



# KING COUNTY LOW-INCOME FARE OPTIONS ADVISORY COMMITTEE

## Appendices

June 2013



**King County**

FOR INFORMATION CONTACT:

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Department of Transportation

KSC-TR-0415

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Alternative Formats Available

206-263-5277 TTY Relay: 711

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# APPENDIX A: Motion

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## Legislation Text

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

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Drafter

Clerk 01/18/2013

title

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

Body

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. Motion 13746 is hereby rescinded.

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

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

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

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

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

E. The advisory committee shall:

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





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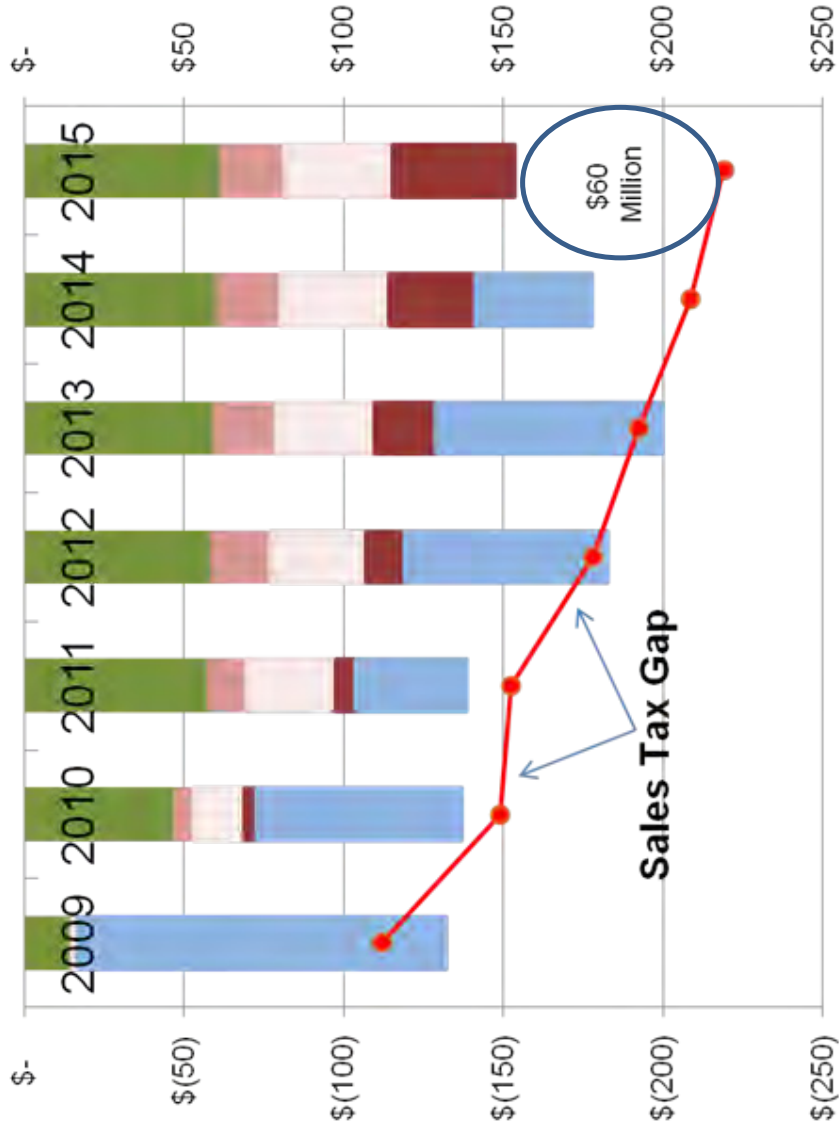
# APPENDIX B: Meeting Materials

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# Metro's Financial Picture: Closing the Transit Budget Gap

(\$ in millions)



