King County Metro Transit

Making Metro More Affordable and Accessible

Recommendations for better serving people with low incomes

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Prepared for:
King County Council

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Executive Summary

King County Metro Transit has long offered discounted fares to make bus service more affordable and accessible. In addition to existing programs for youth, seniors, and disabled riders, Metro recently expanded the Human Services Ticket Program and introduced the groundbreaking ORCA LIFT low-income fare. Metro is committed to building on these successful programs, both to ensure that all people in King County—especially those most in need—have equitable access to public transportation, and to attract more transit riders to reduce traffic congestion and improve mobility in our region.

For this report, which responds to King County Council Motion 15171, Metro analyzed a number of potential programs to increase transit affordability and access for particular markets—youth, students in postsecondary and training programs, subsidized housing residents, employees with low incomes, and people with very low incomes. We evaluated these options using criteria such as financial impacts, timeline, geographic value, equity, partnership opportunities and contributions, and sustainability.

Although individuals in all the markets considered for this report would benefit from increased transit access, we conclude that special pricing for specific groups is not the best tool to achieve this end. Discounts for particular groups could be inequitable, costly, not aligned with regional partners, and difficult to administer. The schools, colleges, subsidized housing programs, unions and other potential partners that we consulted with are generally unable to contribute funding at a level that could sustain a partnership without significant direct subsidy from Metro.

We concluded that a comprehensive, income-based approach to fares would be the most equitable, viable, and aligned with adopted policy. This approach would apply across Metro services, building on the existing suite of low-income programs that Metro offers, such as ORCA LIFT. It would align with policy directing Metro to move Access fares toward parity with fixed-route fares. Metro recommends considering policy updates supporting this approach in future updates of King County Metro's Strategic Plan for Public Transportation. Recommendations for an income-based, programmatic approach are described below.

✔ Recommend: Income-based ORCA pilot program(s) serving low-income people who cannot afford the ORCA LIFT fare in and across specific markets.

✔ Recommend: Outreach and enrollment focused on increasing ORCA LIFT enrollment among youth, students/trainees, subsidized housing residents, who have low-wage/low-incomes and are communities of color, limited English speaking, and immigrants and refugees. In addition, research and understand barriers to using transit for these populations.

○ Consider in the future: Sustainable options to enhance partnerships and grow ridership in specific markets, for example through Passport incentives or time-limited promotions.

✖ Do not recommend: New market-specific ORCA fares or pass products that are not universal, income-based, and sustainably funded.

Metro would complete additional work before implementing solutions. We recommend forming a stakeholder advisory group to advise us on how to best align fares programs to serve individuals on income-based need. Group members would include low-income populations, communities of color, limited English speaking communities, and immigrants and refugees, representing the experiences of the following sub populations: youth; students in postsecondary and training programs; school administrators; subsidized-housing residents and local housing authorities; employers, employees, and union representatives in low-wage industries; people experiencing homelessness; social service providers; advocacy groups; and transit operators. This group would provide strategic direction on the development, implementation, and evaluation of pilots and programs, including the following recommendations of this report:

- **Conduct additional customer research, data analysis, program evaluation, and community engagement activities to inform future policy.** This report does not end Metro's investigation of how we can better serve those who face barriers in using transit, particularly among low-income populations, communities of color, limited English speaking people, and immigrants and refugees. Metro plans to produce a market assessment report in 2019 that builds on this report and incorporates additional rider and non-rider markets, findings from current pilot programs and evaluations, and customer outreach and surveys. This market analysis, in conjunction with the work of the stakeholder advisory group and the findings of the very-low-income pilot, will inform potential future changes to Metro's fare policy and programs.

- **Conduct targeted marketing and outreach to increase access to transit and participation in Metro's existing low-income programs.** Our research and conversations with stakeholders found that for some people, factors other than fares are barriers to using transit. People might not understand how to use the transit system or an ORCA card. We also know we still have work to do to ensure eligible riders across all markets can access and use ORCA LIFT. To overcome such barriers, Metro would conduct targeted marketing, outreach and partnerships with unions, schools, subsidized-housing providers, and postsecondary schools and training programs, focused on low income communities, communities of color, immigrants and refugees, and limited English speaking populations. Many of these entities have expressed interest in collaborating with Metro on outreach and education. Activities could include distributing information about transit and ORCA LIFT, increasing ORCA-To-Go efforts, and by training new verifiers, and advocating for legislation supporting funding for transit programs for low-income people.

- **Develop a pilot program that offers highly subsidized ORCA products to people throughout the county who have very low or no income and cannot afford the $1.50 ORCA LIFT fare.** Metro would use input from the stakeholder advisory group to inform pricing, eligibility, and process, along with staff and partner input regarding technical feasibility. Metro would sell discounted 10-ride, day, and monthly ORCA LIFT passes directly to individuals, through partners for resale, or through the existing Human Services Ticket Program model. This program would prioritize participation from communities of color, immigrants and refugees, and limited English speaking populations in areas of King

County with the greatest needs, not only low-income youth, postsecondary students, subsidized housing residents, and low-wage workers. Metro would conduct a rigorous evaluation of mobility and equity benefits, costs, and opportunities for improvement, giving the King County Council a clear picture of results to inform future decision-making.

Implementation and Next Steps

The actions recommended in this report leverage resources by building on successful program models, have relatively little impact on farebox recovery, and offer benefits to people with low incomes throughout King County.

To fund a new low-income fare pilot program, Metro would need staff and consultant resources as well as authority through the Special Rates of Fare to subsidize the value of fare media distributed. Additional details on potential resources for Metro's fares program can be found in the Executive's 2019-2020 budget proposal. A larger scope of work, or a program that requires additional customer support personnel to administer, could require additional resources. Depending on resale pricing for partners or individuals, program revenue would partially offset the foregone revenue.

To expand marketing and outreach and enhance partner relationships, particularly focusing on increasing enrollment in ORCA LIFT and other programs in the markets discussed in this report, Metro will focus on strategic deployment of existing customer service and planning staff.

In the 2019-2020 biennium, Metro plans to address other adopted policy goals, such as making transit easy to use, speeding boarding, and improving safety. Metro will also monitor farebox recovery, strive for regional coordination, and ensure compliance with regulations. Projects such as Next Generation ORCA, mobile ticketing, cash rider research and market analysis, innovative partnerships, and a study of farebox replacement alternatives will provide critical new information about Metro's fare system, setting up opportunities for coordinated decision-making around fares in this biennium. Additional work may be needed to maintain farebox recovery targets; current forecasts show Metro's farebox recovery declining over time to approach minimum standards. Depending on financial forecasts, early pilot results, and other work in 2019, Metro may need additional resources to achieve desired outcomes.

Introduction

This report responds to Motion 15171, which requires the following:

> *The executive is requested to submit a report that provides an update on its work program related to fares and that includes information on additional opportunities to make public transit more affordable and accessible to people in need, who include low-and moderate-income people and each category of persons identified in section B.*
>
> *B. The report should include, but not be limited to:*
>
> 1. *Opportunities to make public transit more affordable and accessible to youth, including options to extend transit pass agreements to additional public school districts, to offer other reduced-fare or no-fare options for youth;*
> 2. *Opportunities to make public transit more affordable and accessible to students in postsecondary, job training and apprenticeship programs, including options to extend transit pass agreements to local colleges, universities, postsecondary programs, job training, or apprenticeship programs;*
> 3. *Opportunities to make public transit more affordable and accessible to residents of subsidized housing, including options to implement ORCA multifamily development passport programs with local public housing authorities or non-profit housing developers for their residents; and*
> 4. *Opportunities to make public transit more affordable and accessible to low-income employees, including options to implement transit pass agreements with local labor unions for employees working for employers that do not provide a transit pass program, or to franchisees or other types of employers of low-wage workers that have not historically provided transit pass programs.*
>
> *C. For each of the opportunities identified in section B. of this motion, the report should include information about the potential to implement pilot projects in conjunction with the work program on fares. It should also include, for each opportunity, but not be limited to:*
>
> 1. *A potential timeline for each identified opportunity;*
> 2. *A cost estimate or range, including information about potential opportunity costs, including but not limited to potential implications for fare box recovery and regional service delivery;*
> 3. *A list of potential partners, with an estimate of the share of program costs each partner could be expected to cover;*
> 4. *Information about how the identified opportunities would align with King County's equity and social justice goals; and*
> 5. *An assessment of how identified opportunities could provide countywide benefits, consistent with the goals of geographic value identified in the Strategic Plan for*

Public Transportation 2011-2021, as updated by Ordinance 18301, or other adopted county policy.

The report shall also include the information on very-low-income fare options required by Ordinance 18409, Section 115, Proviso P1, including but not limited to:

1. *A study of the feasibility of establishing a very-low-income Metro fare for individuals who are in households with incomes of two hundred percent or less of the federal poverty level and are unable to afford the ORCA LIFT fare;*
2. *Estimates of changes in ridership, fare revenue and farebox recovery ratio resulting from the implementation of a very-low-income Metro fare;*
3. *Strategies to minimize any impacts on the farebox recovery ratio;*
4. *Analysis of how implementing a very-low-income Metro fare will effectuate the county's Equity and Social Justice Initiative; and*
5. *The financial and technical considerations that would affect implementation of the very-low-income Metro fare program.*

Note: For a definition of many terms used in this report, such as ORCA LIFT, very-low-income, or Human Services Ticket Program, see Appendix A: Definitions & Terms.

Fares Framework

Policy Basis for Fares

King County faces critical challenges that can be addressed through transit fare policies.

With rapid population and job growth, the suburbanization of poverty (particularly in South King County), and a lack of affordable housing near economic centers, the county has an urgent need to reduce traffic congestion, improve regional mobility, and ensure equitable distribution of mobility services, with a focus on where needs are greatest. Attracting people to transit is a key strategy. Metro not only has been increasing service and expanding the mobility options we offer, but also has been adjusting fares to help meet the pressing need to increase transit ridership.

These regional pressures amplify existing inequities based on race and place. People of color, low-income residents, limited English speaking communities, and immigrants and refugees persistently and increasingly face inequities in educational, economic, housing, health, and other outcomes. For example, relative to White residents, most communities of color experience higher rates of homelessness, food insecurity, unemployment, maternal and infant mortality, incarceration, live closer to pollution, an ultimately have shorter life spans. Metro's efforts to advance equity include offering discounted fares through the Human Services Ticket Program and the ORCA LIFT low-income fare program.

Policy Goal: Ridership

- Provide mobility options that are accessible to all people
- Attract riders away from modes that contribute to congestion and pollution, towards transit

Policy Goal: Equity

- Focus where needs are greatest, such as low-income communities, communities of color, and immigrant and refugee populations
- Dismantle systems of power, privilege, and racial injustice

With these two priorities in mind—increasing ridership and advancing social equity—one could ask, why does Metro have fares? It might seem that we could advance both goals by operating fare-free. However, Metro's fares serve important purposes:

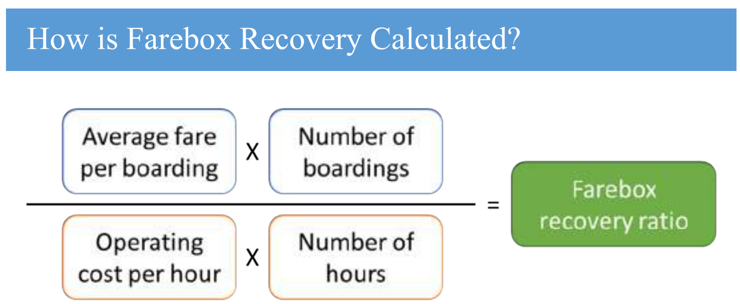
- Fares recover approximately $160 million dollars a year in service delivery costs. Fare revenue covered 27% of Metro's fixed-route operating costs in 2017.
- Previous experience and research has indicated that free or highly reduced fare programs do attract new riders. However, the extent to which these programs advance policy goals around ridership and equity is unknown; transit trips may replace trips made by foot or bike, limiting the benefit to congestion relief.
- Metro, with the approval of the County Council, can adjust fares upward if needed, for example to forestall or limit service cuts in a recession.
- Having a fare signals that transit service has value. This supports a culture of respect and safety, and helps taxpayers understand the portion of costs that Metro asks of them.

Guided by policy adopted in the Strategic Plan, Metro has a fare system that includes different fare categories, fare products, and payment options.[1] Metro also offers significant fare subsidies, such as the reduced youth, ORCA LIFT, and Regional Reduced Fare Permit (RRFP) fares. The value of these subsidies amounts to $48 million annually, and the cost, or real revenue lost, amounts to $11.6 million. For more information about Metro's current fare structure, fare products and subsidies, and fare evasion, see Appendix B, "Metro's Current Fare Structure and Fare Subsidies."

Farebox Recovery and Opportunity Costs

Motion 15171 asks that for each option considered in this report, Metro include "a cost estimate or range, including information about potential opportunity costs, including but not limited to potential implications for farebox recovery and regional service delivery." While the evaluation of each option includes cost estimates, this section summarizes farebox recovery impacts and potential opportunity costs based on the total revenue impact of one or more options.

Metro's farebox recovery target is defined in the Public Transportation Fund Management Policies, adopted through Ordinance 18321 in 2016: "The Transit Division will recover at least 25 percent and will maintain a target of recovering 30 percent of passenger related operations costs from farebox revenues for bus service." Changes to farebox revenue or operating costs affect the farebox recovery ratio either positively or negatively. While fare rates are established by policy, ridership, which affects the collection of revenue, is driven by gas prices, employment, land-use decisions and transportation alternatives.



The financial impact of potential programs evaluated in this report can be considered in two ways. One is to calculate the **value** of the programs we provide—in other words, the dollar worth of additional subsidy compared to current pricing. The cap on human service tickets is a cap on the face value of products that can be bought or sold. Another way of viewing these programs is to assess the **cost**—the amount of real revenue that Metro loses because of a program or subsidy, compared to the increased revenue that resulted from new ridership. This is more complicated to calculate, because it requires making some assumptions about who would have ridden even without the subsidy, and what they would have paid or how much they would have spent. For this report, Metro was only able to assess the value of potential programs, because in most

[1] This report focuses on fares for Metro's fixed-route service. A key objective of Metro's fares work program is to identify opportunities to improve and coordinate fares across a range of services.

instances we do not know how much real revenue would be lost. This may overstate the impact that programs could have on farebox recovery, but provides a conservative basis for assessment.

At our current fare structure and rate, Metro expects to be right at the 25% minimum farebox recovery threshold in 2020. Any further fare changes or new fare programs that decrease revenue would impact farebox recovery and result in the need to consider fare increases, slowing service growth, or other cost-saving measures. For example, if fare revenue were to decline by $1 million in 2019, Metro would need forgo about 12,000 hours of planned service investments to maintain minimum recovery targets. This would be roughly equivalent to not delivering half of Metro's 2019-2020 Priority 1 (crowding) and Priority 2 (reliability) needs. If fare revenue declined by $10 million annually, Metro would need to reduce service growth by 120,000 hours. This would be approximately equivalent to two RapidRide lines operating at minimum service levels.

What happens to farebox recovery if…

If revenue goes down by…	Metro's farebox recovery would…
Nothing	Hit 25% min. in 2020
$1 million	Hit 25% min. in 2019
$5 million	Dip below 25% min. in 2019

For more information on factors that impact farebox recovery and potential future farebox recovery scenarios, see Appendix C, "Additional Information about Farebox Recovery."

Context for Future Fares Work

With the exception of farebox recovery goals, which are set through Metro's Fund Management Policies, fare policy is adopted in the Strategic Plan for Transportation 2011-2021. Guided by these policies, Metro has made several recent changes to fares: elimination of the Ride Free Area in downtown Seattle in 2012, introduction of the ORCA LIFT low-income fare in 2015, and elimination of peak and zone surcharges in 2018. Moving forward, Metro has identified policy objectives to pursue in future work (Figure 1). The work program builds on previous fare changes and reflects feedback from customers, operators, and other stakeholders.

While adopted fare policies drive changes to the fare system, Metro must ensure that any changes support critical policy objectives such as farebox recovery, regional coordination, and regulatory compliance, and we may take actions to support these goals (such as a fare increase to maintain farebox recovery).[2]

[2] Since the implementation of a flat fare structure in 2018, it is unclear whether Metro should continue to pursue a policy goal of setting fares to reflect the cost of service, or rather focus primarily on fare simplification and ease of use. This topic will be considered holistically as part of the work program.

Figure 1: King County Metro Adopted Fare Policy and Work Program Priorities

Understand & Plan	•Be easy for customers to understand and use •Reduce costs •Enable all people in King County, including those with low and no incomes, to use public transportation
Maintain	•Comply with Fund Management Policies: minimum farebox recovery of 25%, goal of 30% •Align with regional transit partners •Comply with state and federal regulations
Defer	•Reflect the cost of service, with higher fares for higher-cost service

With planned projects and developments such as next-generation ORCA, mobile ticketing, the expansion of Metro's innovative mobility services, and farebox replacement, as well as a continued focus on social equity, Metro will pursue programmatic efforts, shown in Figure 2, to advance adopted policy goals over the next few years.

Figure 2: Fares Work Program Objectives and Outcomes

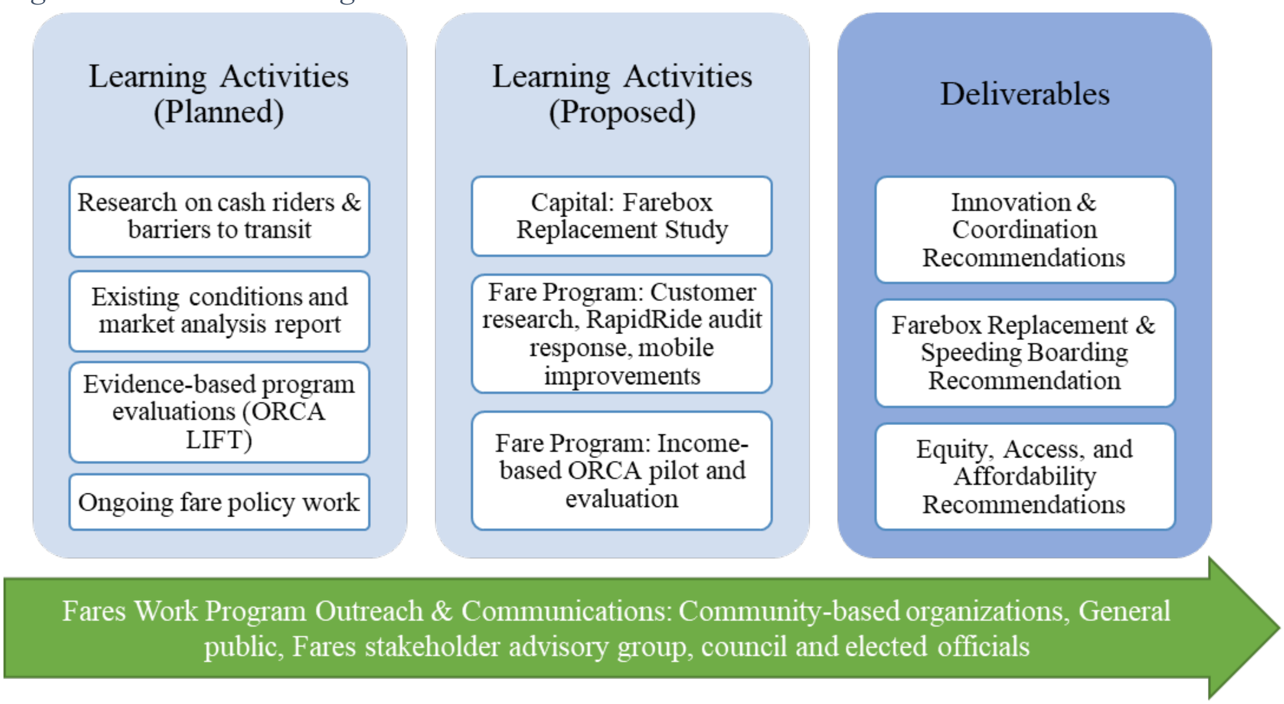
Program Objectives	Program Outcomes
• **Understand and address barriers to transit access for communities with the greatest needs** • **Simplify fares for individuals and institutions** • **Promote Metro to likely/potential riders** • **Adopt open and interoperable systems** • **Speed boarding and improve operator safety** • **Expand or improve efficacy of low-income programs**	• Increase ORCA LIFT utilization • Improve engagement and outreach with low-income communities, communities of color, limited English speaking populations, and immigrants and refugees • Recommendations to enhance the customer experience, improve and innovate fare products, and promote transit • A plan to speed boarding, including a path forward on farebox replacement • Clear, consistent, and sustainable structure for reduced-fare programs • Summary of opportunities to coordinate fares and fare payment across Metro, regional, and private mobility providers • Improve equitable outcomes in mobility

Metro will start learning activities in late 2018 to inform a set of deliverables by the end of 2019 (some work may continue into 2020). This process is shown in Figure 3.

