare
<i>Cost to transit agency</i>	<ul style="list-style-type: none"> Fare loss depends on partner agreement Limited administrative costs 	<ul style="list-style-type: none"> Lost fare revenue Medium administrative costs 	<ul style="list-style-type: none"> Lost fare revenue High administrative costs
<i>Benefits</i>	<ul style="list-style-type: none"> Flexible option for targeting social needs, quicker to implement Limited need for fraud prevention 	<ul style="list-style-type: none"> Open to more individuals in need Work of the program spread between partners 	<ul style="list-style-type: none"> Doesn't require any interagency agreements Transit agency controls the eligibility
<i>Challenges</i>	Limited availability due to partner agency's budget constraints	Requires partnership to develop eligibility criteria and fraud prevention procedures	Requires significant administrative effort from transit agency, including fraud prevention

Variable	Youth Pass Pilot Program (July 1, 2015-June 30, 2016)	The RIDE Pilot Program (July 1, 2016-December 31, 2015)
<i>Eligibility</i>	<p>Residents aged 19-21, income based</p> <ul style="list-style-type: none"> • 12-21 years old • Resident of Boston, Chelsea, Malden, or Somerville 	RIDE users eligible for 1 of 18 public benefit programs, less than or equal to 300 percent of federal poverty level
<i>Discount</i>	Monthly link pass for \$26 or a 7-day link pass for \$7	\$1 reduction from ADA trip fare and Premium trip fare
<i>Partner(s)</i>	3 cities and one non-profit	None, MBTA administered program
<i>Certify</i>	Proof of enrollment in high school, GED or other education program, job training program, or a state or federal benefit program	Documentation participant eligible for 1 of 18 programs
<i>Verification</i>	Partner verification of 10% of documents	MBTA attempted to verify 10% of documents

For policy and discussion purposes only

- Additional research (cost to peer agencies, size of potential eligible population)
- Create MBTA Equity Working Group
 - Community, municipal and state government stakeholders
 - Identify methods to address affordability, including means-testing
 - Discuss equity for fares and service
- Report back to FMCB in 6 months
 - Proposed solutions
 - Implementation timeframe

Questions?

Variable		Rider Relief Transportation Program	Immediate Needs Transportation Program
Eligibility	Income	Household income of 4 = \$41,500	Annual income meets the Los Angeles Poverty Guidelines
	Other	<ul style="list-style-type: none"> Adults Senior/Disabled/Medicare K-12 grade students and full time College/Vocational students 	<ul style="list-style-type: none"> Resident of Los Angeles County No other transport access Basic medical, shelter/housing, and job searching needs
Discount		Monthly discount <ul style="list-style-type: none"> \$10 – for regular riders who purchase monthly or weekly passes \$6 – for Senior/Disabled/Medicare; students in grades K-12; full time students in College/vocational programs 	<ul style="list-style-type: none"> \$7 taxi coupon with \$30 limit per month
Partners		FAME Assistance Corporation	<ul style="list-style-type: none"> FAME Assistance Corporation International Institute of Los Angeles
Certification		Proof of income	Proof of income
Recertify		<ul style="list-style-type: none"> Income is recertified every 6 months 	<ul style="list-style-type: none"> Income is recertified monthly

Source: Los Angeles Metropolitan Transportation Authority, 2016

Variable		Free MUNI	Low-Income (Lifeline) Pass
Eligibility	Income	Gross annual household income at or below 100% of the Bay Area median income level	Gross annual household income of 4 = \$48,500 (in 2014 dollars)
	Other	<ul style="list-style-type: none"> • Resident of San Francisco, and • Person with disabilities, or • 65 years old & older or • Youth (5-18 years old) 	<ul style="list-style-type: none"> • Resident of San Francisco
Discount		Free, unlimited systemwide access	50% discount on adult passes
Partner(s)		None	San Francisco Human Services Agency
Certify		Government ID Proof of income	Government ID Proof if income
Re-certify		Lifetime <ul style="list-style-type: none"> • Youth – until 18 years old 	Every 2 years

Source: San Francisco Municipal Transportation Agency, 2016

Variable		Fare Assistance Program	Fare Relief Program
Eligibility	Income	Annual household income at or below 150% federal poverty guideline	Annual household income at or below 150% federal poverty guideline
	Other	None	None
Discount		TriMet set aside funds <ul style="list-style-type: none"> • 20% 	TriMet provides grants <ul style="list-style-type: none"> • Free
Partner(s)		<ul style="list-style-type: none"> • 501(c)(3) nonprofit organizations • Community based organizations 	<ul style="list-style-type: none"> • 501(c)(3) nonprofit organizations • Community based organizations
Certify		Client of above agency	Client of above agency
Re-certify		Recipient still enrolled with agency	Recipient still enrolled with agency

Source: TriMet County Metro Transit, 2016

Variable		Orca Lift
Eligibility	Income	Household income less than double the federal poverty level
	Other	None, all ages qualify
Discount		Up to a 50% discount on monthly passes
Partners		<ul style="list-style-type: none"> • Public health agencies • Municipalities • Community & Faith based Organizations • Social service agencies
Certification		<ul style="list-style-type: none"> • Proof receiving public assistance • Paystub • Government issued ID
Recertify		Income is recertified every 2 years

Source: King County Metro Transit, 2016