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

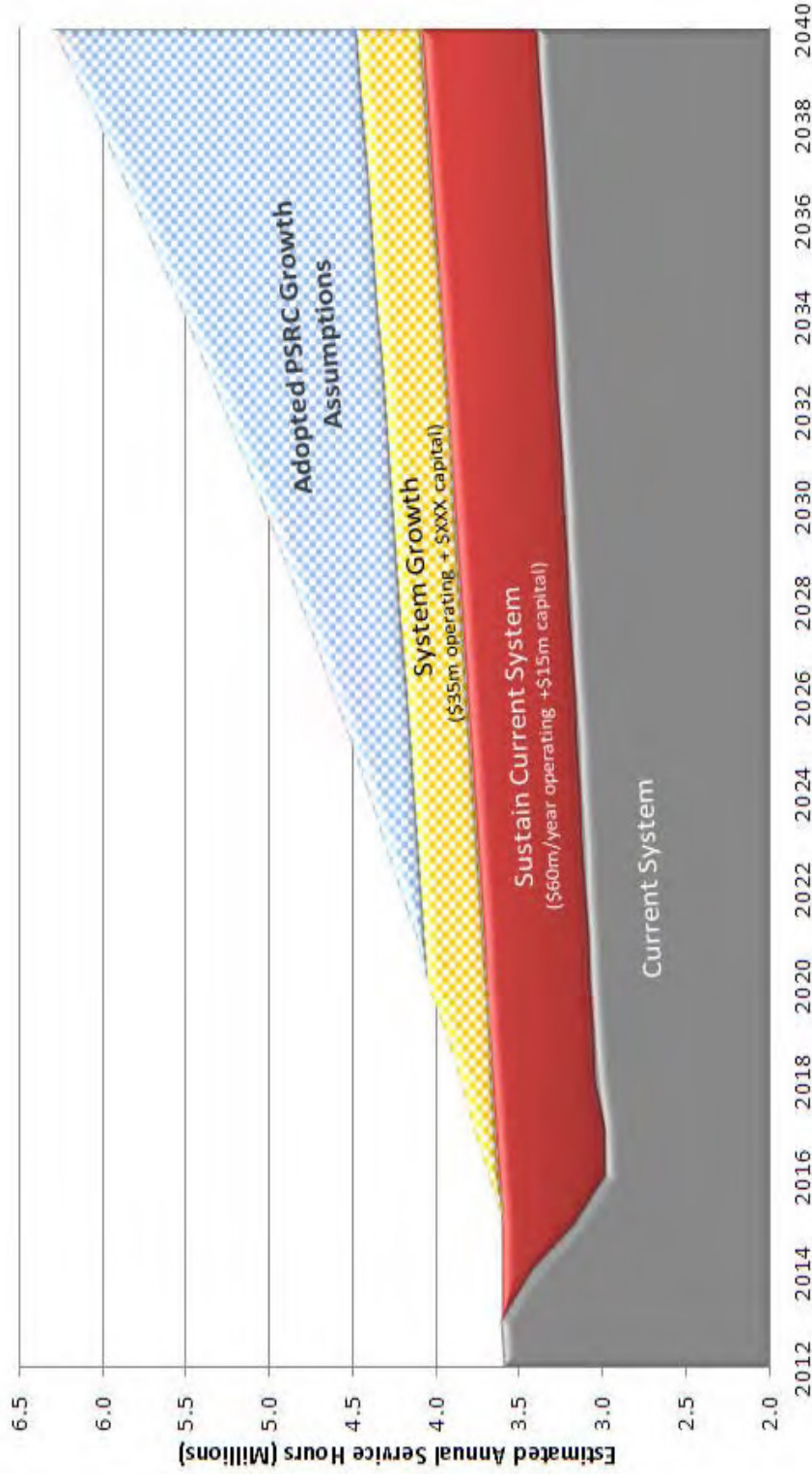
In addition to closing the gap for annual bus service, funds are needed to purchase buses to operate the service. Assuming debt financing, this cost is estimated at \$15 million per year for 12 years.