While much of the upcoming work will retain the priorities and principles of past fares work—for example, making the system easier to use—one of the biggest drivers in 2019 will be speeding boarding and identifying a strategy for managing Metro's aging fareboxes. The existing fareboxes are over 20 years old. They require significant maintenance and several components are no longer made by the manufacturer. Study of this issue could identify the need for significant capital investment in new fareboxes. However, it could also explore whether investing in ORCA-based low-income programs, expanding off-board payment and cash payment options, enhancing mobile ticketing, and prolonging the life of fareboxes could forestall the need to replace fareboxes, while speeding boarding and reducing costs associated with fare collection.

Metro will continue to explore how to best increase transit access to those who face the greatest barriers by race and by place. For example, Metro will increase contracting with community-based organizations (CBOs) who serve low-income communities, communities of color, immigrants and refugees, and limited English speaking populations, seniors and people with disabilities, and other communities who may be underrepresented in traditional outreach efforts. Metro also plans to expand on evidence-based policy initiatives and pursue other opportunities to make fares easier to understand and pay.

Figure 3: Fares Work Program Activities and Deliverables



Opportunities and Recommendations

This section provides market overviews and evaluations of options to better serve the key markets identified in Motion 15171 (youth, students in post-secondary and technical schools, residents of subsidized housing, low-income employees, and riders with no or very low incomes).

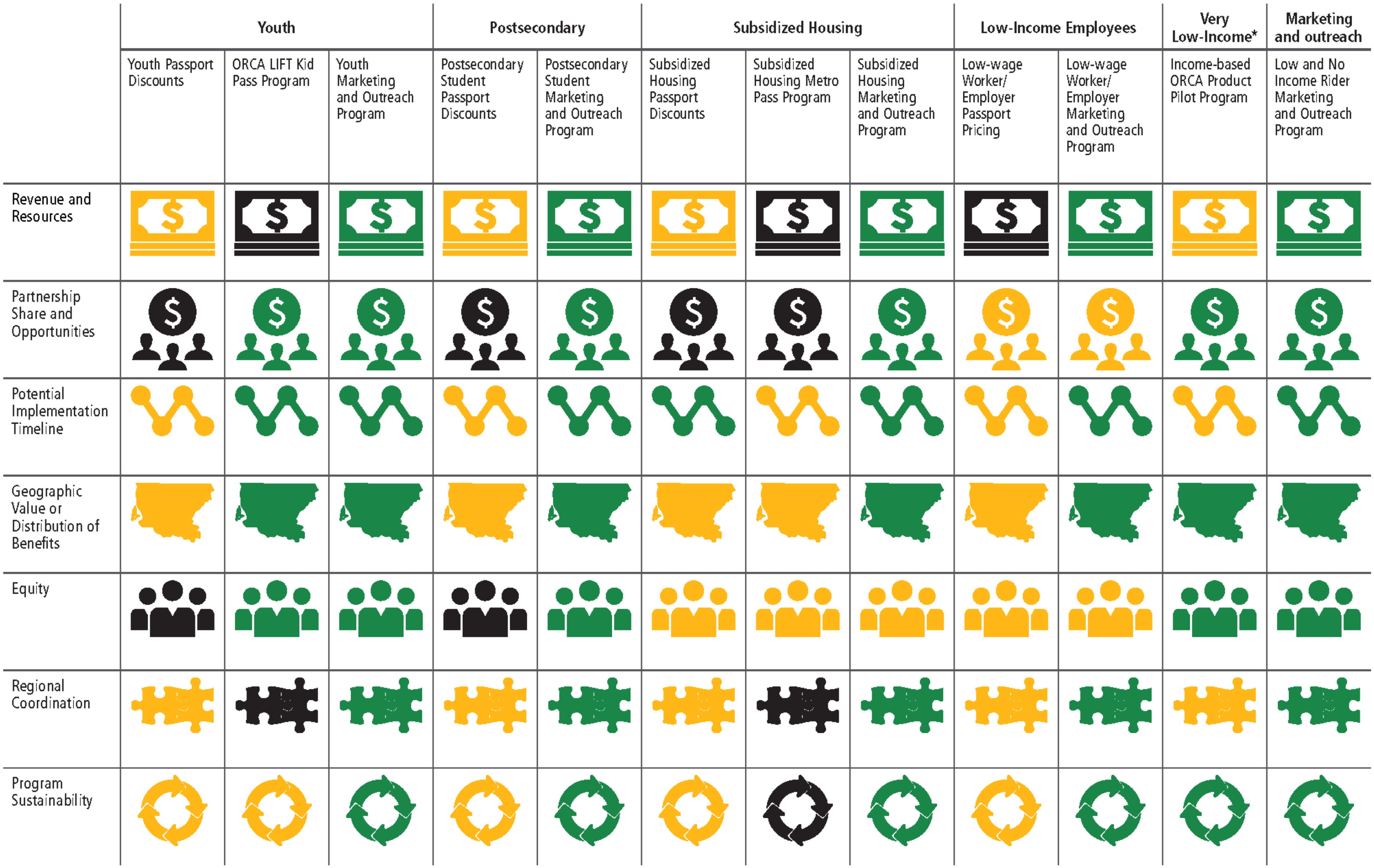
For each of these markets we provide a summary explaining which options Metro recommends, which options are possible but not currently resourced, and which options are not recommended. Following the summary is a market overview that includes what we know about the market, programs we offer today or plan to offer, and a description of input we received from public outreach, surveys, focus groups, conversations with stakeholders, or other research activities. For a brief summary of comparable programs that other agencies offer, see Appendix D, "What Other Agencies Do."

Figure 4 illustrates the criteria with which Metro evaluated each option, with the evaluation for each option summarized on the following page (Figure 5). The evaluation criteria are based on estimates for an ongoing program open to all eligible people assuming a reasonable participation rate, with the exception of the income-based ORCA product pilot for people who cannot afford the ORCA LIFT fare.

Figure 4: Evaluation Criteria

CRITERIA	OUTCOMES: Positive	OUTCOMES: Medium	OUTCOMES: Negative
Revenue impact / Resource requirements	Less than $1M	$1M–5M	More than $5M
Partnership share and opportunities	Likely partnerships	Potential for partnership	Unlikely or insufficient partnership
Potential implementation timeline	Could be implemented within 6 months	Would take between 6–24 months to implement	Would take more than two years to implement
Geographic value or distribution of benefits	Serves transit riders throughout the county	Serves a mixture of areas of the county	Serves only specific parts of the county
Equity	Strongly supports County ESJ goals and principles	Somewhat supports County ESJ goals and principles	Does not support or conflicts with County ESJ goals and principles
Regional coordination	Other agencies interested or not impacted	Other agencies might consider, might be impacted	Other agencies are not interested, would be impacted or necessary
Program Sustainability	Program can likely be sustained under current conditions	Program can be sustained in the near-term, with funding commitments	Program may not be sustainable without significant, ongoing funding commitments

Figure 5: Summary of Evaluations



*This report also evaluates an option for a very-low-income fare in the style of the current ORCA LIFT fare. However, that evaluation consists of answers to the questions required by Ordinance 18409, Section 115, Proviso P1 in Motion 15171

Youth

Motion 15171 directs Metro to evaluate "Opportunities to make public transit more affordable and accessible to youth, including options to extend transit pass agreements to additional public school districts, to offer other reduced-fare or no-fare options for youth."

Metro wants to increase access to transit for youth, especially low-income youth, and build a culture of transit use among young people. Many youth in King County have low incomes. In several districts, more than half of students live in households with income below 200% of the federal poverty level. Metro currently offers a discounted youth fare that is in line with peers. We also offer many youth-focused programs, including service partnerships and pass agreements with school districts and cities, to try to achieve these objectives. Metro has over 20 service partnerships and pass agreements with school districts and cities, although many districts elect to use yellow bus service to meet student transportation needs.

This report concludes that broad changes to fare policy may not effectively increase transit access for youth. Outreach with low-income youth has indicated that for some, the main barrier to transit was lack of understanding about how to use the transit system and ORCA passes, not the fare.

This report recommends that Metro continue to work with school districts and other partners. Currently, Metro serves youth students in a number of ways, including through business accounts with over twenty schools or districts, service partnerships, and programs. Our outreach would focus on ensuring youth across King County know how to use transit and pay the fare. Finally, we believe that there are low-income youth who need access to lower fares. We recommend serving these customers by expanding our low-income program offerings through the proposed pilot program, explained on page 44. For more information about these programs, see Appendix E, "More Information Regarding Metro's Existing Programs."

Metro will continue working to understand the potential costs and benefits of discounts that encourage new partnerships and expand transit access, as the City of Seattle ORCA Opportunity program has done. Metro would welcome additional local partnerships serving youth, and will continue to explore promotional products or improvements to existing programs. Metro recommends that youth programs focus on low-income youth and families in particular. Even if Metro agrees to forgo revenue through new products or discounts, we have heard that few if any partners in the county have the resources to fund the partner share of a pass program. Those jurisdictions or districts with the least resources would be least able to participate in these programs, while existing programs would likely argue that they too should receive price reductions.

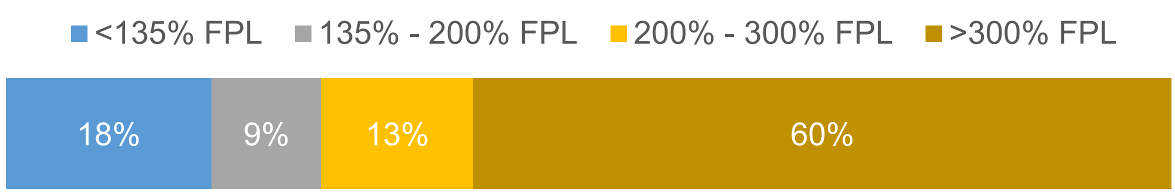
At this time, we do not recommend further reducing fares for all youth or implementing free youth fares, since doing so would subsidize non-low-income youth and could result in less resources for low-income customers.

Market Overview

In 2017, youth boardings represented 10% of all riders and 5% of all revenue. In a sample ridership month[3], 21,000 unique ORCA youth cards were used on Metro (6% of ORCA cards active that month). These cards were used for 496,000 boardings (7% of all ORCA boardings) with an average of 16 monthly boardings per youth card. During the upcoming 2018-2019 academic school year, 25,150 public school students will be eligible for ORCA cards funded by School District Passport programs (described below), representing 19% of the county's public middle and high school students

According to the 2016 American Community Survey (ACS), there are approximately 279,000 youth in King County aged 6-17 years, representing 14% of the overall population. Of this, 135,000 or 7% of the county are aged 12-17 years (approximately middle/high school age).[4] Figure 6 shows that among youth aged 12-17 years, 27% live at or below 200% of the federal poverty level (FPL), and would thus live in ORCA LIFT-qualifying households. The majority of this age group (60%) live above 300% FPL.

Figure 6: Income Levels for King County Youth Aged 12-17 (2016 ACS 5-year estimates)



In the 2016-2017 school year, 291,000 students were enrolled in King County's 19 public school districts, including nearly 132,000 middle and high school students. While the vast majority of these youth live in King County, some are students in districts that span multiple counties, such as Auburn and Northshore school districts. Among the entire student population in these districts, roughly 32% qualify for free or reduced-price meals[5]. The percentage of students eligible for free or reduced lunch in each district is shown in Figure 7.

Among King County's public middle and high school students, 52% are enrolled in schools within a ¼ mile walk of regular bus service. While we don't know the home location of students, 73% of living unit parcels in King County school districts are within a ¼ mile walk of regular bus service, and 53% are within a half mile walk of frequent service. This analysis does not take into consideration that most students are provided transportation via yellow school bus and that many can walk or bike to school.

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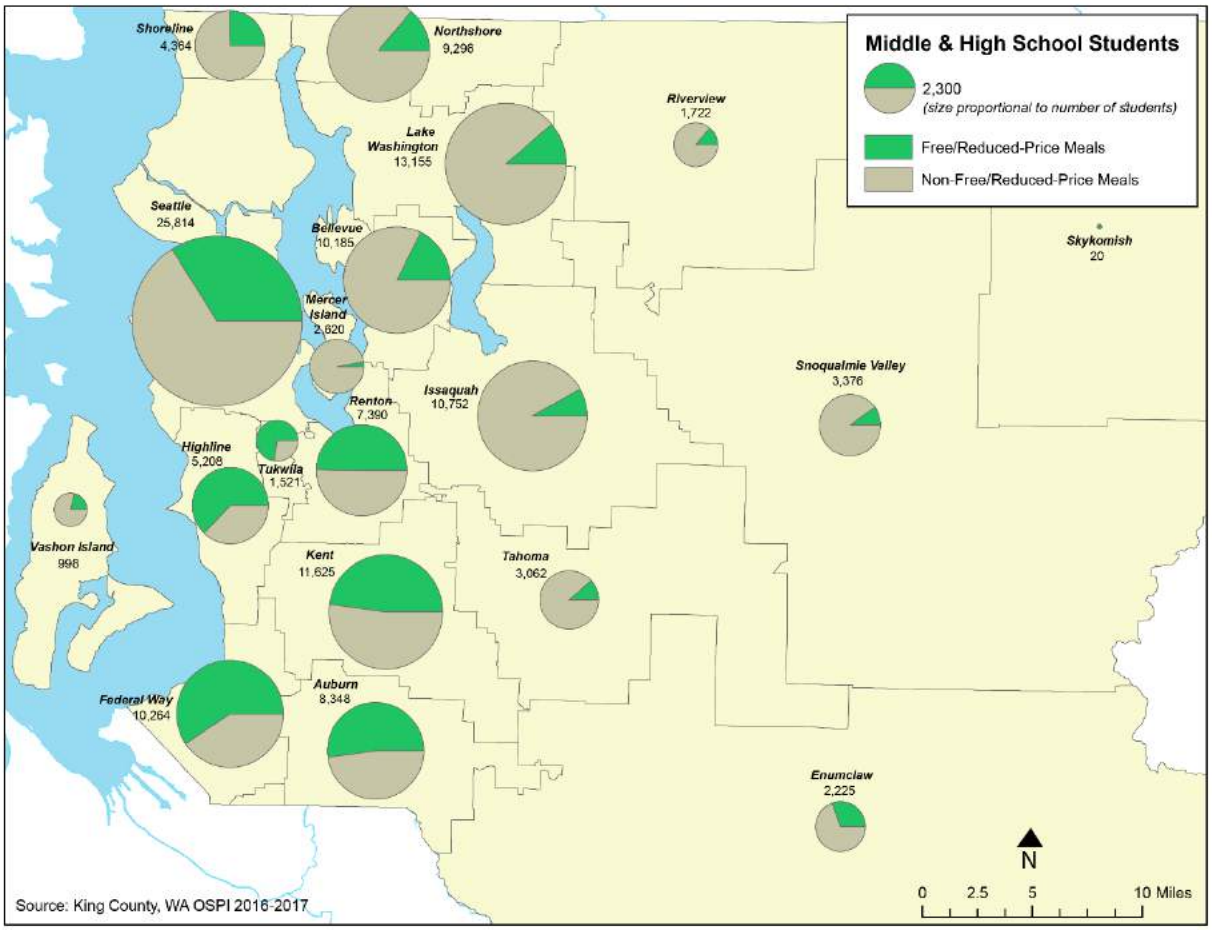
[3] The sample data referenced in this section is from the month of May, 2018.

[4] This report focuses on middle and high-school youth, since they are most likely to participate in transit pass programs through school. However, the programs and recommendations in this section could be applied to serve younger children as well. For example, Metro could explore promotional family fares or youth fare products as part of an outreach and education campaign.

[5] Youth in families with an income below 130% of Federal Poverty (FPL) are eligible for free school meals; those in families with an income below 185% FPL are eligible for reduced-price meals.

The districts with the highest shares of students and households close to regular and frequent service provide at least some students with bus passes through the School District Passport program, including Bellevue, Highline, Lake Washington, Mercer Island, Seattle, and Tukwila school districts. During the 2018-2019 academic school year, 25,150 public school students will be eligible for ORCA cards funded by School District Passport programs (described below), representing 19% of the county's public middle and high school students. Overall, if we assume that students attending the 55% of schools near transit comprise the potential transit "market" for student pass programs (73,000 individuals), then approximately 30% of these students will be served by Passport programs in the 2018-2019 school year.

Figure 7: Map of Free or Reduced-Price Meal Eligibility by District (OSPI, 2016-2017)



Metro Youth Programs

Metro and partners offer a variety of programs serving youth riders. These include a reduced fare of $1.50 for all youth, ages 6-18; free fares for youth ages 5 and under; partnerships with school districts to provide passports and bus service; and various pilot programs aimed at increasing youth ridership. For more information about Metro's existing programs for youth, see appendix E, "More Information Regarding Metro's Existing Programs."

What We've Heard

Metro does not have comprehensive data regarding youth transit ridership and barriers to transit. However, we have received some feedback from youth through focus groups, surveys, and other efforts. For some young people, the most significant barriers to ridership may be more about understanding the system, the value it provides, and how to get access to a broader range of mobility options (e.g. bikeshare). For example, in a July 2018 focus group with 14 young people, the participants said the main reason for not using transit was that they didn't understand how to use the system (plan trip, pay fare, etc.). ORCA can also be a barrier; some youth do not understand how to get an ORCA card and the benefits of using it. Youth may feel it's easier to pay with cash. Focus group participants commented on the importance of schools educating youth about transit and ORCA and distributing ORCA cards.

Metro has heard from social service agencies that it is more difficult for them to serve youth with human service tickets because there is no paper combination ticket (allowing a transfer between Metro and Sound Transit) available for youth through the Human Services Ticket Program. This issue could be addressed by the ORCA pilot projects proposed in the Low and No Income rider section of this report that would serve all low-income people, including youth.

Metro has also heard from some youth that the fare can be a barrier. In a survey of participants conducted after the 2017 Reduced ORCA Youth Fare pilot program, in which Metro offered free ORCA youth cards with a reduced 50¢ fare, nearly two-thirds of the 108 respondents said they rode transit more often because of the reduced fare. Metro can assume that the fare would be more of a barrier to youth in low-income households or who themselves have low income. However, based on what we heard about youth not understanding the transit system, reduced fares may not attract more your riders unless combined with extensive outreach and education.

Though past research provides some helpful information, we could conduct further research through the fares work program.

Metro Options

Under the existing ORCA agreement, Metro and regional partners could use first-year financial incentives through our Business Passport program to encourage school districts to establish Passport programs for their students. We recently used this model to support the City of Seattle ORCA Opportunity Program. However, the current ORCA agreement allows for these discounts in the first year only. Outside of the new Seattle program, the only existing school pass programs are those managed by school districts, with costs reimbursed by the State of Washington. Schools are reimbursed for the cost of providing transportation for students who cannot walk to school. School districts provide various transportation services to students who meet their eligibility requirements per the district Transportation Service Standards. School districts provide yellow bus, door-to-door, cab service, and ORCA cards to a variety of students. Over twenty schools or districts provide some of their students ORCA cards through business accounts, although only five districts provide Passport accounts.

Metro has developed several strategies that could be employed to improve transit access and affordability for youth, including options to extend transit pass agreements to additional public school districts. The options below are described and evaluated in the project sheets that follow.

- **Youth Passport discounts:** To provide a greater incentive for schools, jurisdictions, or other partners to operate youth pass programs, Metro could pilot offering a 25% discount to public school districts and jurisdictions on Metro-only travel costs on a programmatic basis. It should be noted that requirements from the state do not allow school districts to provide both yellow school bus and public transit passes to students, so the most likely partners would be local jurisdictions rather than districts. Also, eligibility for school district provided transportation is not based on family income levels but travel distance and walkability to school.

- **ORCA LIFT Kids Pass Program**: Metro could provide a free fare to youth aged 6-18 who have a LIFT-qualified parent. Parents could enroll children when they enroll in ORCA LIFT. Metro would conduct a 12-month pilot, valid on Metro service only, since other regional agencies may not be interested in participating.

- **Marketing and Outreach Programs:** Metro could focus on mitigating barriers that low-income youth of color and immigrant/refugee youth face, including potentially knowledge of the existence of special fares, understanding of the system, access to payment, and translated materials. Metro could also use targeted marketing and outreach to increase transit use and improve perceptions of transit among young people with the greatest needs. Depending on staff resources, this work could include working with the legislature to secure additional state funding for youth programs, increasing outreach to youth including ORCA-to-Go outreach and strengthening relationships with cities and school districts, and community-based organizations. In the future if resources allow, Metro could consider resourcing a youth mobility education and outreach program that would focus on teaching youth how to use transit, pay fares, and more; Metro could develop or utilize promotional products to support such a program.

Metro also considered but did not pursue for full evaluation the strategies that follow.

- **Free fares for all youth or reduced youth fares**: Free fares would result in an immediate revenue loss of at least $12 million dollars annually, with a portion of the savings accruing to the State of Washington. Metro believes that fare payment is an important part of teaching youth the value of transit and how to “ride right.” In addition, given policy direction to invest where the need is greatest and to meet Fund Management objectives, Metro would not recommend subsidizing non-low-income youth when funds for subsidies could be directed to programs that directly benefit low-income customers.

Youth Passport Discounts[6]

Resources	• 12-month pilot Metro program value (5,000 students): $230,000. • Full Metro program value (72,000 students – half of total population): $3.3 M/yr. • Loss from existing contracts: $1.2 M/yr. • Additional Metro resource impacts are unknown.[7]
Partners	• 12-month pilot partner share for a school district with 5,000 students: $700,000 (Metro travel only).[8] • Full program partner share (72,000 students): $10 million per year (Metro travel only).
Timeline	• Implement in 2019-2020.
Geography	• Participation likely highest in areas with the most transit service.
Equity	• Districts with fewer resources will be less likely to participate. • The high financial impact would reduce revenue available for investing in mobility improvements where they are needed most. • Would not support an income-based approach to fares.
Regional	• No other transit agencies have expressed interest.
Sustainable	• Will vary from district to district depending funding availability.

[6] The cost estimates in this section include costs for a pilot program in which a school district or districts with 5,000 students participated. The estimates also include what the cost would be if Metro provided this pricing option as a permanent program in which all students attending schools within a quarter mile of transit (approximately 55% of all middle and high school students in King County) were covered by Passport programs. Costs per students are based on current student Passport program averages, including that 80% of trips are taken on Metro services, and 20% on other agencies' service.

[7] Additional resource impacts could include lost revenue from transfers with non-participating regional agencies as well as the potential need for additional Metro staff. The net cost in terms of foregone revenue is unknown, since Metro does not know how much revenue is currently received from this market. This report describes the value of potential programs. See the "Farebox Recovery and Opportunity Costs" section of this report for additional information.

[8] Many school districts already provide yellow bus service. The state does not allow districts to provide both yellow school bus and transit service. However, a jurisdiction could provide passes to students.

ORCA LIFT Kid Pass Program[9]

Resources	• 12-month pilot Metro value (2,000 youth): $460,000. • Full program Metro value (37,000 youth): $8.7 million per year. • Administrative costs would include: ORCA LIFT registry update ($75,000), 1-2 additional Metro staff ($100,000 - $250,000 total); verification, education, and administrative support for Public Health ($150,000); and revenue service additions to address overcrowding (unknown). • Additional Metro resource impacts are unknown.[10]
Partners	• There are not currently any potential partners who have expressed interested in this pilot, although Metro could launch without partner participation.
Timeline	• 12 month pilot duration, implementation in Q2 2019 at the earliest
Geography	• Countywide program. • Would not benefit riders who rely on regional services.
Equity	• Advances King County's ESJ goals by investing where needs are greatest. • Would support an income-based approach to fares. • Could also incentivize low-income adults to participate in ORCA LIFT.
Regional	• Unlikely that other regional agencies would participate, so the program would need to be for Metro service only.
Sustainable	• Metro does not currently have the resources necessary sustain this program over time.

[9] The cost estimates in this section are for a pilot program serving 2,000 youth, as well as for an ongoing program based on Metro's estimates that there are about 75,000 youth aged 6-18 in households below 200% of poverty in King County, and that half would enroll in and utilize an ongoing program. Costs per youth are based on current school program costs.

[10] The net cost in terms of foregone revenue is unknown, since Metro does not know how much revenue is currently received from this market. Costs would be expected to increase over time with enrollment and ridership. This report describes the value of potential programs. See the "Farebox Recovery and Opportunity Costs" section of this report for additional information.

Youth Marketing and Outreach Program

Resources	• Would redirect existing resources; a more comprehensive outreach program would likely need additional staff and an increased Special Rates of Fare budget for fare promotions.
Partners	• Partner contributions could be either financial or in-kind, depending on program design.
Timeline	• Ongoing.
Geography	• Countywide.
Equity	• Would benefit all students with a focus on school/districts with higher shares of low-income students, students of color, immigrants, and refugees.
Regional	• Potential for coordination with regional transit agencies or can be Metro-focused.
Sustainable	• Will depend on availability of staff time and existing resources.

Students in Postsecondary and Training Programs

Motion 15171 directs Metro to evaluate "Opportunities to make public transit more affordable and accessible to students in postsecondary, job training and apprenticeship programs, including options to extend transit pass agreements to local colleges, universities, postsecondary programs, job training, or apprenticeship programs."

Metro recognizes the interest in increasing transit access for students, and in fact many agencies offer deeper discounts to college programs than Metro does. As we consider changes to fares, Metro must consider the regional nature of existing fare programs, as well as the need to ensure a sustainable funding stream. Metro's extensive outreach to postsecondary and other education or training institutions found that few entities have the ability or interest in expanding the pass program, even if the price was reduced.

Metro has also conducted extensive outreach around the needs of postsecondary students, and is making investments in service and outreach to meet these needs, as detailed in Appendix F.

This report recommends focusing first and foremost on continued programs to better serve postsecondary students and those attending training institutions. Depending on staff resources, components could include outreach, education, marketing, and other strategies that could build awareness of transit and help support institutional capacity. For example, Metro would continue working on a pilot with Highline Community College to issue ORCA LIFT cards to students who qualify for Pell grants, a tuition waiver, or a workforce grant. Finally, we believe that there are low-income students who need access to lower fares. We recommend serving these customers by expanding our low-income program offerings through the proposed pilot program, explained on page 44.

Metro could open a regional conversation and further analyze ways to reduce the cost of transit for postsecondary students and to make pass programs more attractive. Potential solutions need to be administratively and technologically feasible as well as effective, equitable, and sustainable. Metro could further explore changes such as a Passport pricing discount, contract pricing over multiple years, or fare-capping for trips within a month. Pricing changes big enough to induce new program participation could be quite costly. Still, there could be a policy justification for providing unique benefits to these students and for serving Metro's largest Passport customer, the University of Washington (UW).

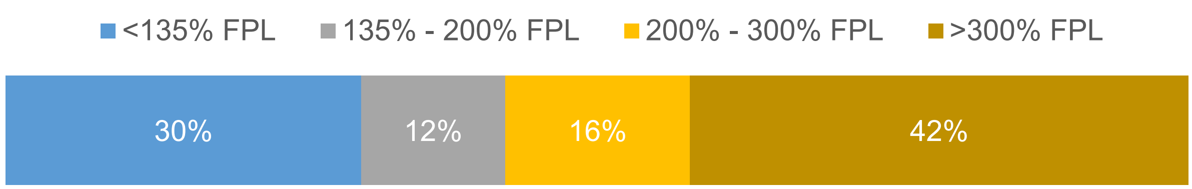
Metro does not recommend creation of a new student fare or fare product due to very high costs in foregone revenue and technology fees, with uncertain equity and ridership benefits.

Market Overview

According to Metro's Rider/Non-Rider survey, adults aged 18-24 make up 10% of Metro riders. Among respondents who report riding transit to commute to school, 60% are regular Metro riders (having ridden five times or more in the previous 30 days), and 13% are infrequent riders. Frequent and non-frequent riders who commute to school average 25 rides per month.

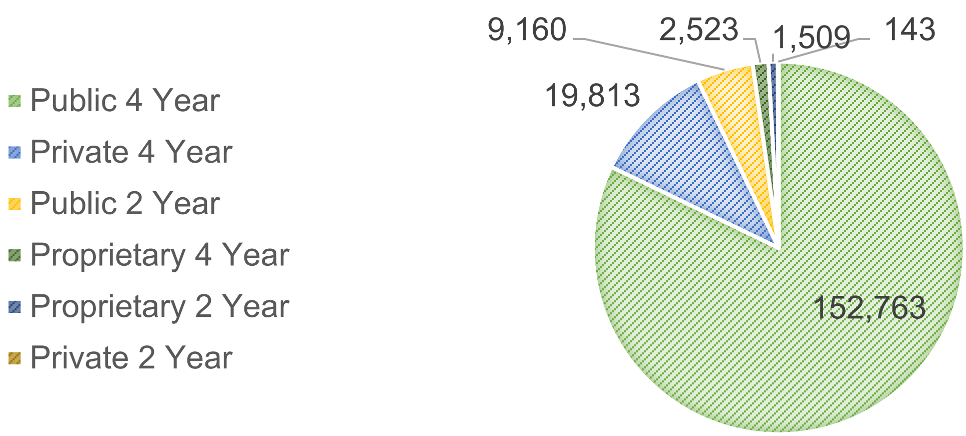
There are approximately 166,877 college-aged adults in in King County (18-24 years), representing 8% of the overall population. Among this group, 42% have incomes at or below 200% of the federal poverty level (FPL), and are potentially eligible for ORCA LIFT as individuals (Figure 8). Less than half of this group (42%) have incomes above 300% FPL. However, income for this group is complicated by the fact that many full-time students may be claimed as dependents and be supported by family resources, so their income does not necessarily reflect the extent to which people in this age group are truly in need. For this reason, income assessments to determine financial aid are generally based on family income.

Figure 8: Income Levels for King County Residents Aged 18-24 (2016 ACS 5-year estimates)



In the 2015-2016 academic year, roughly 186,000 students were enrolled in 28 higher-education institutions in King County, most in public four-year institutions (Figure 9). This population includes students in apprenticeship and technical training programs. Twenty percent of undergraduate students were Pell Grant recipients (awarded based on exceptional financial need); most awards go to those with family incomes below $20,000. Because of various qualifications for eligibility, this figure likely underestimates the number of low-income students.

Figure 9: Enrollment by Educational Institution type (IPEDS, 2015-2016)



Nearly all of the higher-education institutions in this analysis (27 out of 28) are within ¼ mile of regular bus service, although student home locations may be more dispersed. Approximately a quarter of students attending a school with frequent service (every 15 minutes or better) are UW students, who are covered by the U-Pass program.

Metro Post-Secondary Programs and Work Efforts

Metro serves postsecondary students in a number of ways, including through business accounts with several colleges and universities (e.g., the University of Washington U-PASS program, Business Choice agreements with several schools, including Bellevue College, Highline College, and Seattle Colleges) and service partnerships and programs. Metro has also worked with colleges to increase access to ORCA LIFT for eligible students. For more information about these programs, see Appendix E, "More Information Regarding Metro's Existing Programs."

What We've Heard

Metro has heard from colleges and universities that have Passport programs, other subsidy programs, or no programs. Those with large-scale programs like the UW U-PASS are interested in reducing program costs, and Metro is working closely with them to support their needs. However, Metro must balance this consideration with potential revenue impacts.

To have successful pass programs, colleges must have a sustainable local funding stream to contribute their portion of the program funding. Potential funding streams include student fees, parking revenue, and commitment of general fund dollars. At the UW, students voted to self-impose a U-PASS fee to make the program more sustainable. Stanford and MIT capture some of the savings of avoided parking stall construction due to their U-PASS programs and direct those funds into their transportation program.

Some schools have limited transit service today, and may not charge for parking. These schools may serve students from throughout the Puget Sound region, some traveling far to campus. Metro can continue working with these schools on how to best serve them with mobility options and fare programs.

Partnerships with colleges and universities work best when the college or university identifies resources to bring to the partnership. The essence of the partnership is that it enables Metro to do things we would not normally do, absent the partnership. In the case of the colleges and universities, none of the potential partners we spoke to could identify new resources to bring to a partnership. Metro discussed student fees, parking fees, and seeking state resources as possible funding sources.

Metro Options

Under the existing ORCA agreement, Metro and regional partners could use first-year financial incentives through our Business Passport program to encourage postsecondary and training institutions to establish campus-wide Passport programs or increase their current commute program/transit subsidy for their students who use public transportation, ride-share, bicycle or walk to campus. This section evaluates several options, discussed in the following pages.

- **Postsecondary student Passport pricing discounts:** To provide a greater incentive for postsecondary institutions to operate student pass programs, Metro could pilot new incentives that would extend beyond the first year. The incentive could be a universal discount for any entity that meets the eligibility requirements and brings the necessary partner match, or the pricing could be based on the number of low-income students (using ORCA LIFT eligibility requirements). Metro could define which entities would be eligible to receive this discount; in this report we assume that all post-secondary students would be eligible. However, Metro would need to consider the implications of providing this discount to for-profit institutions.

  For ORCA LIFT-based pricing to work, Metro and participating agencies would need eligibility information, using the income reported to the federal government or institution for financial aid. Metro would also require that the majority of the cost savings be passed on to low-income students. In conversations so far, postsecondary institutions including the UW have indicated that identifying eligible students and passing on the savings to them would be burdensome or infeasible.

- **Postsecondary student marketing and outreach programs:** Instead of broad pricing discounts, Metro could focus on targeted efforts to increase transit use and improve perceptions of transit, particularly among low-income post-secondary students.

  King County could pursue legislation that would support or encourage increases in student ridership, such as additional state funding for transit passes for publicly funded institutions, or additional state subsidies for passes for low-income students in King County.

  Metro could continue recent outreach and coordination efforts with colleges, universities, and training programs. For example, Metro is currently working on a pilot with Highline College to issue ORCA LIFT cards to students who qualify for Pell grants, a tuition waiver, or a workforce grant. With current resources, Metro could continue work like this on an ad-hoc basis. Outreach could include explaining existing programs and enrollment in ORCA LIFT, exploring funding sources such as paid parking, and other strategies. Depending on resources, Metro could also conduct additional outreach and research with students to better understand their needs and priorities regarding service changes or improvements, educational campaigns, and fare changes. In particular, Metro would propose research that could shed light on the economic circumstances and barriers of students within different institutions and the travel needs, focused on low-income students, students of color, immigrant and refugee students, and those who speak limited English.

Metro considered but did not pursue full evaluation of the strategies discussed below, based on potential impacts and inconsistencies with our approach to putting resources where they are needed most.

- **Youth or LIFT fare pricing for all college students**: Metro is not considering extending ORCA LIFT or youth pricing to all college students because of the high revenue impact and equity considerations, given that an increased discount would provide a new subsidy to a number of people who do not have equity-based needs. Metro does already adjust the U-Pass price for the proportion of youths and seniors in the UW population. A $1.50 fare for all students would decrease Metro's revenue from the U-Pass program alone by 43% or nearly $5.8 million annually. Changing eligibility for youth or LIFT pricing on Metro service only could decrease regional coordination and make fares more confusing for customers; Eligible individuals can register for ORCA LIFT under existing conditions.

- **College fare passes**: To offer reduced-cost retail pass products to students only, Metro would need to create a new customer category in the current ORCA system, which would cost at least $275,000 and take at least 18 months. However, Metro could explore this option further in the next generation ORCA system. It might be possible to offer students and institutions a unique cap on the cost of fares for a certain amount of trips, e.g. a number of trips per quarter after which students would "earn" a pass and not be charged further. This would require regional development of fare capping mechanisms, but is something that has been done elsewhere. For large institutions, it might be possible to evaluate this as part of a broader exploration of Passport pricing options that could encourage partnerships.

Postsecondary Student Passport Discounts[11]

Resources	• 12-month pilot Metro value (20,000 students): $620,000. • Full program Metro value (93,000 students – half of total population): $2.9 million per year. • Estimated loss from U-PASS contract: $1.4 million per year. • Additional Metro resource impacts are unknown.[12]
Partners	• 12-month pilot partner share: $5.6 million per year (Metro travel only). • Full program partner share: $26.1 million per year (Metro travel only. $14 million already covered through UW U-PASS program). • Up to half of program costs could be covered by end users. • No schools have demonstrated ability to fund partner share.
Timeline	• Implementation in the 2019-2020 academic year.
Geography	• Pilot/program participation likely highest in areas with the most transit service.
Equity	• Institutions (and students) with fewer resources will be less likely to participate. • The high financial impact of this program would reduce revenue available for investing in improvements where they are needed most.
Regional	• Sound Transit staff may be open to further discussions of changes to pricing methodology, if said methodology was justifiable. Other agencies are unlikely to participate.
Sustainable	• Will depend on partners having sustainable funding sources and on financial impacts on Metro.

[11] The cost estimate for a pilot or program is based on a flat 10% discount on Metro trips, assuming 65% of trips are made on Metro. The estimated cost per student is conservative because it is based on current per-student U-PASS costs. Not only does the UW have very high transit access, but it also has strong programs to price parking, provide mobility options, and encourage transit use. For costing of this option, Metro evaluated a pilot program where colleges serving 20,000 total students began providing Passport benefits to all students. Costing for an ongoing program is based on coverage of half of all post-secondary students in King County, since only some attend schools that can be reached by transit from their homes.

[12] Additional resource impacts could include lost revenue from transfers with non-participating regional agencies as well as the potential need for additional Metro staff. The net cost in terms of foregone revenue is unknown, since Metro does not know how much revenue is currently received from this market. This report describes the value of potential programs. See the “Farebox Recovery and Opportunity Costs” section of this report for additional information.