**We'll Get You There.**

# Draft Metro Service Needs

Based on current sales tax forecast



# Strategic Plan for Public Transportation

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





# 2012: Big System Changes

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



**Ride Free Area Ends 9/29/12**

**NEW Pay on Entry**

Spot What's New at Metro

Buy OTCa on board

**How you ride buses in King County changes September 29.**

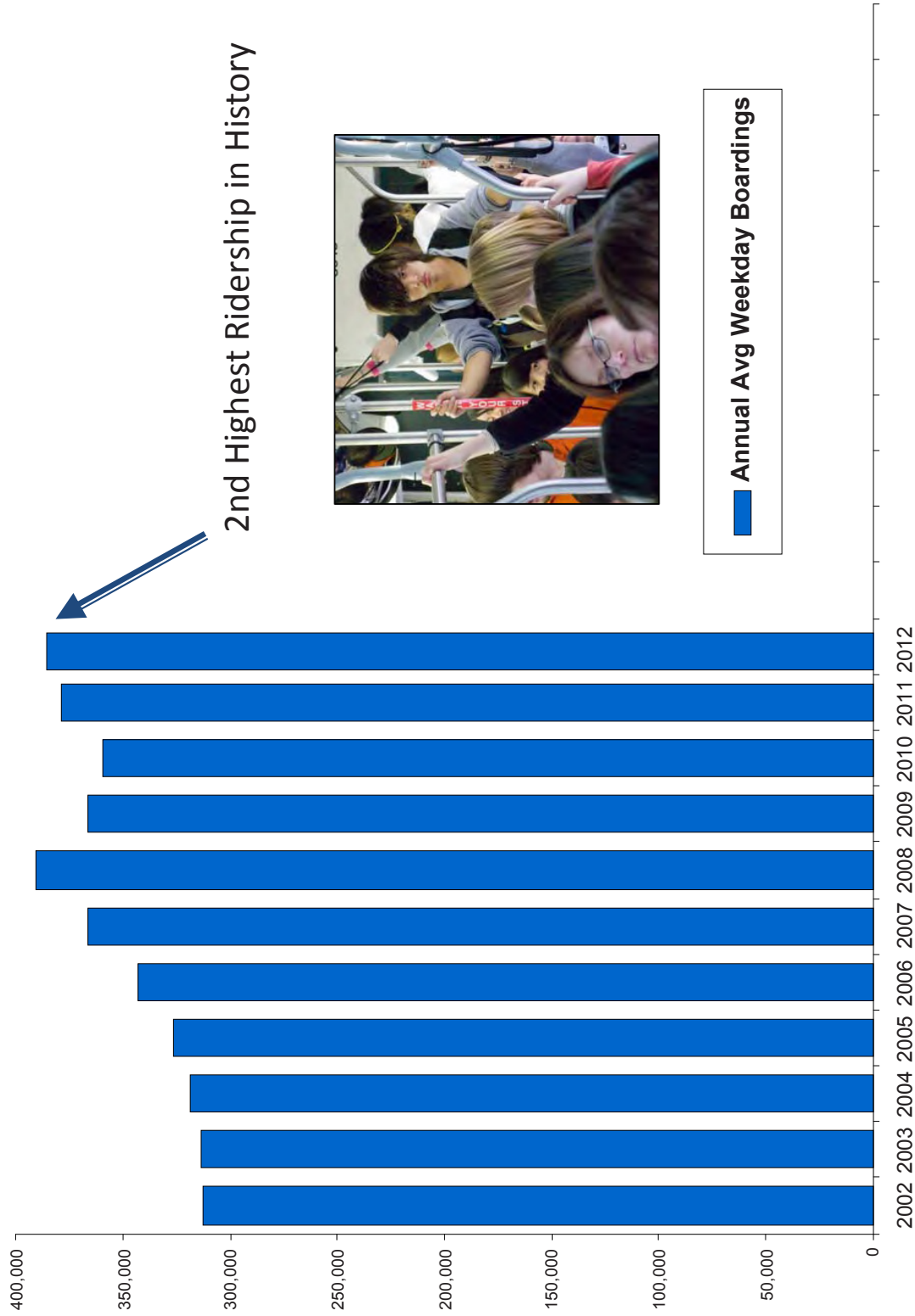
Bus riders will now pay when they enter the bus for all trips. Board buses with an OTCa card or downtown Seattle. Buy your reload OTCa card at a participating retailer or Metro's fare vending machines. For complete listing of locations, visit [www.metrocard.com](http://www.metrocard.com)

King County Metro  
[www.kingcounty.gov/metro](http://www.kingcounty.gov/metro)  
206-515-3000



**We'll Get You There.**

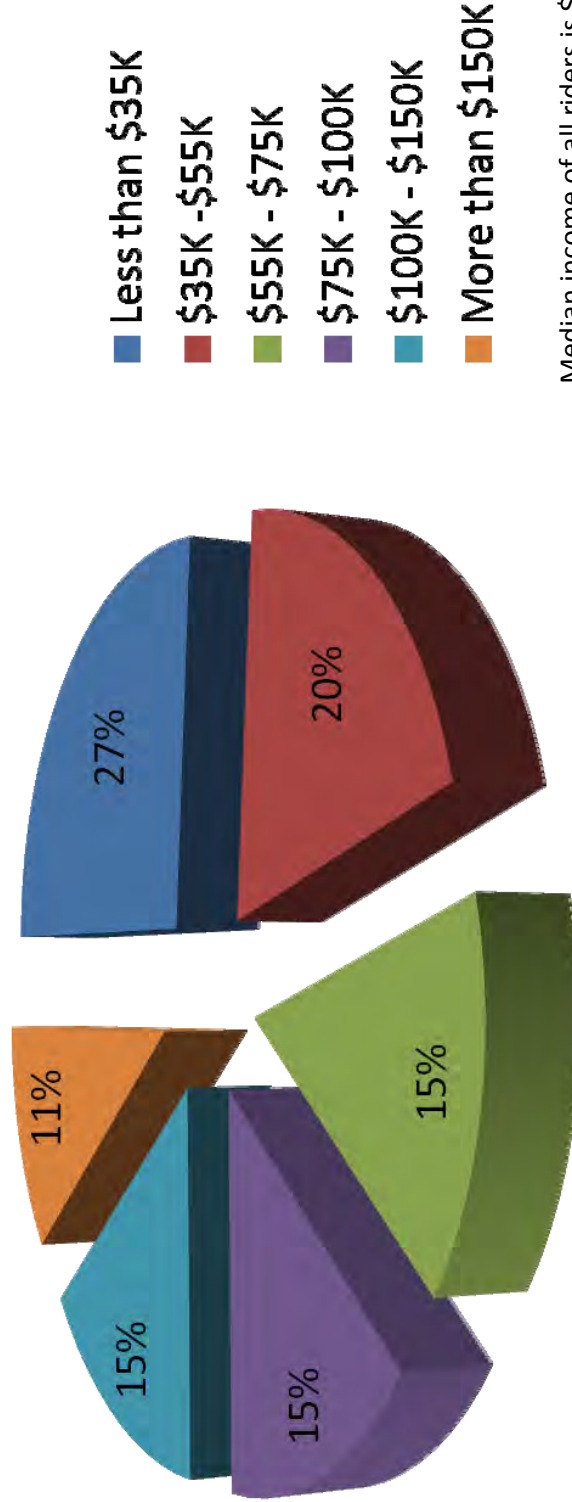
# Average Weekday Ridership on Metro's Buses and Trolleys