Postsecondary Student Marketing and Outreach Program

Resources	• Would redirect existing resources; A more comprehensive outreach program would likely need additional staff and an increased Special Rates of Fare budget for fare promotions.
Partners	• Partner contributions could be either financial or in-kind, depending on program design.
Timeline	• Ongoing.
Geography	• Countywide.
Equity	• Would benefit all students with a focus on institutions with higher shares of low-income students, students of color, immigrants, and refugees.
Regional	• Would not require coordination with regional transit agencies.
Sustainable	• Will depend on availability of staff time and existing resources.

Subsidized Housing

Motion 15171 directs Metro to evaluate "Opportunities to make public transit more affordable and accessible to residents of subsidized housing, including options to implement ORCA multifamily Passport programs with local public housing authorities or non-profit housing developers for their residents."

A substantial number of King County residents live in subsidized housing, receive housing vouchers, or reside in other affordable housing. However, our evaluation of this market found no clear policy justification for providing benefits to these residents that are not available to other low-income people, who may have even greater needs because they lack access to subsidized housing. Metro recommends serving the subsidized housing market to the extent that residents are low-income through ORCA LIFT and the proposed pilot program for low-income people, which could be tested at subsidized housing sites and in partnership with housing providers.

We believe that there are low-income residents of subsidized housing who need access to lower fares. Metro recommends conducting targeted outreach with subsidized housing providers to increase enrollment in Metro's existing reduced-fare programs. We also recommend serving these customers by expanding our low-income program offerings through the proposed pilot program, explained on page 44. Metro would explore further how subsidized housing providers could supply or sell low-cost ORCA products to eligible residents through this pilot. This approach would limit Metro's financial exposure while ensuring that benefits could reach all low-income people.

Metro could offer Passport pricing discounts, potentially based on ORCA LIFT, or pilot a program that offers a discount and funds the partner share. However, there are significant concerns about this model's sustainability. A previous pilot was not continued due to lack of funding sources to support or replace the government subsidy, and no new funding mechanisms have been identified. If implemented permanently, with a 50% participation rate and a 10% discount, the estimated foregone revenue would be $2.1 million per year, impacting farebox recovery. If Metro cannot fund the program on an ongoing basis, the purpose of a pilot would be unclear. Also, affordable housing income thresholds differ from Metro's current income-based programs, so this approach would give higher-income residents a benefit that others do not receive.

Metro does not recommend making changes to the participation and subsidy requirements of Passport. Passport currently requires that everyone in the organization have access to the transit pass and that the employer provide at least a 50% subsidy. Changing the requirements would undermine the fundamental premise of Passport, which is to provide pass options that are revenue-neutral to Metro, affordable to the end-user, and sustainably funded by an employer or institutional partner.

Market Overview

There are nearly 50,000 housing units tracked by the Housing Development Consortium (HDC) in King County, managed by a variety of entities including the King County Housing Authority (KCHA), Seattle Housing Authority (SHA), and Renton Housing Authority, and other consortiums or groups. These agencies also provide over 14,000 Section 8 Housing Choice Vouchers that are used by tenants in non-project-based housing.

Affordable housing is generally defined as housing that costs 30% or less of a household's monthly income.[13] A household is considered to be "cost-burdened" when it pays more than 30% of its monthly income on housing costs, and "severely cost-burdened" when it pays more than 50% of monthly income on housing costs.[14]

In King County, affordability trends continue to worsen as more and more households are cost-burdened. According to the King County Comprehensive Plan's 2016 Appendix on Housing[15]:

- In 1990, just 27% of all King County households paid more than 30% of their income for housing
- By 2013, that had risen to 37%, or 295,000 households
    - 33% of homeowners paid more than 30% of their income for housing
    - 43% of renters paid more than 30% of their income for housing
- Among households with incomes at or below 30% of AMI, 65% (almost 50,000 households) were severely cost-burdened

As shown in Figure 10, over half of all King County subsidized housing units for which there is information are restricted to individuals below 50% of Area Median Income (AMI), which is similar to 200% of poverty for a family of four. Residents of these units would all be ORCA LIFT-eligible. A significant number of units have higher income thresholds, including some market-rate units in mixed-income housing. However, over 90% of these units are restricted to those earning below 80% of AMI, or approximately $80,000 for a family of four.

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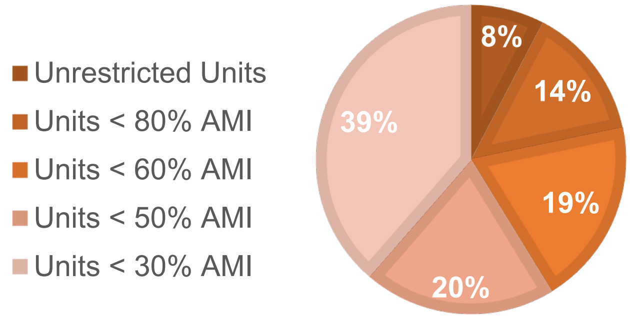
[13] See: "Technical Appendix B: Housing" in 2016 King County Comprehensive Plan Update, King County, March 2016, p. B-5, http://www.kingcounty.gov/~/media/Council/documents/CompPlan/2016/2016-0155/AppendixBHousing.ashx?la=en.

[14] See: "Housing Seattle," The Seattle Planning Commission, 2011, p. 5, https://www.seattle.gov/Documents/Departments/SeattlePlanningCommission/HousingSeattleReport/HousingSeattleweb.pdf.

[15] See: "Technical Appendix B: Housing" in 2016 King County Comprehensive Plan Update, p. B-31-34.

Figure 10: Subsidized Housing Income Thresholds (Housing Development Consortium 2018)[16]



Metro Subsidized Housing Programs

Metro's efforts to serve subsidized housing residents have been limited. In 2016, the City of Seattle and Capitol Hill Housing partnered to enroll three affordable housing sites in an ORCA Multifamily Passport Program, providing unlimited rides on the regional transit system to participants. This program is offered to any multifamily property owner serving 20 units or more. Finally, Metro has conducted ORCA LIFT outreach events at subsidized-housing sites to enroll eligible participants. For more information, see Appendix E, "More Information Regarding Metro's Existing Programs."

What We've Heard

Through conversations with housing providers including Capitol Hill Housing and the Seattle, King County, and Renton housing authorities, Metro has heard that they would like improved access to transit services for their residents, but have very little if any availability to fund the partner/building operator share of the ORCA Multifamily Passport program. Also, some recipients of housing benefits live in parts of the county with little transit service, or service may not meet their needs. Many subsidized housing residents have some type of disability, so for these customers, improvements to Access paratransit service may be more important than fare changes.

Metro Options

Currently, providers of affordable and market-rate housing can offer the ORCA Multifamily Passport program—an annual transportation pass. Like the Business Passport programs, the product must be offered to everyone, and at least half the partner share must be subsidized by the building manager, rather than end-users. The program provides access to all services that are part of the regional ORCA network, including local and express bus service, Link, Sounder, Seattle Streetcar, and King County Water Taxi. All Passport customers are eligible for regional first-year incentives. This section evaluates several options, discussed below.

- **Subsidized-housing Passport pricing discounts**: Metro could pilot new incentives in the first year or beyond. Since people living in subsidized housing are by definition low-income to some extent, Metro could offer a Passport trip-rate based on ORCA LIFT

[16] Information for the 37,000 units for which income eligibility information is known.

pricing to not-for-profit and public subsidized housing entities, so long as 80% or more of the population is ORCA LIFT-eligible.

- **Subsidized-housing Metro pass program**: Because housing providers cannot fund any portion of the housing provider share of a Passport program, Metro could fund their share of the cost for trips on Metro service only (the only way this option could work without a partner share).
- **Subsidized-housing marketing and outreach programs**: Metro could expand outreach to subsidized housing providers to increase participation in ORCA LIFT and other reduced-fare programs among eligible residents. Metro could also seek legislation authorizing funding for transportation programs and partnerships with affordable, subsidized, and low-cost housing providers.

Metro considered but did not pursue for full evaluation the strategies discussed below.

- **Multifamily Passport requirement changes**: Some have suggested changing the requirements for this program so that a pass need not be offered to every unit. However, doing so would undermine the core premise of the Passport program: by providing a benefit to all, the cost per person can be lower and the benefit greater than if only the frequent transit users pay for retail pass products. The Passport program is a regional transit product, designed to be revenue-neutral to transit agencies while growing transit ridership by maximizing access at a participating organization. The product spreads the cost of transit access across the entire population—users and non-users alike. This is a sustainable funding model for the program. If only current riders were the basis of the pass, the per-unit price would need to increase to stay revenue neutral.

  The other key program requirement is that the end user not pay more than 50% of the cost. This reduces a barrier to individual participation and helps maximize access to transit. Metro has seen lower participation when employees must contribute 50% instead of having a pass that is 100% subsidized by the employer, suggesting that user shares above 50% would be even less effective. Finally, employer or organization financial commitment leads to program stability, increased level of promotion and engagement, and overall program management.

Subsidized Housing Passport Discounts[17]

Resources	• 12-month pilot Metro value (10,000 housing units): $2.1 million per year. • Ongoing program Metro value (25,000 housing units – half of total population): $10.5 million per year. • Additional Metro resource impacts are unknown.[18]
Partners	• 12-month pilot partner share: $2.5 million per year (Metro travel only). • Ongoing program partner share: $12.6 million per year (Metro travel only). • Up to half of program costs could be covered by end users (i.e. tenants) • There are a number of potential partners but none that have demonstrated ability to fund the partner share.
Timeline	• 12 month duration, implementation in Q1 2019 at the earliest.
Geography	• Would serve all residents of participating affordable housing developments. • Pilot/program participation likely highest in areas with the most transit service.
Equity	• Does not address transit affordability needs among the larger low-income population not living in affordable housing, including those who receive housing choice vouchers and those on the waiting list for housing benefits. • Would not support an income-based approach to fares.
Regional	• Unlikely participation from regional transit agencies.
Sustainable	• Unlikely that affordable housing providers would be able to maintain funding sources.

[17] The cost estimates include the cost for a one-year pilot serving 10,000 units with a 50% participation rate, assuming 78% of trips are made on Metro. Costs are for Metro travel only unless otherwise specified. Costs for a full program are based on serving 50,000 units. For either a pilot or an ongoing program, costs would likely increase significantly after the first year, due to higher participation and higher transit use, as well as use of multiple cards per unit.

[18] Additional resource impacts could include lost revenue from transfers with non-participating regional agencies as well as the potential need for additional Metro staff. The net cost in terms of foregone revenue is unknown, since Metro does not know how much revenue is currently received from this market. This report describes the value of potential programs. See the "Farebox Recovery and Opportunity Costs" section of this report for additional information.

Subsidized Housing Metro Pass Program[19]

Resources	• 12-month pilot Metro value (10,000 housing units): $3.4 million ($2.1 million per year for LIFT adjustment, $1.3 million to subsidize building operator share - assuming end users pay an additional $1.3 million). • Ongoing program Metro value (50,000 housing units): $16.8 million ($10.5 million per year for LIFT adjustment, $6.3 million to subsidize building operator share - assuming end users pay an additional $6.3 million). • Additional Metro resource impacts are unknown.[20]
Partners	• Would be a Metro-only pilot/program unless other entities came forward to pay for the cost of trips on other agencies' service. • Housing authorities could provide in-kind contributions, such as assistance with enrollment, marketing, and promotion.
Timeline	• 12 month duration, implementation in Q3 2019 at the earliest.
Geography	• Would provide most benefit to residents living in areas with high transit access; areas with less frequent service might be better served by direct investments in mobility services.
Equity	• Does not address affordability needs among the low-income population not living in affordable housing, including those who receive housing choice vouchers, those on the waiting list for housing benefits, and others. • Would not support an income-based approach to fares.
Regional	• Unlikely that other regional agencies would participate, so the cards would need to be for Metro service only.
Sustainable	• Highly unlikely to sustain funding over time without additional funding sources. • Costs will likely increase significantly over time, putting the pilot/program at risk for being discontinued to the disappointment of participants and partners.

[19] Costs use the same assumptions as the previous option.

[20] The net cost in terms of foregone revenue is unknown, since Metro does not know how much revenue is currently received from this market. This report describes the value of potential programs for the first-year only. Costs would be likely to increase in future years See the "Farebox Recovery and Opportunity Costs" section of this report for additional information.

Subsidized Housing Marketing and Outreach Program

Resources	• Would redirect existing resources; a more comprehensive outreach program would likely need additional staff and an increased Special Rates of Fare budget for fare promotions.
Partners	• Partner contributions could be either financial or in-kind, depending on program design.
Timeline	• Ongoing.
Geography	• Countywide.
Equity	• Metro would need to take extra steps to connect with those who receive housing choice vouchers and those on the waiting list for housing benefits.
Regional	• Would not require coordination with regional transit agencies.
Sustainable	• Would depend on availability of staff time and existing resources.

Low-Income Employees

Motion 15171 directs Metro to evaluate "Opportunities to make public transit more affordable and accessible to low-income employees, including options to implement transit pass agreements with local labor unions for employees working for employers that do not provide a transit pass program, or to franchisees or other types of employers of low-wage workers that have not historically provided transit pass programs."

Metro assumes the transit fare may be a barrier for some low-wage workers, though we know less about workers represented by unions or employed by franchises that have not historically provided transit pass programs. Metro considered several options for better serving low-wage employees and consulted with several union staff members when developing this report. We received mixed feedback—all expressed interest in partnering with Metro to educate members, while only one expressed interest in enrolling in a Passport program or becoming an ORCA LIFT verifier. One union representative said she felt that increased off-peak service was more important to her members than the cost of the fare.

Metro recommends marketing and outreach programs to increase ORCA LIFT enrollment in partnership with unions and any interested franchises, to the extent possible with current resources, given their expressed interest in partnering with us to distribute information about ORCA LIFT and transit. We also recommend working with those interested to become ORCA LIFT verifiers or participate in our Business Passport program. Finally, we believe that there are low-income workers who need access to lower fares. We recommend serving these customers by expanding our low-income program offerings through the proposed pilot program, explained on page 44.

Metro could offer discounted Passport prices for unions and franchises. However, since this would have significant revenue implications and some of the unions we spoke to were not interested, this option may not be effective. In addition, discounted Passport accounts that serve all members of a union or employees in a franchise could result in Metro subsidizing non-low-income people, leaving less resources for low-income programs.

Market Overview

King County has approximately 1.2 million workers, with nearly 500,000 earning less than $40,000 annually. Around 150,000 workers in King County earn less than $15,000 annually. Less is known about the income of union workers in the county, but we know there are approximately 150 unions and 100,000 unionized workers.

Metro's Rider/Non-Rider survey indicates that roughly a quarter of riders with incomes less than 135% of the federal poverty level receive some form of employer or school transit subsidy.

According to Longitudinal Employer-Household Dynamics data, low-income jobs (paying less than $40,000 per year) are less likely to be located near frequent transit; 96% of employers with Business Passport accounts are within ½ mile of frequent bus service, compared to 63% of low-income jobs. These workers' homes are even less accessible to transit; only 42% live within ½ mile of frequent bus service.

Metro Low-Income Employee Programs

Metro already serves some low-income employees through ORCA LIFT, which currently includes over 45,000 residents with active LIFT cards. Metro also likely serves some low-wage workers through its more than 2,000 active business accounts, which account for approximately 72.5 million boardings per year. Finally, Metro works with more than 10 agencies who distribute ORCA LIFT cards through a business account. For more information, see Appendix E, "More Information Regarding Metro's Existing Programs."

What We've Heard

As Metro considered options to better serve low-wage workers, including low-wage union workers, we asked several union staff members about barriers to transit facing their members and about potential solutions.

We received mixed feedback. One union representative said members would benefit more from additional off-peak service, since so many work odd hours and end shifts late at night. She did not feel that the fare was a barrier for most of her workers, especially since many have employers who provide a transit pass. Another union representative said members would benefit from easier access to ORCA LIFT or a transit pass. A third union staff member said both the fare and limited off-peak service are barriers.

All three union representatives expressed interest in partnering to educate eligible members about ORCA LIFT and transit. Unions could potentially target outreach around ORCA LIFT to qualifying individuals. Only one union indicated interest in the union becoming an ORCA LIFT verifying agency or covering their own union members (or a subset of them, such as dues-paying ones) through a Business Passport account.

In earlier conversations regarding potential Passport programs with unions, Metro heard about:

- Communication and card-distribution challenges, given a fluctuating workforce based in many different locations.

- Movement of workers who often go to the union hall to get their assignments and then go to the worksites, which can make transit a challenging option.
- Workers' need for cars as storage—some workers need to carry expensive equipment and feel wary about bringing it on the bus, or don't have a secure place to store it on the job site.

Metro Options

Under the existing ORCA agreement, Metro and regional partners could use first-year financial incentives through our Business Passport program to encourage unions and/or business franchises serving low-wage workers to provide transit benefits to all or some of their members or employees. Unions might choose to provide Passport passes for all of their dues-paying members or all of their members without a transit benefit from an employer. However, we heard mixed levels of interest in this option in initial conversations with union staff. This report evaluates two main concepts for serving low-wage workers, described below.

- **Low-wage worker/employer Passport pricing discounts:** Metro could pilot new incentives in the first year or beyond. If this is pursued, Metro would suggest offering a Passport trip-rate based on ORCA LIFT pricing to employers or unions in which 80% or more of the population is ORCA LIFT-eligible.
- **Low-wage worker/employer marketing and outreach program:** Metro could take several actions to get more low-wage workers to use transit and ORCA LIFT, including partnering with unions to distribute information about ORCA LIFT in multiple languages, working with unions to become ORCA LIFT verifiers, and pursuing changes to state funding or legislation (e.g. to require employers to offer pre-tax benefits or to require more employers to comply with the Commute Trip Reduction law). Metro is also planning to continue research through community-based organizations (CBOs) and other methods to better understand barriers to transit ridership and access to LIFT fare among communities of color, immigrants and refugees, limited English speaking populations, and low-income workers.

Low-wage Worker/Employer Passport Pricing Discounts[21]

Resources	• 12-month pilot value (10,000 workers): $700,000. • Ongoing program value (465,000 workers): $5.6 million per year. • Additional Metro resource impacts are unknown.[22]
Partners	• 12-month pilot partner share: $840,000 (Metro travel only). • Ongoing program partner share: $6.7 million per year (Metro travel only). • Employers serving low-income workers are likely less able to pay partner share.
Timeline	• Outreach could begin in Q2-Q3 2019, with implementation timeline depending on partners.
Geography	• Pilot/program participation more likely in areas with higher access to transit.
Equity	• Program would have mixed success advancing County's ESJ goals. • Low-income workers who receive the benefit will only represent a sub-market of low-income people. • Would not support an income-based approach to fares.
Regional	• Preliminary conversations with regional partners indicate this may be a lower priority than serving very-low income individuals or postsecondary students.
Sustainable	• Individual programs would be sustainable only as long as partners are able to share costs. • Financial sustainability for Metro will depend on level of new program uptake, but will be at risk if ORCA LIFT pricing is applied to existing Passport contracts.

[21] The cost estimates for this option are based on the value of using ORCA LIFT pricing for a one-year pilot serving 10,000 union members or low-wage employees, with a 20% employee participation rate, assuming 65% of trips are made on Metro. Costs are for Metro travel only unless otherwise specified. Costs are likely to increase significantly after the first year as a result of higher participation and higher transit use as well as use of multiple cards per unit. Ongoing program costs are based on assuming that 20% of low-wage workers would be covered by this program, since the likelihood of all 465,000 low-wage workers and thousands of employers in King County participating in such a program is extremely low. Again, we assumed that only 20% of those offered the pass would participate and that 65% of trips would be on Metro.

[22] Additional resource impacts could include lost revenue from transfers with non-participating regional agencies as well as the potential need for additional Metro staff. Metro would likely experience significant pressure to extend ORCA LIFT pricing to all employers, resulting in revenue loss from existing Passport accounts. The net cost in terms of foregone revenue is unknown, since Metro does not know how much revenue is currently received from this market. This report describes the value of potential programs. See the "Farebox Recovery and Opportunity Costs" section of this report for additional information.

Low-wage Worker/Employer Marketing and Outreach Program

Resources	• Would make use of existing resources. • A more comprehensive outreach program would likely need additional staff and an increased Special Rates of Fare budget for fare promotions.
Partners	• Representatives from unions have expressed interest in educating members about transit and possibly becoming trained as ORCA LIFT enrollers. • Business franchises would be less likely to participate.
Timeline	• Ongoing.
Geography	• Location of outreach efforts will depend on willingness of each employer. • Employers more likely to participate in outreach than in new Passport programs.
Equity	• Metro would need to take extra steps to connect with low-wage workers whose employers do not have the capacity or willingness to partner on education and outreach.
Regional	• Would not require coordination with regional transit agencies.
Sustainable	• Will depend on availability of staff time, existing resources, and partner capacity/willingness.

Low and No Income Riders

Motion 15171 directs Metro to evaluate "A study of the feasibility of establishing a very-low-income Metro fare for individuals who are in households with incomes of two hundred percent or less of the federal poverty level and are unable to afford the ORCA LIFT fare."

While ORCA LIFT has served many low-income people in King County, the $1.50 fare is too expensive for some people. Given policy direction to invest upstream and where the need is greatest, in addition to the concept that fare programs should apply universally to all low-income people, Metro supports developing and evaluating a pilot program to evaluate the impacts of reduced fares to benefit low-income individuals and families, particularly those with very low or no income, who cannot afford the ORCA LIFT fare. This pilot program would serve people across all of the markets described in this report, as well as those who do not necessarily belong to one of these groups (e.g. homeless veterans).

Metro could create a separate fare passenger type in ORCA, similar to ORCA LIFT. This section provides more detail on this option in the response to the questions in Motion 15171, as required by Ordinance 18409, Section 115, Proviso P1. However, given the technical challenges and costliness of that approach, Metro also evaluated a potential pilot program serving those who cannot afford the ORCA LIFT fare by testing low-cost ORCA products—not a separate fare category—using a structure more similar to the existing Human Services Ticket Program.

Metro recommends launching an income-based ORCA pilot program, serving customers across all identified markets who cannot afford the ORCA LIFT fare, designed through a stakeholder advisory group. The proposed pilot is a 12-month program to test offering discounted ORCA LIFT products (10-ride, day, and monthly pass) to customers who cannot afford the ORCA LIFT fare. Metro would convene a stakeholder advisory group in early 2019 to discuss program design, including distribution mechanism, pricing, eligibility, verification, and evaluation. Considerations will include existing ORCA capabilities, next generation ORCA planning, as well as the systems to support this pilot. To support a rigorous evaluation, the pilot would include randomized participant enrollment, a control group, and detailed data collection before, during, and after the pilot.

Metro also recommends conducting outreach and research focused on barriers to accessing reduced fares and accessing transit faced by low-income residents, people of color, and immigrant and refugee populations including limited English-speaking communities. Metro could take several actions to get more residents to use transit and ORCA LIFT, including partnering with various community and social service organizations to distribute information about ORCA LIFT in multiple languages.

As mentioned above, Metro could create a separate very-low-income fare in ORCA, similar to ORCA LIFT (e.g. 50¢ or $1.00 fare for very-low-income people). However, this option has significant technical, time, and cost constraints. Creating a new fare category in ORCA, using the current ORCA vendor, would take at least 18 months and cost at least $275,000.

Market Overview

Households in the U.S. spent an average of $8,755 on transportation in 2016; public transportation accounts for only $114 of that on average. Higher-income households spend four times as much on transportation as low-income households, largely because of their cars. However, as a percentage of overall resources, the burden of transportation spending is more significant for low-income households.

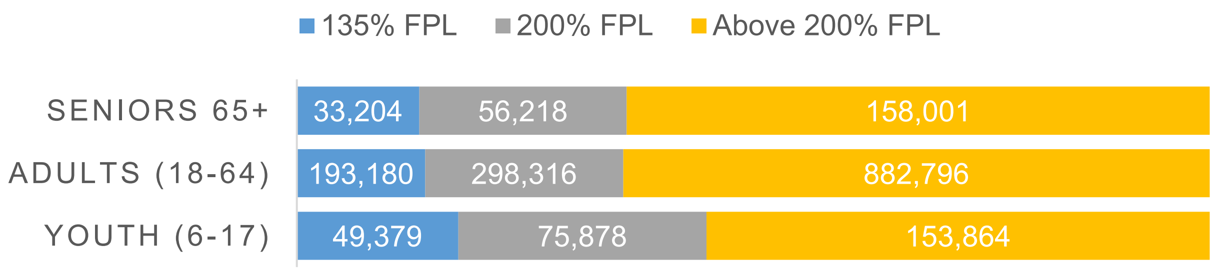
> **What is "very-low-income"?**
>
> For this report, Metro defined "very-low-income," or people who cannot afford the ORCA LIFT fare, as below 135% of FPL. That is the lowest threshold for which widespread verification systems exist (free school lunch, basic food benefits). Because Metro needs to collect community input to inform income thresholds for low-income programs, this report uses "low or no income riders" or "riders who cannot afford the LIFT fare" to refer to the target market for a new pilot program.

Nearly 300,000 or 22% of adults in King County live at or below of 200% of the federal poverty level (FPL) and could potentially qualify for ORCA LIFT. Additionally, South King County and parts of North and East King County have a disproportionate number of low-income communities, who are also communities of color and limited English speaking. When seniors and youth aged 6-17 are included in the income group, 430,000 people are below 200% of FPL in King County. As of spring 2018, 67,000 customers had enrolled in ORCA LIFT since the program began. In total, 46,000 had active ORCA LIFT cards representing 16% of the adult population living below 200% of the FPL and 24% of those living below 100% of the FPL. In June of 2018, over 16,000 LIFT cards were used on Metro service, representing 5% of the adult population that is eligible for LIFT. Metro estimates that 74% percent of adults under 200% of FPL in King County live within a quarter-mile of transit service, although the actual market of transit riders is smaller. According to Metro's Rider/Non-Rider survey, only 41% of respondents living below 200% FPL are regular or infrequent riders, the majority are non-riders.

Metro does not have detailed information about which customers cannot afford the ORCA LIFT fare. A 2016 survey of 435 ORCA LIFT customers found that 80% were very satisfied with the program. When those who were only somewhat satisfied or dissatisfied were asked what could be done to make them very satisfied with the program, 31% responded "increase the discount, still too expensive." A nearly equal amount (28%) responded "extend discount fare to other transit systems," and 20% responded "confusing, difficult to load money to card/increase Metro office hours/more locations." Based on this information, we assume that some ORCA LIFT customers can afford the current fare, so a new program serving those who cannot afford the current fare should target a lower income threshold than the current threshold of 200% of FPL.

To assess the potential market for a new fare type, we estimated the share of three population segments in King County that live at or below 135% FPL[23]. Figure 11 shows that 64% of people under 200% of FPL are also below 135% of FPL—approximately 275,000 people aged 6 and above.

Figure 11: Income by Age Group in King County (2016 ACS 5-year estimates)



We do not know what share of current ORCA LIFT riders live below 135% FPL. However, if we assume a share similar to that in the county, as many as 65% of ORCA LIFT enrollees with active cards (around 30,000 people) could qualify for a very-low-income fare for those living at or below 135% FPL. Assuming that 35% of cards issued are used during any given month, it is estimated that among this newly-qualified population, there would be around 10,000 cards in use each month.[24]

It is clear that not all eligible riders are enrolled in LIFT, which is why much of the discussion in previous sections has focused on increasing and improving outreach and enrollment strategies. Data from a sample month indicated that LIFT cards made up only 4% of all active ORCA cards. LIFT cards were used an average of 30 times a month, compared to 18 for full-fare adult cards and 39 times for RRFP cards.

Metro Programs for People who Cannot Afford ORCA LIFT

Metro currently serves people who cannot afford ORCA LIFT through the Human Services Ticket Program, described below.

Human Services Ticket Program: Metro serves many customers through the Human Services Ticket Program, in which human service agencies purchase heavily discounted tickets for their very-low-income and clients experiencing homelessness. Although Blacks/African Americans make up only 6% of King County households, they represent 50% of households experiencing homelessness. Similarly, Native Americans and Alaska Natives are only 1% of King County households yet 6% of those experiencing homelessness. The King County Council raised Metro's annual subsidy for this program to $4 million in 2018, and the total value of the program

[23] The estimate of number of people at or below 135% FPL is based on known estimates at 125% FPL and 150% FPL

[24] Assumptions regarding low-income riders are detailed further in Appendix G: Very-Low-Income Assumptions

is $4.4 million. Metro contributes of 90% of the cost for full-fare adult tickets through the $4 million cap, with agencies contributing 10% ($400,000). In 2017, agencies distributed more than 1.7 million tickets to very-low-income individuals through this program. As of August, Metro has provided 1.1 million single-ride bus tickets in 2018 to as many as 170,000 people. (The number of individuals served is likely lower, but Metro cannot easily identify people receiving tickets from multiple agencies).

What We've Heard

Metro has often heard from advocacy groups and customers about the importance of helping people for whom the fare remains too high. However, we have limited information regarding how often a customer is already paying the lowest fare that they are eligible for and still finding it too expensive, or if rather there is a lack of awareness of reduced fare programs that leads to low-income people paying a higher fare than they are eligible for. For example, Metro surveyed a random sample of ORCA LIFT customers in 2016. Of the 435 surveys completed, 80 percent indicated they were very satisfied with the ORCA LIFT program. Of the 20 percent (87 people) who were less than very satisfied, 31 percent indicated that they would like to see the discount increased because it was still too expensive. A similar percentage preferred that Metro "extend discount fare to other transit systems," and 20 percent responded "confusing, difficult to load money to card/increase Metro office hours/more locations." In addition, Metro does not know how often potential customers do not obtain the ORCA LIFT card because the fare is too high.

Metro has also heard from human service agencies about the effectiveness of our Human Services Ticket Program. In 2017, Metro and the King County Department of Community and Human Services (DCHS) surveyed the 166 human service agencies in our Human Services Ticket Program. 120 agencies (72%) responded. In a question asking for comments and suggestions related to the program, over half of the agencies expressed their appreciation for the program and approximately a fifth of agencies expressed the need for more tickets. Anecdotally, Metro hears from agencies about the need for more tickets for their clients.

Metro Options

Metro considered many possible ways to implement a fare or program for people who cannot afford the ORCA LIFT fare, given technological, financial, administrative, and other constraints. Metro describes a program similar to ORCA LIFT as part of our response to the questions in proviso on page 51. This section focuses on what Metro believes may be a more successful approach—testing an income-based ORCA pilot program to serve these individuals. Metro recommends that an advisory group including community members, potential program partners, and other stakeholders inform final design. The new marketing and outreach programs described in previous sections could also help to meet customer needs by increasing enrollment in available programs.

- **Income-based ORCA Product Pilot:** Metro proposes a 12-month income-based test program to evaluate the effectiveness of further discounted ORCA LIFT products (day, 10-ride, and monthly passes) in meeting the needs of customers who cannot afford the ORCA LIFT fare across all markets, including but not limited to those identified in this report. Metro would convene a stakeholder advisory group in early 2019 to shape the program design and administration, which could include consideration of pricing schemes, eligibility thresholds, verification and other business processes, program evaluation, and other elements. Because this option is one of the key recommendations of this report, additional program description is provided on the following page.

- **Marketing and Outreach program:** Metro could take several actions to get more low-income people to use transit and ORCA LIFT. Metro needs to better understand who is not using the program today, and why. In particular, Metro should work to understand the barriers to use of transit services, including knowledge of LIFT or other reduced fare programs, particularly among communities of color, limited English-speaking communities, and immigrants and refugees. Metro would conduct additional outreach and research to understand and best mitigate these issues. Metro could partner with other entities that serve low-income people, communities of color, limited English-speaking communities, and immigrants and refugees, to distribute information about ORCA LIFT in multiple languages.

Additional Description of an Income-based ORCA Product Pilot

In order to develop this program, Metro would work with the stakeholder group to consider the program's alignment with Metro's policy objectives and principles. These priorities include equity and affordability as well as operator safety, customer well-being, system efficiency, and accountability and integrity of the transit system. For example, Metro recommends increasing the use of ORCA and mobile products as a means of payment to reduce opportunities for disputes that endanger operators and customers and to speed up the boarding process and improve operational efficiency. The stakeholder advisory group would also help design a program that limits the potential for fraud, in order to protect the integrity of our transit system.

This program may be able to provide transportation on Metro service as well as Sound Transit's Link Light Rail and the ST Express bus routes operated by Sound Transit. Sound Transit staff have expressed willingness to consider development of this proposal to determine potential customer benefits as well as revenue loss, the approval process that would be required for ST participation, and to further develop a robust evaluation plan.

In partnership with the Wilson Sheehan Lab for Economic Opportunities (LEO) and potentially other academic or private sector experts, Metro will build an effective evaluation of this program to understand the costs, benefits and outcomes. This pilot would operate as a randomized controlled trial (RCT). RCTs involve randomly assigning people to either treatment or control groups. When feasible, RCTs typically provide the clearest and most convincing evidence about the impact of a program. Random assignment generates two groups of people who are similar at the start. Metro's research partners, including LEO, would design and support the enrollment process, conduct data analysis, and produce a final evaluation. LEO is a research center in the Department of Economics at the University of Notre Dame that conducts rigorous impact evaluations to identify innovative, effective and scalable anti-poverty programs. LEO's research is directed by faculty from the University of Notre Dame as well as scholars from across the country with expertise in designing and evaluating the impact of domestic anti-poverty programs.

The study will include data collection from existing sources at Metro and other agencies in the county and state. It will likely also include a survey of participants. This pilot would generate evidence on the potential impacts of transportation subsidies. In the near-term, it would measure how much access to affordable fares affect transportation use, including transit ridership, reliance on personal vehicles, and transportation spending. Importantly, this will help Metro understand if some people experience greater benefit from fare programs, or whether there are program design elements, attributes of the service network, or issues other than price that act as a barrier to ridership for some. If the study is continued long enough, it could test if greater access to transit affects quality of life, including employment, health, nutrition, and education. This is important to telling the long-term story of how Metro can impact quality of life and address inequities in King County.

This study's results will inform King County's continued effort to best facilitate transit access for people with low incomes. In this biennium, Metro will be contemplating how to prioritize future investments, whether to change the rates of fare for some or all customers, and policy changes that could advance goals such as speeding boarding or reducing the cost of fare collection. It is critical that we understand the potential efficacy, as well as costs, associated with expanded investments in low-income programs. Building the right programs can allow Metro to both meet the goals outlined in King County's Equity and Social Justice Strategic Plan by addressing inequity and income inequality, as well as to pursue larger-scale changes to modernize and improve fare payment and address other barriers such as the extent of the service network and service frequency and span. This pilot will provide the highest quality evidence of how such changes would affect the people of King County.

Income-based ORCA Product Pilot

Revenue & Resources	• Up to $1,000,000 in product value, through Special Rates of Fare authority. • Staff: 1 TLT program manager (requested in budget). • $250,000 for fare products, $300,000 in professional services for stakeholder group facilitation, research design and program evaluation, marketing and other services as needed (requested in budget). • The net cost in terms of foregone revenue is unknown, since Metro does not know how much revenue is currently received from this specific market. • An ongoing program could incur other costs such as marketing, administration, service adjustments or additions, and other elements. The purpose of a detailed program evaluation is to provide high-quality information on both the potential program costs and benefits.
Partners	• Pilot partner share: Up to $100,000. • Partners could include human service agencies, housing providers, jurisdictions, and others. • Would leverage partnerships with LEO and other academic institutions to apply best-practices in evidence-based policy making.
Timeline	• Preparation: Q4 2018 – Q2 2019. • Pilot: Q3 2019 – Q3 2020.
Geography	• The pilot design process, including stakeholder involvement, will include King County geographies with the greatest needs.
Equity	• Supports County's ESJ goals by investing where needs are greatest • Supports an income-based approach to fares and benefits people who cannot afford the ORCA LIFT fare across all markets • Will help Metro design equitable and effective programs through a robust pilot evaluation
Regional	• Sound Transit has already expressed willingness to consider participating in this program. They want to take part in designing the pilot, developing an evaluation plan, and determining revenue impacts.
Sustainable	• This pilot would assess the sustainability of an ongoing program, including potential pricing options, partner costs, recipient co-pays, administrative feasibility, long-term resource requirements, and other factors

Low and No Income Rider Marketing and Outreach Program

Resources	• Would redirect existing resources; a more comprehensive outreach program would likely need additional staff and an increased Special Rates of Fare budget for fare promotions.
Partners	• Partner contributions could be either financial or in-kind, depending on program design.
Timeline	• Ongoing.
Geography	• Countywide, focused on geographies with the greatest needs.
Equity	• Would conduct outreach, and strive to equitably benefit populations and places with the greatest needs, focusing on low-income residents, communities of color, immigrants and refugees, and limited English speaking populations.
Regional	• Potential for coordination with regional transit agencies or can be Metro-focused.
Sustainable	• Will depend on availability of staff time and existing resources.

Very-Low-Income Fare – Response to Questions in Motion 15171, Ordinance 18409, Section 115, Proviso P1

A. *A study of the feasibility of establishing a very-low-income Metro fare for individuals who are in households with incomes of two hundred percent or less of the federal poverty level and are unable to afford the ORCA LIFT fare;*

Metro recognizes that there are individuals in households with incomes of 200% of the FPL or less who cannot afford the $1.50 ORCA LIFT fare. Metro could establish a new fare category in ORCA, similar to ORCA LIFT, to serve individuals who cannot afford the ORCA LIFT fare. The following is additional information on how such a program could be delivered, as well as possible costs and constraints.

Eligibility: Metro does not have detailed information about which customers cannot afford the ORCA LIFT fare. A 2016 survey of 435 ORCA LIFT customers found that 80% were very satisfied with the program. When those who were only somewhat satisfied or dissatisfied were asked what could be done to make them very satisfied with the program, 31% responded "increase the discount, still too expensive." A nearly equal amount (28%) responded "extend discount fare to other transit systems," and 20% responded "confusing, difficult to load money to card/increase Metro office hours/more locations." Based on this information, we assume that some ORCA LIFT customers can afford the current fare, so a new program should target a lower income threshold than the current threshold of 200% of FPL.

For this analysis, Metro used a hypothetical eligibility threshold of 135% of the FPL. This threshold aligns with the income eligibility requirements for the federal Basic Food Program. If a program for people who cannot afford ORCA LIFT is pursued further, Metro would seek better information to develop an income eligibility threshold. Factors for consideration would include community input, ability to pay at different income levels, practicality and feasibility of conducting verification, opportunities to leverage existing verification processes, and others.