# Rider Demographics

Source: 2011 Metro Rider Survey

## By Income Level



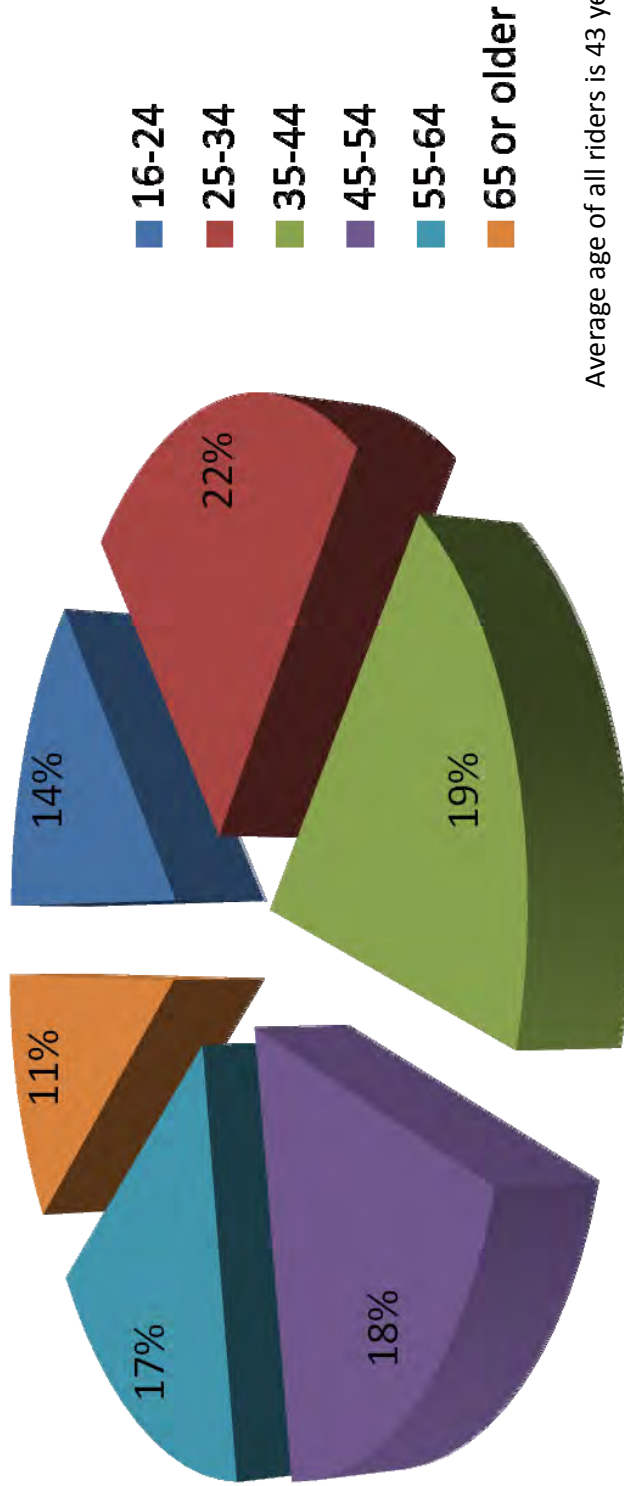
**We'll Get You There.**



# Rider Demographics

Source: 2011 Metro Rider Survey

## By Age



# Metro Fare Categories

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



# 2013 Fare Policy Review



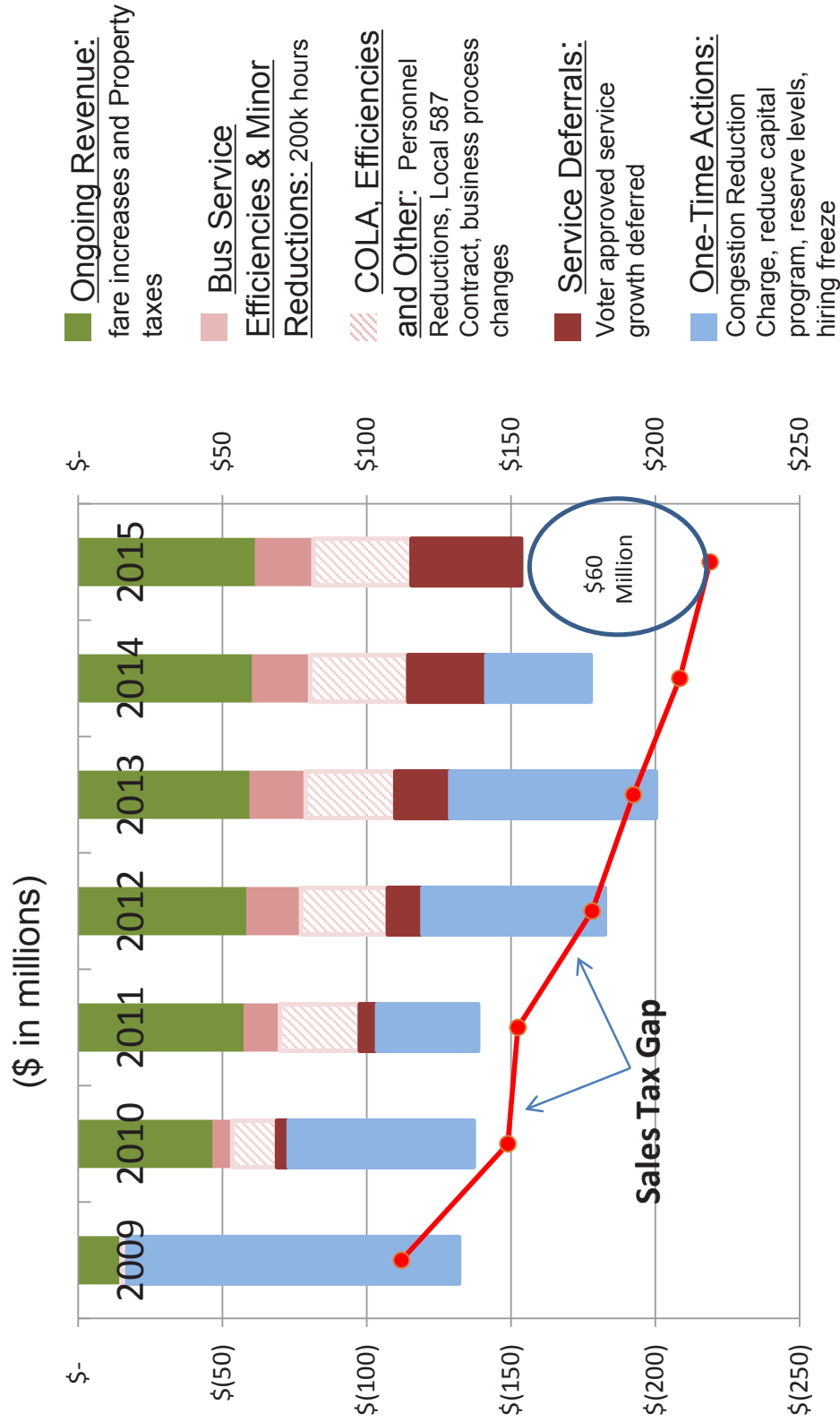
Ordinance 17476

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