Enrollment and verification: Metro would also need to consider how to verify and enroll customers in a very-low-income fare program. This could have significant implications for our current fare program partners, including social service agencies, Department of Social and Health Services (DSHS), colleges, and others. Metro would likely need to pay and train more verification agencies, pay Public Health and agencies who currently conduct verification more, add more internal staff, and consider other administrative changes to run the program effectively.

Technical and regional considerations: Creating a new fare category involves technical changes to the back-end of the ORCA system. This would require collaboration with the six other ORCA agencies, who need to agree to make the necessary request of the ORCA vendor, Vix, and assign a priority to the work. Because of pre-existing work items requested by regional agencies and the length of time that the vendor requires to make changes, it would take a minimum of 18 months, or possibly more. Metro would be responsible for the cost of the system change work order—approximately $275,000. If Metro were to make a system request by the end of 2018, the new fare category would be available in mid-2020 at the earliest.

Metro recently simplified fares as part of a regional effort to better coordinate and simplify fares across agencies. Based on conversations to date, it is very unlikely that other regional agencies would participate in a new low-income fare program. Many regional agencies are still considering whether to incorporate ORCA LIFT into their own pricing. At the time of this report, Sound Transit, Kitsap Transit, and the Seattle Streetcar are the only other agencies that participate in the ORCA LIFT program.

B. *Estimates of changes in ridership, fare revenue and farebox recovery ratio resulting from the implementation of a very-low-income Metro fare;*

Specific estimates of changes in ridership, fare revenue, and farebox recovery would depend on the qualifying income level and the rate of fare. Metro estimates a very-low-income fare ranging from 50¢ to $1 would likely cost between $3 and $5 million in forgone fare revenue annually, plus $1-2 million in administrative costs. For comparison, Metro estimates we forgo $2.4 million annually[25] in fare revenue through the ORCA LIFT program, in which customers receive a discount of 45% discount. Metro also budgets just over $3 million annually for administration of the ORCA LIFT program.

Though Metro would not need to duplicate the entire administrative system for a new very-low-income fare, costs for staff, agency support, marketing, and technical changes to the ORCA system would be significant (approximately $1-2 million). Metro would require at least four additional staff to administer the program, at an estimated $425,000 annually for salaries and benefits, including:

- Transit Admin Support Specialist (2 FTE) – data entry and support
- Administer I (1 FTE) – support verifying agencies for the reverification of new and existing LIFT registrations
- Program/Project Manager I (1 FTE) – target more outreach events to education agencies and the public on ORCA LIFT and the very-low-income fare

Metro would also need an additional $200,000 to train and support additional verification agencies and $100,000 more for changes in marketing materials, including updated brochures in 14 languages. Finally, in addition the time cost of at least $275,000 to create a new fare category in the ORCA system, it would cost Metro about $75,000 to update the ORCA LIFT registry to accommodate a very-low-income fare. Metro could also face additional costs related to the Pass Sales office and ORCA-to-Go.

Figure 12 illustrates the estimated impact on ridership, fare revenue, and Metro's farebox recovery ratio of a very-low-income fare (set at different amounts) for individuals in households below 135% of the FPL. For simplicity, ridership and revenue is calculated

[25] In In 2017 there were 5,260,826 ORCA LIFT boardings, generating $7,891,239 in fare revenue. If ORCA LIFT boardings paid regular adult fares ($2.75), Metro would have collected an additional $6.58 million.

based on existing forecasted ridership in the year 2020 and assumes a full year of implementation.

Figure 12: Impact of Very-Low-Income Fare for Individuals At or Below 135% FPL
Note: Current anticipated farebox recovery in 2020 is 25%. The floor for the farebox recovery based on the Public Transportation Fund Management policies is 24%.

Fare	**Changes in Ridership**	**Changes in Fare Revenue**	**Estimated 2020 Farebox Recovery**
Free	1,700,000	-$7,200,000	23.9%
50¢	1,240,000	-$5,740,000	24.1%
75¢	1,000,000	-$5,120,000	24.2%
$1	770,000	-$4,550,000	24.3%

For more information regarding Metro's assumptions in calculating these changes in revenue and ridership, see Appendix G: Very-Low-Income Assumptions.

A stakeholder advisory body convened to identify the details of a very-low-income fare program could recommend a different eligibility cutoff, or a different rate of fare, which could lead to different ridership and revenue impacts.

If Metro were to implement a very-low-income fare in addition to the existing Human Services Ticket Program, which also serves very-low or no-income people, these program costs would be in addition to Metro's $4 million foregone revenue for the Human Services program.

C. *Strategies to minimize any impacts on the farebox recovery ratio;*

Farebox recovery depends on both the rates of fare charged and number of boardings at each fare rate (which accounts for the total fare revenue), and a variety of factors that contribute to operating costs, including economic conditions, fuel prices, service levels, salaries and wages, etc. Though Metro has very limited control over some of these factors, Metro and the King County Council could consider several strategies for minimizing the impact of creating a very-low-income fare on farebox recovery.

Metro could consider raising the regular adult, youth, and/or senior/disabled fares to minimize the impact on farebox recovery. Metro would likely need to consider a fare increase earlier than expected to cover the costs of a very-low-income fare. Metro could also choose to implement a higher very-low-income fare (e.g., $1 instead of 50¢) to minimize the forgone revenue. Additionally, Metro could consider whether there are any state, local, jurisdictional, or other public or private partners that would be willing to contribute to the cost of addressing the needs. This work could take considerable staff time and the success of this strategy would depend on partner interest.

Metro could also consider changes to the Human Services Ticket Program's funding structure. We could ask human service agencies to bear a greater burden of the costs by increasing their copayment above 10%. Metro could eliminate or reduce the 90 % discount on tickets for government agencies who participate in the program. Both options would require agencies to pay more (generating more revenue) and reduce Metro's costs—thus minimizing the impact on farebox recovery. Metro could also reconsider the amount requested from agencies if a very-low-income fare replaced the Human Services Ticket Program.

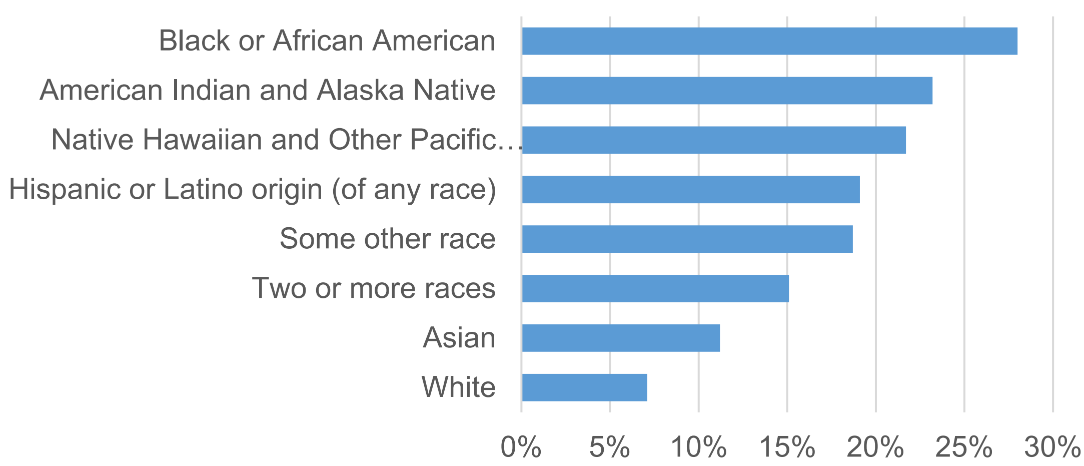
D. *Analysis of how implementing a very-low-income Metro fare will effectuate the county's Equity and Social Justice Initiative;*

As stated in King County's Equity Impact Review tool, transportation is a determinant of equity. It helps people have the mobility needed to reach their full potential, supports equity, and contributes to better outcomes. A very-low-income fare could further the goals in the King County Strategic Plan for Equity and Social Justice by offering a deeper discount than ORCA LIFT to those least able to pay.

The specific impact would depend on how a new fare category would be implemented, who would qualify, how much the fare would be, and how eligible individuals enroll in and use the program. If Metro were to create a further discounted fare category for people with incomes below 135% of the FPL, we estimate that more than 275,000 adults, youth, and seniors would be eligible for and could benefit from the new program (see Appendix G: Very-Low-Income Assumptions for more information).

Census data does not capture demographic breakdowns of individuals in King County at 135% of the FPL. However, a disproportionate number of people of color are at or below the federal poverty level (100%) in King County, as illustrated in Figure 13, and would hopefully benefit from a very-low income fare.

Figure 13: Income below 100% FPL by race/ethnicity (2016 ACS 5-year estimates)



However, offering a very-low-income fare could also have unintended consequences for equity and social justice. For example, if Metro replaced the Human Services Ticket

Program with a very-low-income fare, low- and no-income individuals who currently receive free transit tickets from agencies would have to enroll in the program and pay the low-income fare, or they might ride without a valid fare. If the program significantly reduced Metro's fare revenue, it could force Metro to reduce other programs, or cut or slow service expansion, impacting the low income riders who most depend on transit.

Creating a separate fare without first engaging with community based organizations, social service agencies, and potentially affected populations including low-income populations, communities of color, limited English speaking communities, and immigrants and refugees also runs counter to some of the goals and values in the Strategic Plan for Equity and Social Justice, including providing "resource support to community-based organizations to leverage their expertise toward advancing ESJ outcomes."

Finally, other ORCA agencies may not be willing to participate. Like Metro, many other regional peers would be forced to increase fares for other riders if fare revenue decreases. A Metro-only program would counter the fare goal of regional coordination. It would complicate fares for riders as we move toward increased service coordination among transit agencies. That could disproportionately impact the very-low-income. Metro has heard from ORCA LIFT riders that one of the improvements they would most value is increasing the number of agencies that accept LIFT; creating a new Metro-only fare would exacerbate this issue and could lead to fare disputes on partner services.

E. *The financial and technical considerations that would affect implementation of the very-low-income Metro fare program.*

Creating a new very-low-income fare would likely have many financial and technical considerations, including:

General financial and technical considerations:

- Changing the ORCA system would require a one-time change fee of at least $275,000 and would likely take a minimum of 18 months, due to the backlog of regional system change requests and the speed at which they are typically processed by the vendor.
- Implementing a new fare category before the launch of Next Generation ORCA could complicate the transition to the more flexible technology, since the current procurement process did not include new fare categories as a consideration for the first phase of the program launch.
- Bus fare revenue contributes to the maintenance and expansion of Metro service. The King County Council set a goal that fare revenue recover 30% of transit operating costs, with a required minimum 25% farebox recovery. Adding a new discount could have significant fare revenue implications, depending on the qualifying income level and fare, as explained in detail in Part C. If farebox recovery were to fall below the 25% minimum, Metro would have to reduce costs and/or increase fare revenue to restore the ratio to the 25% floor. Reducing costs could mean slowing or forgoing planned service growth, or in extreme

circumstances such as a recession, potentially cutting service. Either could negatively impact very-low-income riders and populations who depend on transit.

- Creating a new income-based category could require additional income verification administrative work and costs. Metro chose 200% of the FPL as the cutoff for ORCA LIFT partly to streamline the verification process, since other programs, such as SNAP, use the same verification level. As mentioned above, Metro would recommend choosing a level that aligns with at least some other existing programs, such as 135% of the FPL. However, many programs have additional criteria for eligibility beyond income alone, so many eligible individuals would likely need first-hand verification from Metro or a partner to enroll. Metro would need to consider new tools or methods for income verification.

Considerations related to regional coordination:

This would require adding a customer category to the ORCA system. As with any ORCA system change, creating a new customer category is a regional decision. All ORCA partners would have to agree to prioritize this for the ORCA vendor.

Metro would prefer to implement a very-low-income fare with regional partners (at least Sound Transit). If Metro acts alone, regional fare coordination could become more complicated, and transferring between systems could become more confusing for customers. This would counter policies outlined in Metro's Strategic Plan for Public Transportation.

- By 2040, Metro anticipates that 70% of trips will require transfers, compared to 30% now. Making it more confusing to transfer is counter to the desired future of our system.
- If Sound Transit chose not to honor Metro's very-low-income fare, this would significantly limit mobility for participating customers because they could not transfer to Sound Transit's Link, bus, and Sounder services.

Other considerations:

- Implementing a new fare could decrease safety for operators by complicating payment. As with any new customer category, additional payment verification would mean more interactions with customers and the potential for more disputes.
- It could also cause crowding, which would slow boarding, increase the potential for ticket fraud, and increase the risk for disputes that threaten operator and customer safety.
- Adding a new fare category also counters the goal of simplifying fares. Until the next generation system is delivered, Metro has focused on existing programs and products rather than creating new ones.

- Defining "very-low-income" and an appropriate fare level would likely require a stakeholder process to produce the best results. The stakeholder process could also include consideration of additional improvements to existing programs.

Conclusion, Recommendations, and Next Steps

Metro's goal is that everyone can use transit to meet their mobility needs, which means that customers must be able to afford to and know how to ride. Fares are a powerful tool for increasing transit affordability and access.

However, we must balance discounted fares against the associated revenue loss, which can reduce Metro's ability to deliver high-quality service to those who need it most. Metro could experience significant revenue loss if fare discounts were authorized for all institutions serving the five markets examined in this report.

Moreover, while people with low incomes are included in each of these markets, many people with low-incomes do not fall into any of these groups. King County's Equity and Social Justice initiative embraces the concept of "targeted universalism"—where goals are defined for all, obstacles are identified for specific groups, and strategies are developed by them, tailored to meet their unique needs.

Based on consideration of potential financial impacts and the targeted universalism concept, this report recommends an income-based approach to developing programs and policies that have the goal of improving mobility for **all** people with low incomes. The Executive's budget proposal for the 2019-2020 biennium includes resources to support these recommended actions.

Next Steps

Should the County Council fund and direct Metro to move forward with the recommendations above, Metro will take the following actions, summarized in Figure 14:

Income-based ORCA pilot program:

- Continue working with Metro's ORCA vendor to develop 10-ride and day-pass products for use on an ORCA LIFT card.
- Convene a stakeholder advisory group to help shape the pilot program for people who cannot afford the ORCA LIFT fare. Metro will convene the group between January and March of 2019.
- Launch the 12-month pilot program by Q3 2019.
- Evaluate the program at six months and after its completion.

Research, marketing and outreach programs:

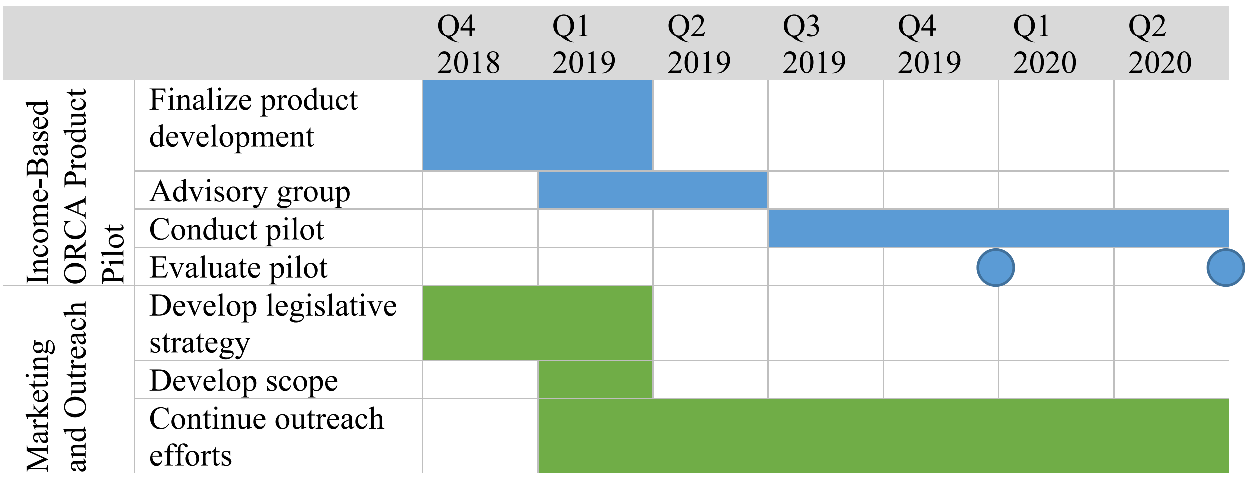
- Conduct targeted marketing and outreach to people with low incomes across markets, using ESJ guidance to focus on inequitable access to mobility based on race and place. Use outreach to support customer research and increase our understanding and documentation of resident barriers, needs and priorities.

- Work with the King County Executive's legislative team to determine what items, if any, could be added to King County's 2019 State Legislative Agenda, and which items the county should consider supporting in future legislative sessions.

Metro will continue to report on our progress in increasing affordability and access, with guidance from the proposed fares stakeholder advisory group. Potential reporting measures include:

- The percentage of eligible riders who report using the lowest fare available, as reported in Metro's Rider/Non-rider Survey
- The number of additional people enrolled in ORCA LIFT and using ORCA LIFT cards
- The number of pass programs that Metro supports over time.

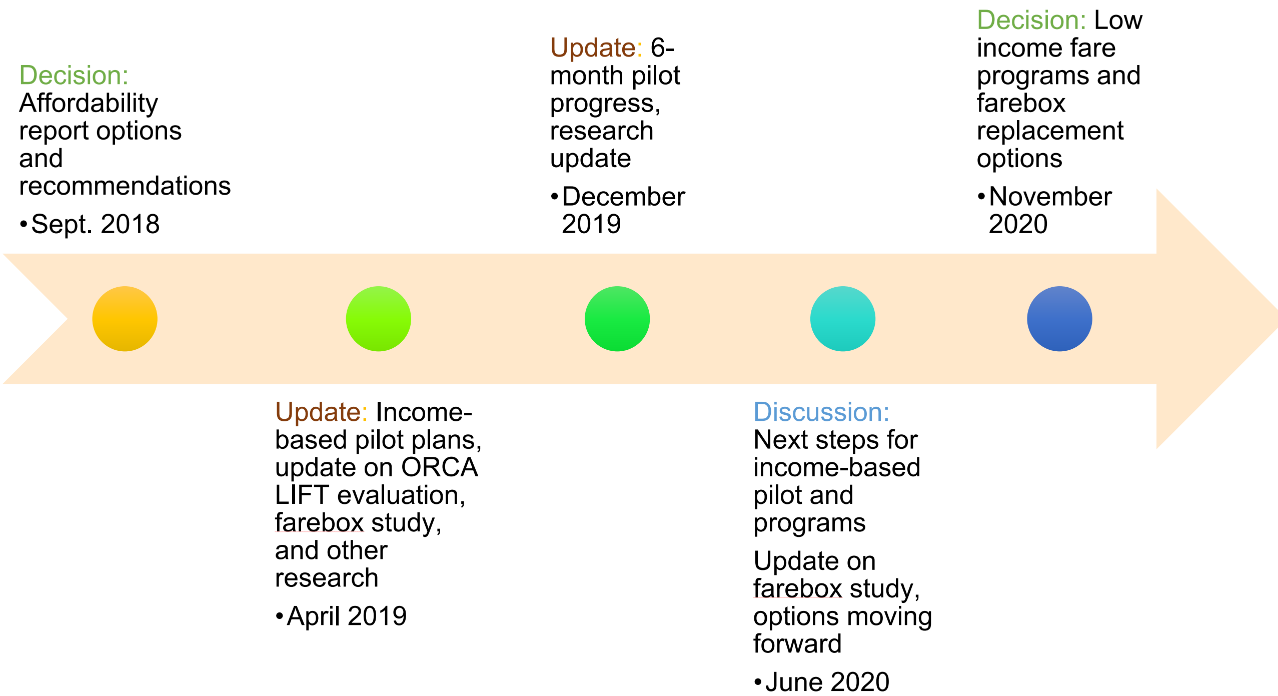
Figure 14: Timeline of Next Steps



Metro will also continue working on the 2019 deliverables for our broader fares work program, as explained in the "Context for Future Fares Work" section of this report. The information collected through the activities proposed in this report, along with planned work around customer research, innovation, and farebox replacement, have the potential to lead to a coordinated set of policy and program changes in 2020. These changes could put Metro on course to continue as a national leader in equitable, safe, and effective fare programs.