# Existing Fare Policy Guidance

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

# Metro's Financial Picture: Closing the Transit Budget Gap



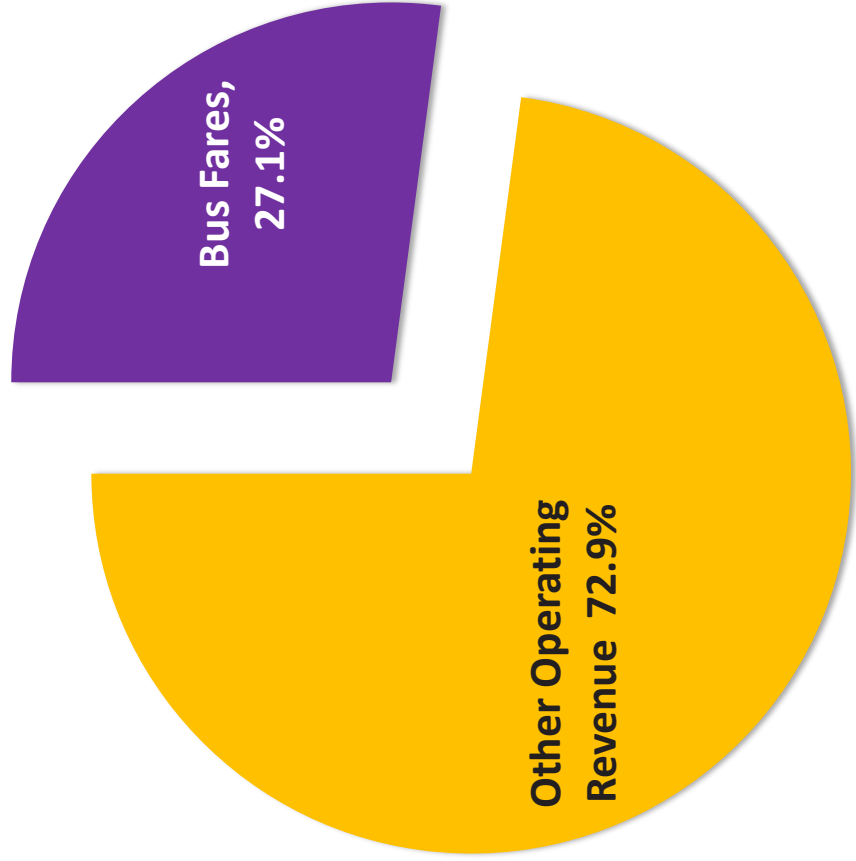
In addition to closing the gap for annual bus service, funds are needed to purchase buses to operate the service. Assuming debt financing, this cost is estimated at \$15 million per year for 12 years.



## Metro Farebox Recovery Ratio

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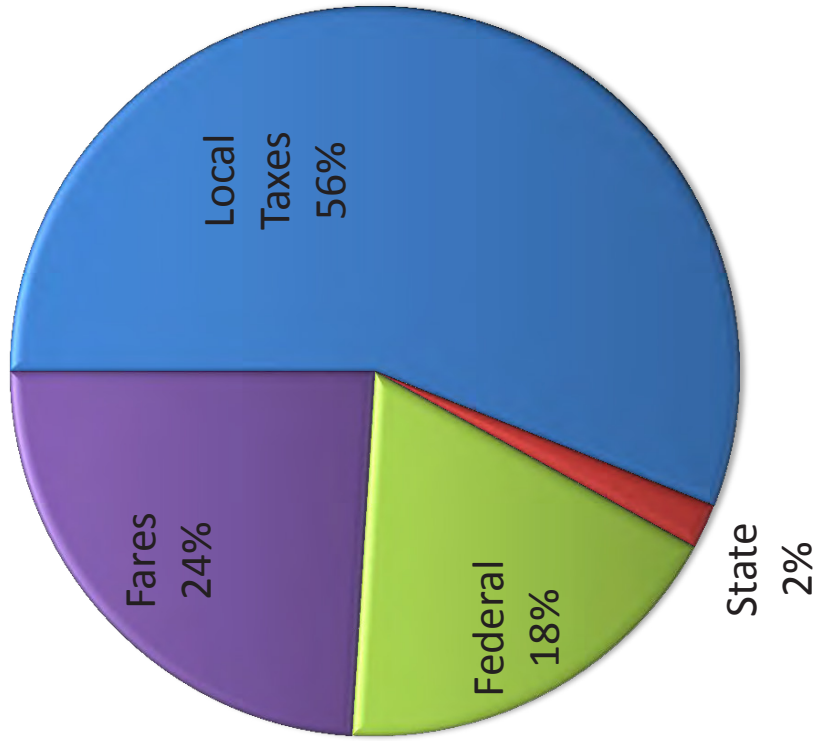
“Recover 25% of operating costs from farebox revenues for bus service”