Metro will report back to the County Council regarding the income-based ORCA pilot, new marketing and outreach programs efforts, and our overarching fares work program throughout 2019 and 2020, as shown in Figure 15.

Figure 15: Timeline for Metro Reporting to King County Council



Appendix A: Definitions & Terms

Transit Fare Products and Programs

Business Passport - ORCA Business Passport is a comprehensive, annual transportation pass program for employers. Standard pricing and elements are available for employers with five to -499 employees. Employers with 500 or more employees receive custom pricing and the option to include vanpool/vanshare subsidies and the Home Free Guarantee program.

Business Choice - Provides ORCA cards to as few or as many cardholders as a business chooses and allows them to include a monthly pass for bus, train or ferry travel, plus stored transportation value via the E-purse, on a single card.

Human Service Ticket Program – Metro established the Human Service Ticket program in 1993. The program's goal is to provide subsidized bus tickets to low-income and homeless people through human services agencies throughout King County. Human Service Tickets are sold to Human Service agencies at a 90% discount.

ORCA – One Regional Card for All - The ORCA card is a contactless, stored-value smart card system for public transit in the Puget Sound region

ORCA LIFT - Metro's ORCA LIFT offers a $1.50 bus fare on Metro, Kitsap Transit, Sound Transit, and Seattle Streetcar at about half of the cost of a regular fare for people whose income is below 200% of the Federal poverty level.

Transportation Demand Management (TDM) - Transportation demand management helps people use the transportation system more efficiently through education, incentives, products, and programs that encourage taking transit, carpooling, vanpooling, walking, biking, and teleworking.

Market Definitions & Terms

Area Median Income (AMI) - For Seattle-Bellevue HUD Metro FMR (Fair Market Rent) Area the 2018 AMI was $103,400[26].

Federal Poverty Level (FPL) - Based on pre-tax income and household size

Low-income – Person with annual income at or below 200% of the Federal Poverty Level

Very-low-income - For this report, a person with an annual income at or below 135% FPL.

Subsidized Housing - In this report, Metro uses the term subsidized housing to refer specifically to government-subsidized housing, since affordable housing can include market-rate housing that is "naturally" affordable (due to condition, location, etc.).

Youth - For this report, youth are defined as children ages 6-18. Children 5 and under ride free, and therefore are not included in the analysis.

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[26] https://huduser.gov/portal/datasets/il/il2018/2018summary.odn

Free and reduced-price meals. Federal program offering reduced-price school meals to families at or below 185% FPL and free meals to families at or below 130% FPL[27].

Figure 16: Annual Income Thresholds, 2018[28]

Family Size	100% FPL	135% FPL	185% FPL	200% FPL	50% AMI	300% FPL	80% AMI
		Free meals program (130% FPL)	Reduced-price meals program	ORCA LIFT			
1	$12,140	$16,389	$22,459	$24,280	$37,450	$36,420	$56,200
2	$16,460	$22,221	$30,451	$32,920	$42,800	$49,380	$64,200
3	$20,780	$28,053	$38,443	$41,560	$48,150	$62,340	$72,250
4	$25,100	$33,885	$46,435	$50,200	$53,500	$75,300	$80,250
5	$29,420	$39,717	$54,427	$58,840	$57,800	$88,260	$86,700
6	+$4,320 per additional family member	+$5,832 per additional family member	+$7,992 per additional family member	+$8,640 per additional family member	$62,067	+$12,960 per additiona l family member	$93,100

[27] Source: https://federalregister.gov/documents/2018/05/08/2018-09679/child-nutrition-programs-income-eligibility-guidelines
[28] FPL is based on Contiguous United States, AMI is based on King County.

Appendix B: Metro's Current Fare Structure and Fare Subsidies

Each element of the fare system impacts how easy and affordable Metro's fares are for customers, Metro's operating cost, and the revenue recovery rate. While this report does not detail each of these elements and associated costs or benefits, it is important to note that many attributes of the system affect both the customer experience and Metro's bottom line. Additionally, as the Puget Sound region has pursued regional fare integration, the policies and financial situations of other agencies have had an increasing impact on Metro's fares. For example, the ORCA system is operated through regional consensus by a Joint Board of agency executives, requiring agreement across agencies for changes.

Figure 17: Metro Fare System Summary

What to Pay	How to Pay	Where to Buy
• Full fare adult ($2.75) • Children under 5 (free) • Youth 6-18 ($1.50) • Senior/Disabled ($1) • ORCA LIFT ($1.50)	• Cash/transfer • ORCA E-Purse • ORCA pass • Paper ticket • Mobile ticket	• Retail locations • Ticket vending machines • Online • By phone • ORCA-To-Go Mobile Sales • At work or school • Metro Pass Sales offices • By mail

Current fare subsidies: Adult fares, the highest Metro rate, already include a price subsidy, but Metro also has several reduced-fare programs. These programs have an effect on both ridership and revenue, which can be considered in several ways. One is to calculate the **value** of the programs we provide—in other words, the dollar worth of the additional subsidy. The cap on human service tickets is a cap on the face value of products that can be bought or sold.

Another way of viewing these programs is to assess the **cost**—the amount of real revenue that Metro lost because of a program or subsidy, compared to the increased revenue that resulted from new ridership. This is more complicated to calculate, because it requires making some assumptions about who would have ridden even without the subsidy, and what they would have paid or how much they would have spent.

Figure 18 shows both the estimated value and cost of Metro's existing reduced-fare programs. Overall, Metro estimates that current reduced-fare programs are **valued** at $48 million each year. It should be noted that because of transfers and pass products, even if all reduced-fare customers paid the maximum possible fare, Metro would never receive that same amount at the farebox. Adjusting for these factors, the total subsidy value is likely closer to $30 million dollars annually. The actual **cost**, in terms of lost revenue, is much lower, at around $12 million annually.

Figure 18: Value and Cost of Existing Reduced-Fare Programs

Program	2018 Subsidy Value	2018 Cost[29]	2018 Total Ridership[30]	"New" Ridership Generated by Discount
Human Service Tickets	$4 M	N/A	1.8 M	N/A
ORCA LIFT	$6.7 M	$4.5 M	5.4 M	400,000
Youth – retail	$21.6 M	$5.1 M	10.1 M	2,100,000
Youth – school Passport	$3 M	N/A	5.7 M	N/A
RRFP	$12.7 M	$2 M	12.3 M	300,000
Total	$48 M	11.6 M	35.3 M	2,800,000

Transfers and pass products: Transfers between Metro services and between other agencies' services reduce revenue per boarding. Metro could change these policies, but they are critical to providing an integrated regional transit system.

Fare evasion, including underpayment, nonpayment, and fraud: The most recent data on system wide fare evasion was collected in 2010. Analysis found an overall fare evasion rate of 4.8% of boardings, of which 2.9% paid no fare and 1.9% paid a partial fare. Fare loss due to evasion was estimated at $62,000 for the survey week, or 2.5% of total fare revenue in 2010. This level of revenue loss would amount to approximately $4 million if evasion rates were the same in 2018. Metro estimated an additional yearly loss of approximately $600,000 based on a one-week count of counterfeit paper tickets in 2016. Seventy percent of these counterfeit tickets were Human Service Ticket Program tickets; the rest were full-fare tickets. These numbers are general indicators of fare evasion, not precise measures, because there are many challenges in measuring fare evasion. Metro has requested funding for the 2019-2020 biennium to conduct a robust system wide fare evasion survey.

[29] 2018 costs were estimated using Metro's fares model to calculate the revenue that is lost by charging the reduced fare, instead of the maximum possible fare. For youth and LIFT programs, the maximum fare would be $2.75. For RRFP, this analysis compared to a $1.25 fare, which is the maximum that Metro can charge at peak hours. This likely significantly underestimates the cost of this discount, since Metro could legally charge $2.75 off-peak. Human Service Tickets and Youth Passports are not included in the model, so this analysis assumed half of trips would not have been taken without the free product.

[30] 2018 ridership was estimated using the same methodology as 2018 cost.

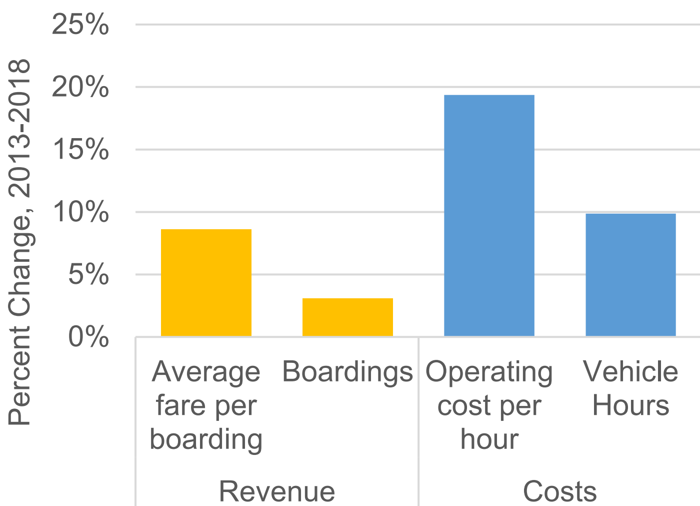
Appendix C: Additional Information about Farebox Recovery

Fare changes and policy, which largely dictate the average fare per boarding, are not the only factors that impact farebox recovery. Service productivity (total number of boardings), hourly operating costs, and the number of hours operated also drive the farebox recovery ratio. Therefore, to increase farebox recovery, Metro could undertake any of the following activities:

- Increase fare revenue per boarding
- Increase the number of boardings
- Reduce operating costs per hour
- Reduce the number of hours operated

In recent years, Metro has seen farebox recovery change, largely because costs are increasing more quickly than revenue. As shown in Figure 19, while average fare per boarding and vehicle hours have increased approximately 10% over the past five years, boardings have increased only 3%, at the same time as operating costs per hour have increased nearly 20%. These trends illustrate why fare policy is not the only, or even the most important, driver of farebox recovery.

Figure 19: Trends in Metro Fixed-Route Revenue and Costs, 2013-2017



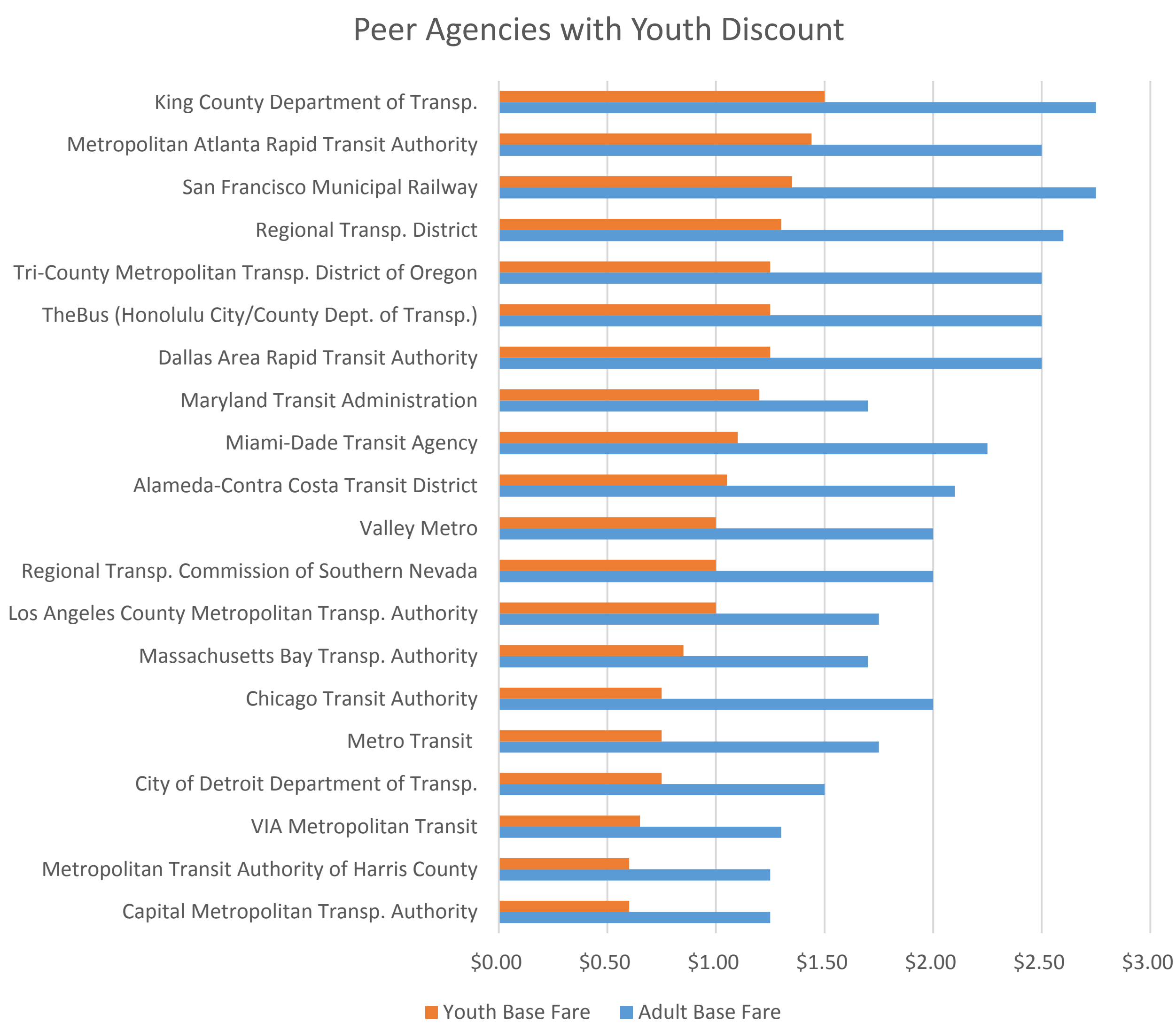
Because of these trends, there are important tradeoffs to consider when evaluating options that could reduce the average fare per boarding. For example, if fare revenue were to decline by $1 million annually, Metro would need to forgo investment in 12,000 hours of service over the 2019-2020 biennium. If fare revenue declined by $10 million annually, Metro would need to forgo 120,000 hours of service over the biennium. Another approach to maintaining farebox recovery if fares are reduced for some customers is to increase fares for other customers.

Appendix D: What Other Agencies Do

Youth

Metro's peers in the Puget Sound Region operate similarly to Metro by providing a youth fare discount and by offering Passport and Business Choice options to school districts, cities, or other entities that would like to provide youths or students with fares. Metro's peers have a combined total of about 20 pass agreements with school districts in the Puget Sound Region. Pierce Transit offers a summer youth pass, valid on Pierce Transit only, for $36, valid June 1 through August 1. Among Metro's national peers, roughly 80% provide a discounted youth fare. The cost ranges from roughly 40% to 70% of their base adult fares, as shown in Figure 20 below.

Figure 200: National Peer Agencies with Discounted Youth Fare (APTA Fare Database, 2017)



Post-Secondary and Technical Students

Transit agencies across the nation offer products similar to U-PASS, funded through a combination of student fees, parking revenue, and institutional support. Some make transit more affordable for college students by offering a discount for fares and passes. Among Metro's national peer agencies, only 3 out of 27 offer a discounted base fare for college students (roughly half price). Nineteen of Metro's peers offer monthly college passes discounted from 5% to 95%, with an average of around 50%. In some cases, these discounts are subsidized by student fees.

Subsidized Housing

Metro has not identified other agencies that pay for pass programs for subsidized housing residents. Some cities have Transportation Demand Management ordinances that require new developments to undertake activities to reduce auto travel for residents. Tactics may include providing real-time transit information displays or larger efforts such as providing subsidized transit passes. While this model may be worth exploring as a broad mechanism to increase transit use, it would likely be seen as a burden for affordable housing providers, who already operate within constrained budgets.

Very-Low-Income

Metro was one of the first American transit agencies to introduce a low-income fare. However, such programs have become more and more common. While this section does not inventory every one of these programs, a few that have adopted different approaches than Metro are described below:

- **San Francisco Muni** has a version of ORCA LIFT (50% off monthly passes for those below 200% of FPL), but instead of a smart card, customers buy a monthly sticker to affix to their pass. Muni also has a free program for youth and seniors with incomes below 100% of AMI, on a smart card.
- **Lextran, in Lexington, Kentucky**, is introducing a free transit pass for people who meet the following requirements: 1) Individuals/families reside in a Lexington emergency shelter or transitional housing program; and 2) Individuals/families that have a housing plan in place and are actively working with an agency case manager.
- **Calgary Transit** offers tiered pricing for low-income youth and adult monthly passes in the form of three "fare bands" of 5%, 35%, and 50% of the adult monthly pass rate. These tiers are determined with a sliding scale based on income. Low-income seniors have the option of purchasing a low-income annual pass for $20 (15% of the Senior Annual Pass). Qualification for these programs is determined through Fair Entry, an application process that assesses income eligibility for multiple subsidized programs with a single application (also available online).

Appendix E: More Information Regarding Metro's Existing Programs

Youth

Some recent efforts and pilot programs are still being evaluated, so the full benefits or impacts are not known yet.

Youth fare discount: Metro offers a $1.50 fare for all youth, ages 6-18. That discount of nearly 50 percent is available on many services throughout the region to encourage youth to ride. Sound Transit, Seattle Streetcar and Community Transit offer the same $1.50 fare on most bus service. Metro and other regional agencies also allow children 5 and under to ride for free.

Youth pilot programs:

- In the summer of 2017, Metro and Sound Transit partnered on a Reduced Summer ORCA Youth Fare pilot program, in which Metro offered youth free ORCA cards and a reduced fare of 50¢ if they paid with their ORCA cards. Sound Transit offered a reduced fare of $1.00.
- In 2018, Metro is using grant funds to distribute $10 pre-loaded ORCA cards to high school students in need of public transportation throughout King County.
- In summer 2018, we conducted a state-funded pilot program with the Lake Washington and Highline School Districts and offered free, fully loaded ORCA cards to eligible high school students who qualified for free and reduced lunch and participated in a summer activity. Metro used this program to collect information about destinations youth travel to on transit, barriers to using transit and ORCA cards, and what tools Metro can use to better communicate with youth populations. At the same time, the summer pilot leverages the SchoolPool and Safe Routes to School toolkits to encourage alternatives to transit and driving for school trips. Based on the information received through this process, Metro is creating a youth-focused marketing campaign for 2019 to address the barriers identified—namely trip planning and how to use an ORCA card.

School district partnership programs:

- **School District Passport**: Since 2011-2012, Metro has contracted with five public school districts—Bellevue, Seattle, Lake Washington, Highline, and Mercer Island—to provide ORCA cards to 20,000 eligible students. The school districts pay all fares and card fees. The state reimburses school districts for the transportation they provide.
- **Metro is also partnering with the City of Seattle on a one-year-pilot** through their ORCA Opportunity Program, in which the City of Seattle, Seattle Public Schools, and Metro will provide free, unlimited ORCA passes to all of the 15,000 Seattle Public School high school students, plus some low-income middle schoolers and students attending Seattle colleges on city-funded scholarships during the 2018-2019 school year. Metro agreed to forgo a portion of the Metro-only costs of the City of Seattle's share for

the first year of the program. Metro's forgone amount is about 10% of the total program's cost with the City of Seattle and Seattle Public Schools. The City of Seattle and Seattle Public Schools will distribute the ORCA cards.

- **Bus service**: Some school districts contract with Metro for additional fixed-route service (Currently routes 823–895). The school districts pay for the cost of the service and are reimbursed by the state.
- **Other efforts**: Metro partners with school districts, jurisdictions, and community groups that are interested in helping provide passes for students. For example, Federal Way Public Schools has an ORCA account to purchase fares and ORCA cards for some of their students who rely on public transit instead of yellow school bus service. The state reimburses Federal Way for the cost.

ORCA LIFT and Human Services Ticket Program: The children of ORCA LIFT participants are eligible to receive a youth ORCA card at no cost. In 2018, 55 social service agencies work with youth populations distribute paper youth human service tickets to their clients. Over 129,000 youth tickets have been purchased by the agencies as of 8/15/2018.

SchoolPool: Metro SchoolPool is a school-based trip management program that encourages families to shift commute modes and share the ride to school and school-related activities. The program promotes the bus, walking, biking and carpooling and provides a platform through Rideshareonline.com for families and student to connect with other families commuting to the same school. The education and awareness component supports Metro's goals of providing more choices, managing congestion, saving customers money, and protecting the environment by promoting travel options and educating communities about the benefits of transportation alternatives.

Safe Routes to School (SRTS): Metro is also rolling out the SRTS program with a toolkit to help schools and local communities in the Puget Sound Region develop and implement their own program to promote walking, biking, using wheelchairs and carpooling. The primary aim is to improve the safety and health of school children, making the school trip an opportunity for daily physical activity and fun, and reducing vehicle trips to school. The kit provides a step-by-step approach for implementing the program.

Mobile ticketing and online enrollment: Metro currently offers a youth ticket on the Transit GO Ticket mobile ticketing app. In the 2019-20 budget, Metro proposes to start a project enabling youth to register for an ORCA card online. Resources to allow online registration for RRFP and LIFT cards are also part of the budget request. This will reduce the barrier of needing to come to Metro's Pass Sales Office or Westlake Customer Stop to apply for and register a Youth or RRFP ORCA card, or a LIFT verification location to receive a LIFT card.

Mobile outreach: Metro's 2019-2020 budget request includes resources to refurbish a Metro coach as an ORCA-To-Go mobile education and outreach platform.

Post-Secondary Schools

2016 college and university proviso response and workshops: In 2016, the County Council directed Metro to explore options to improve access to ORCA LIFT and to increase the ease of accessing subsidies for college and university students (Ordinance 18239, Section 35, P9). This led to a series of workshops that included college and university students, administrators, and advocates to identify problems and explore solutions. This work led to several improvements:

- Increased outreach and education at campuses, particularly for ORCA LIFT
- Increased Metro presence on campuses at the beginning of academic quarters with ORCA-To-Go services to assist students in managing subsidies for their ORCA accounts
- Training Department of Public Health staff sited at college campuses to verify student eligibility for ORCA LIFT
- Training college and university staff to verify eligibility for ORCA LIFT and to distribute cards (Highline)

Metro staff also engaged Seattle College students and administration in negotiations to start a comprehensive transit pass program. Those negotiations did not lead to agreement about how to fund a comprehensive pass program due to lack of resources available to the Seattle Colleges.

University of Washington U-PASS program: The U-PASS program began in 1991 in response to neighborhood pressures, City of Seattle concerns related to the growth of the University, and the impact of University-related traffic. The initial program included providing all students, faculty and staff access to a transit pass for a greatly reduced fee, establishing parking fees at all University lots, and significantly increasing transit service to the University through a cost-sharing agreement. In 2011, UW students voted to make U-PASS a universal benefit for all students at the Seattle main campus. The program accounts for nearly $30 million in annual revenue to all ORCA transit agencies and nearly $19 million for Metro (12% of all fare revenue).

The U-PASS program has two components, serving students and faculty and staff.

Figure 211: Student U-PASS funding sources

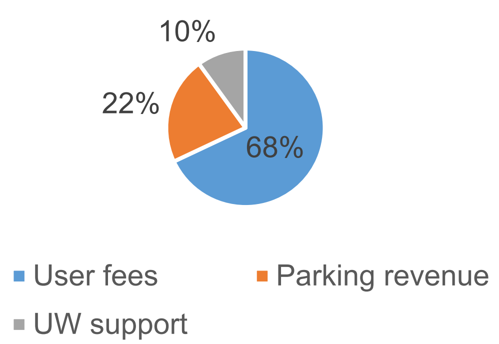
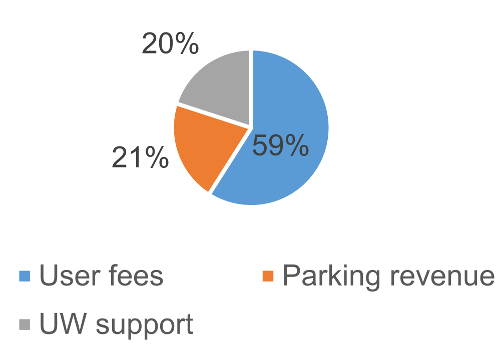


Figure 222: Faculty/Staff U-PASS funding sources



College and university business accounts: In addition to the UW, several other colleges provide student and/or employee pass programs. Currently, Metro has over 20 pass agreements with colleges and universities. Metro's peers in the Puget Sound Region have over 10 pass agreements with colleges and universities. Bellevue College, Highline Community College, Seattle Pacific University, Seattle Colleges, Seattle University, and Shoreline Community College all participate in Business Choice. Many offer some form of subsidy for the program. Several also provide shuttle service to assist in transportation. Cascadia Community College and Cornish College both participate in Passport, which requires a 50% or more institutional subsidy and covers all students. Many colleges and universities in King County offer low-cost or free parking to students, which reduces demand for transit and means that parking revenue is not available to potentially fund pass programs.

ORCA LIFT: Since the inception of ORCA LIFT, Public Health has worked with colleges and universities to ensure eligible students get enrolled in ORCA LIFT by having on-site enrollment events weekly, bi-monthly or quarterly based on the college's needs. Public Health often coordinates the college enrollment with Metro's ORCA-To-Go—the mobile customer service unit. This coordination enables students to enroll in ORCA LIFT and load money on their card the same day. For colleges not interested in having on-site enrollment, we make ORCA LIFT materials readily available.

- In 2017, Public Health began a partnership with the UW to do on-site enrollment before the end of the school year.
- In June 2018, Public Health trained staff at Highline College's Student Success Center on ORCA LIFT verification, making Highline the first college to do so. Public Health continues to have a staff person on site to also provide ORCA LIFT enrollment.
- YWCA ended their ORCA LIFT contract on 1/1/2018. This left a gap in college coverage, as their staff were at Bellevue College and Lake Washington Technical Institute. Public Health staff have helped fill this gap by coordinating outreach at Bellevue College at the beginning of each quarter and by attending Lake Washington Institute wellness fairs and providing them with ORCA LIFT referral locations that are close to campus.
- Public Health issues ORCA LIFT cards to Seattle University law school and undergraduate students two times per quarter. Public Health issues the cards, which are associated to the university's business account, on campus. Students who cannot make the events are directed to the ORCA LIFT office on 201 South Jackson Street, where Public Health verifies and issues the Seattle University business cards. Seattle University students add value to their card which the university matches up to $81 a quarter or $108 on semester. Seattle University manages the business account and associated cards.

Service partnerships and programs: Metro is working through our Community Connections and Innovative Mobility programs to find solutions that target the specific mobility needs of students in areas such as Bellevue College and Lake Washington Institute of Technology. See Appendix F: Additional Detail on Partnerships with Post-Secondary Institutions for details.

Subsidized Housing

2016 Seattle & Capitol Hill Housing Affordable Housing Pilot Program: In 2016, the City of Seattle and Capitol Hill Housing partnered to enroll three affordable housing locations in King County's Multifamily Passport Program, providing unlimited rides on the regional transit system to participants. The City funded the 50% building manager share, while tenants funded the remaining 50%. The city also funded $2,300 in program administration costs, and a nonprofit partner funded $15,000 for program evaluation. One hundred and twenty-two households, ranging in income from zero to sixty percent of AMI, were offered the pass. About half participated in the program each month. Pilot findings included increased transit use and monthly transportation savings. The intent of this demonstration was not only to test the efficacy of the Passport program, but to develop a sustainable model for funding through the implementation of parking management practices at Capitol Hill Housing sites. To support this goal, Metro provided $20,000 to support the development of potential funding streams, including paid parking. This was not achieved and no sustainable funding for the program was identified.

ORCA Multifamily Development Passport: The ORCA Multifamily Development Passport is an annual transportation pass that property owners can offer to residents. This pass gives residents comprehensive access to transit services in the Puget Sound Region, including local and express bus service, Link light rail, Sounder commuter rail, Seattle Streetcar, and King County Water Taxi. Participating multifamily property owners and managers purchase Passport-loaded ORCA cards to offer to their residents. Buildings must have a minimum of 20 residential units and the pass must be offered to every unit. The cost for the first year of the program varies based on the existing transit use in the building's neighborhood. Subsequent years are priced based on the amount residents used transit in the previous year. To date, Metro has not had any subsidized housing providers participate in this program. Currently, Metro has one multifamily development participating in passport.

ORCA LIFT: People who meet the eligibility requirements can enroll in ORCA LIFT, regardless of whether they live in subsidized housing or receive a voucher. In the Capitol Hill Housing pilot, approximately half of the participants were ORCA LIFT-eligible, and 11% had enrolled before the pilot. Metro does not have good information on ORCA LIFT eligibility at other housing sites, but some serve low-income and very-low-income residents. These entities have income information from tenants, and some have shared this with partners—for example with Seattle Public Utilities to provide income verification for low-income discounts. Working with Public Health, Metro has staffed events at Low Income Housing Institute Properties (4 different locations), New Holly, Rainier Vista, High Point, Othello Housing, Bellweather Housing, Pioneer Housing Units (3 locations), Rose Apartments (SHA), Mount Baker Housing, Greenbridge, Birchcreek, Lea (Auburn), and Apian Way.

Low-Income Employees

ORCA LIFT: Metro's ORCA LIFT program offers a reduced fare of $1.50 for individuals whose household incomes fall at or below 200% of the FPL. During June 2018, over 670,029 boardings were made with 19,645 ORCA LIFT cards; most (72%) were on Metro bus service. The ORCA LIFT program was specifically designed to serve employed people with low incomes. A stakeholder advisory group considered different pricing options, but ultimately recommended that working people with some income should pay a fare.

Business Choice and Passport: Metro has more than 2,000 active business accounts, accounting for approximately 72.5 million boardings per year. During a typical ridership month, approximately 170,000 adult Passport cards were used to board Metro service, totaling 3.5 million boardings and averaging 20.6 boardings per card. Some of the people who use business-account passes, such as college students, likely meet low-income thresholds.

Appendix F: Additional Detail on Partnerships with Post-Secondary Institutions

Metro has been working to both improve outreach and service at post-secondary institutions in King County.

Service Efforts:

<u>Eastgate/Factoria Community Connections Project</u>

- Project Objectives:
  - Collaborative partnership between Metro, City of Bellevue, and project area employers.
  - Improve transportation options for employees and students to get to/from/around project area without having to drive alone.
- The project's Stakeholder Working Group included representation from Bellevue College.
- Key transportation needs identified by the Stakeholder Working Group included:
  - Transportation options that are flexible in terms of when and where services are available.
  - Transportation options that connect to and complement existing local public and private transportation services.
  - Transportation options that allow travel to places within Eastgate and Factoria during the day.
  - Transportation options that are easy to access and easy to use with other transportation options.
- Community Connections transportation solutions selected for implementation to address these needs include:
  - *Bike Share*: Working with Bellevue College and the City of Bellevue, Metro is identifying barriers for students and staff to accessing Bellevue's bike share pilot, and will use this information to develop incentives and resources to help reduce these barriers.
  - *On-Demand Service*: Users will be able to hail trips to and from the Eastgate Park & Ride, on-demand, using a mobile app or by making a call. Trips can be taken within a two-mile radius of the Eastgate Park & Ride on weekdays, from 6-10 AM, and from 4-8 PM.
  - *Flex Vanpool*: Riders can use a mobile app to request rides in Metro VanPools with available seats. Riders will be able to schedule separate morning and evening commute trips, instead of committing to a fixed schedule or a recurring trip.
  - *Midday Your Way*: Allows employees in Eastgate/Factoria who don't drive alone to work to reserve Metro commuter vans, for personal trips, during designated times of the workday.

Kirkland/Lake Washington Tech Community Connections Project

- Project Objectives:
  - Collaborative partnership between Metro, City of Kirkland and Lake Washington Tech.
  - Address the lack of nearby transit options, frequent transit service and evening transit service.
- The project's Stakeholder Working Group included Lake Washington Tech faculty.
- Key transportation needs identified by the Stakeholder Working Group included:
  - Transportation options that will connect me from my home to transit, and from transit to LWTech (and back).
  - Transportation options that will help me share a ride to LWTech to save time and money.
  - Transportation options that are flexible enough to match my schedule.
  - Transportation options that will help me get to LWTech more quickly than I can on transit.
- Community Connections transportation solutions selected for implementation to address these needs include:
  - *Bike Share*: Working with Lake Washington Tech and the City of Kirkland, Metro will help increase the availability, and lower the costs of, bicycles for LWTech students, faculty and staff, in conjunction with Kirkland's forthcoming bike share permit pilot.
  - *RealTime Carpool*: A smartphone app that allows users to request on-demand carpool trips. Metro will help incentivize/lower the costs of carpool trips.
  - *Community Ride:* A reservation-based, transportation service that travels within a specified service area, based on where people want to go. The service would operate Monday through Friday, between 8 p.m. and 11 p.m., and encompass a three-mile radius from the LWTech campus.

Bothell/Woodinville Community Connections Project

- Project Objectives:
  - Collaborative partnership between Metro, Cities of Bothell and Woodinville, UW-Bothell, and Cascadia College.
  - Provide service between the UW-Bothell/Cascadia campus and the cities of Woodinville and Bothell that are designed to address travel needs of students and employees; individuals living or working in the cities of Woodinville and Bothell; and other transit consumers.
- The project's Stakeholder Working Group included student, staff, and faculty representation from UW Bothell and Cascadia College.
- Key transportation needs identified by the Stakeholder Working Group included:
  - Reliable service you can depend on.
  - Access to transit and park and rides.
  - On demand service that's ready when you are.
  - Flexible service that can adapt to your changing schedule.

    - Information and awareness about existing service and transit tools.
- Community Connections transportation solutions selected for implementation to address these needs include:
    - *Community Van*: Addresses mid-day travel needs. Trips driven by volunteer drivers who pay no fare, and two or more passengers who pay standard fare. Trips are arranged and promoted by a Community Transportation Coordinator, funded by Metro, who is based at UW-Bothell/Cascadia.
    - *TripPool*: Serves popular park and rides. Volunteer driver uses a Metro provided van and receives reserved parking at the Park and Ride. Passengers request a trip through an app, and driver picks up passengers on way to park and ride.

<u>Lake Forest Park/Shoreline Community Connections Project</u>

- Project Objectives:
    - Collaborative partnership between Metro, City of Shoreline, and City of Lake Forest Park.
    - Mitigation for 2014 service cuts. In particular, loss of evening service on Route 331 which connects Shoreline Community College to Lake Forest Park and Kenmore.
- The project's Stakeholder Working Group included staff from Shoreline Community College.
- Key transportation needs identified by the Stakeholder Working Group included:
    - Transportation options that will allow community members to get to and from places off the existing fixed-route network more easily
    - Transportation options that will allow community members to get to and from evening activities
    - Transportation options that are available as personal schedules change.
    - Transportation options that are recognizable as Metro services (look and cost).
- Community Connections transportation solutions selected for implementation to address these needs include:
    - *Community Van*: Addresses mid-day travel needs. Trips driven by volunteer drivers who pay no fare, and two or more passengers who pay standard fare. Trips are arranged and promoted by a Community Transportation Coordinator, funded by Metro.
    - *Community Ride:* A reservation-based, transportation service that travels within a specified service area, based on where people want to go. The service would operate Monday through Friday between 6 p.m. and 11 p.m. and Weekends and Holidays between 6 p.m. and 10 p.m., providing service in the times when 331 service was cut. The service area is Eastern Shoreline and all of Lake Forest Park. With Shoreline CC approval, it will serve the campus as well.

Outreach

Outreach efforts include partnerships with Seattle/King County Public Health to do LIFT enrollment, online updates, mail information, and other strategies and efforts. Institutions that have been contacted as part of this work include:

- Antioch University Seattle
- Argosy University
- Art Institute
- Bastyr University
- City University of Seattle
- Cornish College of the Arts
- Cortiva Massage Institute
- Divers Institute of Technology
- Evergreen Beauty College
- Gary Manuel Aveda Institute
- Gene Juarez Academy of Beauty
- Green River Community College
- Highline College
- ITT Technical Institute
- Northwest University
- Pima Medical Institute – Seattle
- Pinchot University
- Renton Technical College
- Seattle Central
- Seattle University/ and SU School of Law
- Seattle Vocational Institute
- Shoreline College
- South Seattle College
- University of Phoenix-Western Washington Campus
- University of Washington

Appendix G: Very-Low-Income Assumptions

Metro made certain assumptions, explained below, when calculating the potential ridership, revenue, and farebox recovery implications of a very-low-income fare.

ORCA LIFT Usage

As of May 2018, a total of 66,987 customers have enrolled in LIFT. In total, 46,000 had active ORCA LIFT cards representing 16% of the adult population living below 200% of the FPL and 24% of those living below 100% of the FPL Of these, 16,423 cards were tapped onto Metro service (35% of unexpired cards).

Adults below 135% FPL

Based on the number of King County adults living below 150% FPL (217,578) and 125% FPL (176,915), we can estimate 193,180 adults living below 135% FPL. Assuming the same enrollment rate for eligible adults in the current LIFT program (22%), we could expect 43,379 of current LIFT riders to enroll in a very low-income fare, of which 15,351 would have active cards (i.e., tapped during a given month).

Youth and seniors below 135% FPL

If the very low income fare is lower than $1, we can also expect eligible youth and senior riders to sign up as the senior and youth reduced fares are currently $1.00 and $1.50, respectively. Based on the same ACS estimates and assumptions described above, we can assume that 49,379 youth (6-17) and 33,204 seniors in King County would be eligible for the new program. Assuming the same enrollment rate for eligible adults in the current LIFT program, we would expect 11,088 low-income youth and 7,456 low-income seniors to enroll. Of these, we can assume 3,924 active cards among youth and 2,639 active cards among seniors.

Revenue impacts

To assess foregone revenue, we assume that all youth, adults, and seniors who enroll are current riders that already pay fare at the youth rate ($1.50), ORCA LIFT rate ($1.50), and RRFP rate ($1.00). It is also possible that increased ridership activity from current riders and new riders could impact operational budgets due to any additional service put in place to address resulting overcrowding.

Current Ridership Behavior

During May of 2018, the average monthly boarding per card type was as follows: 23.4 for youth cards, 30.4 for ORCA LIFT cards, and 16.4 for senior RRFP cards.