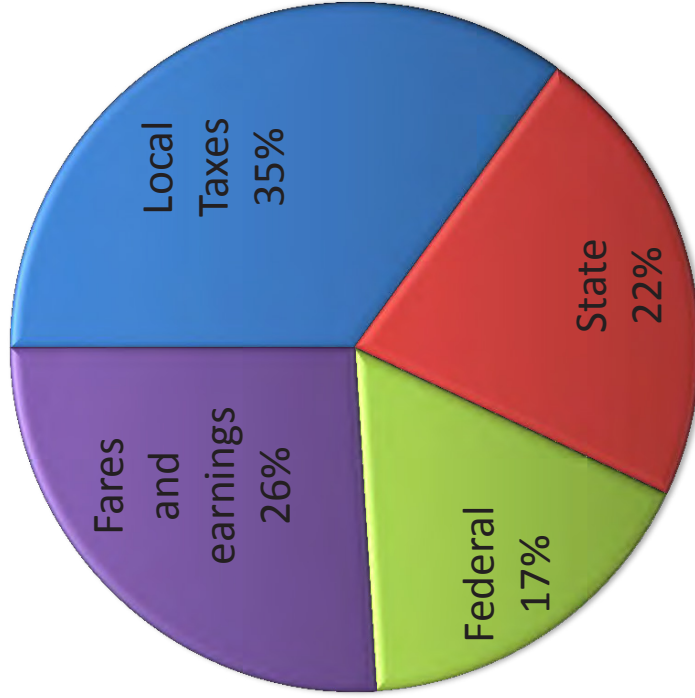
# Transit Industry Revenue Sources

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Washington State



National Average





# Products and Fares

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





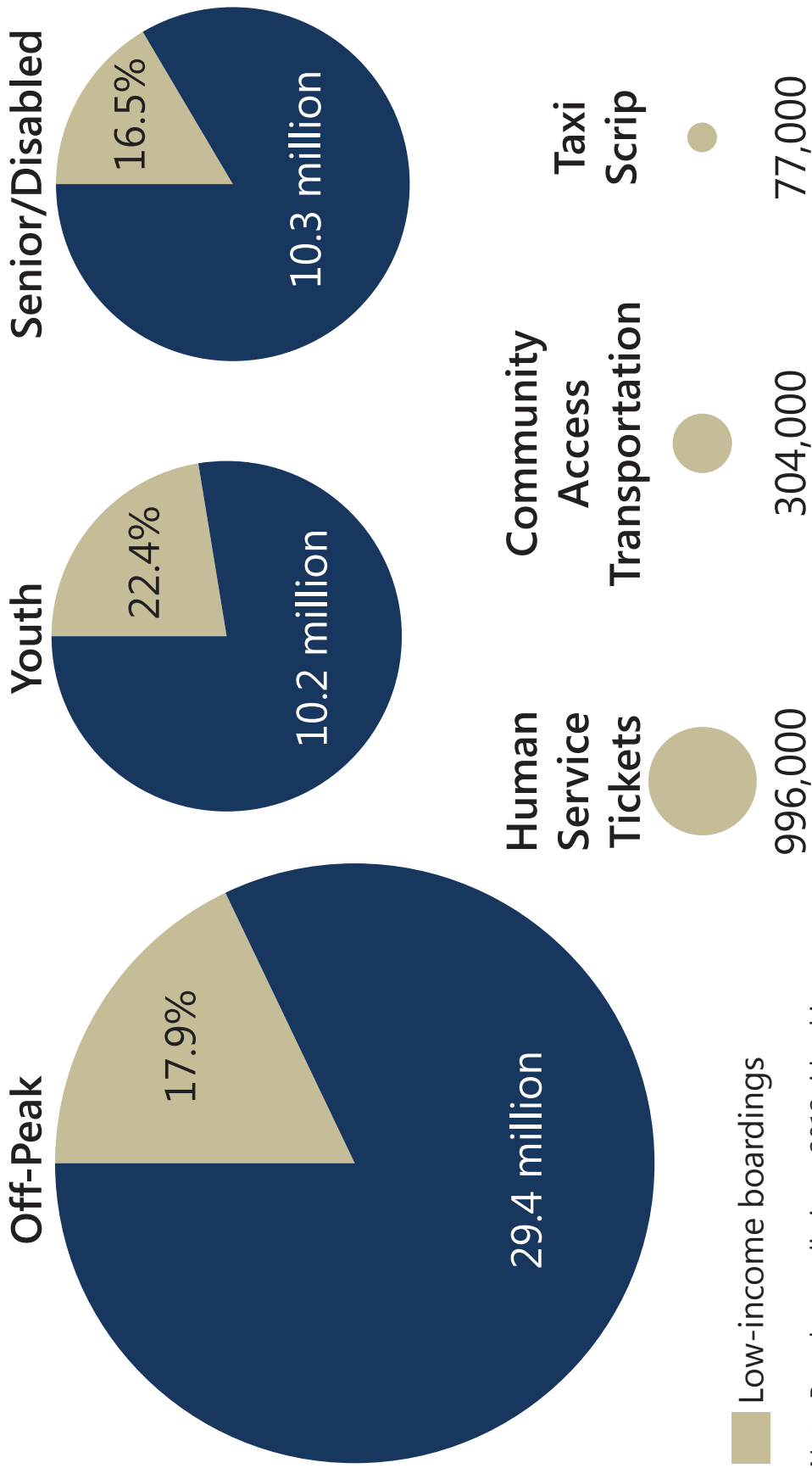
## METRO DISCOUNT PROGRAMS BY CUSTOMER TYPE

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

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



# Metro Discount Programs (Number of Boardings)



Low-income boardings

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



# Federal Poverty Guidelines by Household Size

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

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

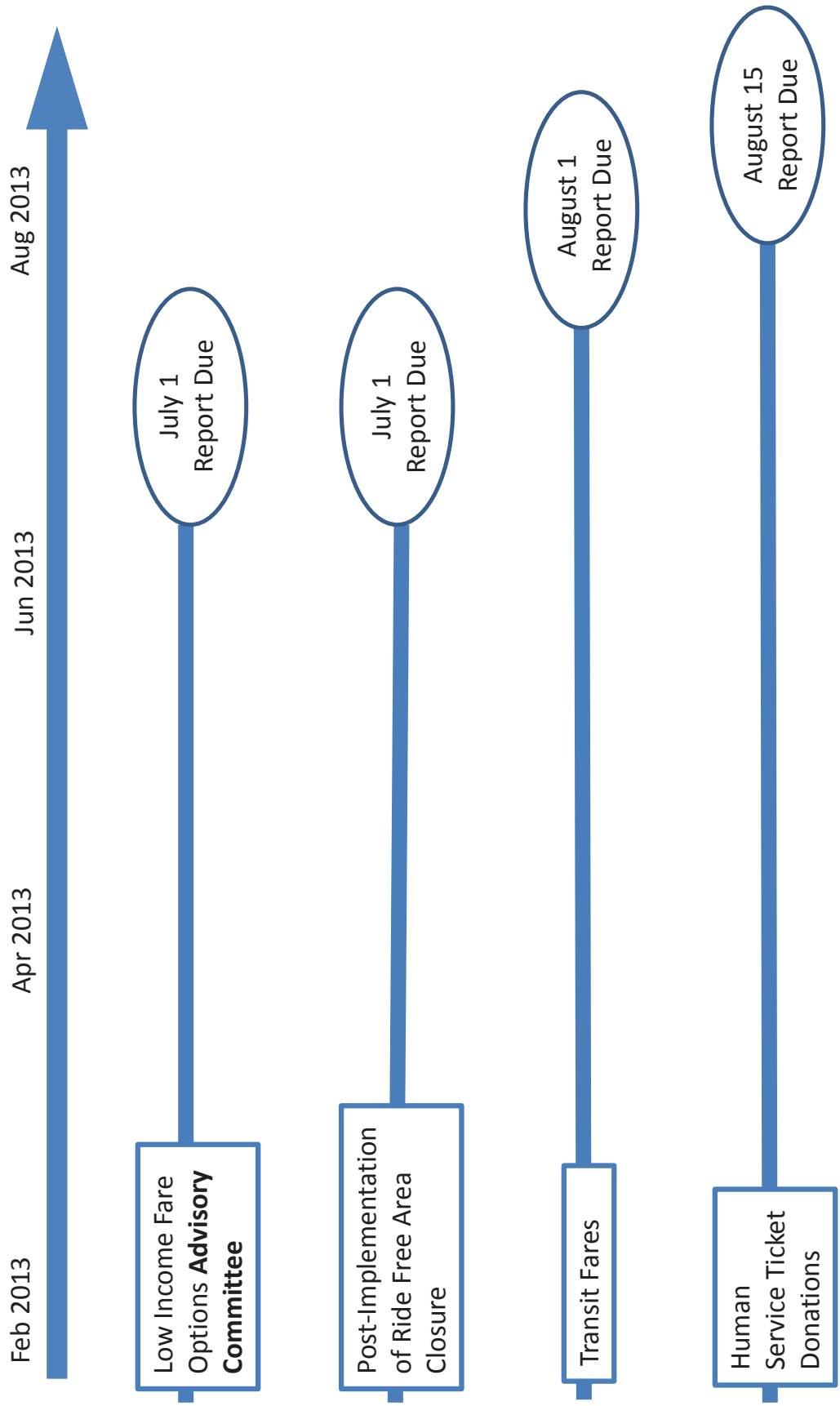


# Estimated Population by Status

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

Source: American Community Survey, 2011

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





# Metro Fare Policy

## Meet Revenue Target

(25% cost recovery;  
maintain service levels)

### Policy Goals

Simple to understand

Reflect cost of service

Increase ridership

Reduce costs by speeding operations

### Policy Goals

Comply with state and federal regulations

Minimize impacts on least able to pay

Align with fares of regional transit partners

Fare collection system:

- Supports fare goals
- Uses technology to increase customer convenience and market share
- Is cost effective

## Fare Structure

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



## How to qualify for a Low Income ORCA card

### Reduced Fare Qualifications for Low Income ORCA Cards

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

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

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

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

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

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

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

Source:  
US Department of Health & Human Services



Customers may obtain a Low Income ORCA card in person at the Bremerton Ferry terminal or by mailing the completed application along with qualifying documentation to Customer Service.

**Frequently Asked Questions**

**Where do I get my Kitsap Transit Reduced Fare ORCA card?**  
Low income ORCA cards are made only at Kitsap Transit's Customer Service Office, located inside the Bremerton Transportation Center at 10 Washington Avenue, Bremerton.

**Can I still pay my fare with cash?**  
You can always pay your fare with cash. However, cash-paying riders are not eligible for reduced fare or a 2-hour, any-direction transit.

**What can I load on an ORCA card?**  
E-purse - E-purse works just like cash when you pay your fare. Simply load money onto your card and tap your card when you ride. The card deducts the correct fare.

**Agency Specific Pass - A monthly bus pass for a single agency, like a Kitsap Transit Reduced Fare Monthly Pass.**

**Regional RidesPass - A monthly pass valid on Kitsap Transit, as well as Community, Metro, Pierce, Everett and Sound Transit. Sold in trip values from .75 to \$475. (Low income discounts are available on Kitsap Transit services only.)**

**How do I add value to my card?**  
If you need the use of a pass or E-purse, immediately value must be added to your ORCA card in person at Kitsap Transit's Customer Service Office or at an Add Value Location. If you add value to your card by phone at 1-888-988-6772, with a mail-in form, or at www.orcocard.com it will be up to 24 hours before the pass or E-purse is available.

## Kitsap Transit Low Income Reduced Fare Card Application



Did you know that reduced fare is available on Kitsap Transit routed buses and the Kitsap Transit Ferry to passengers who qualify based on low income?

**Reduced Fare Qualifications for Low Income ORCA Cards**

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

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

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

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

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

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

Persons in Household	Federal Poverty Guideline (monthly income)
1	\$903.00
2	\$1,214.00
3	\$1,526.00
4	\$1,838.00
5	\$2,149.00
6	\$2,461.00
7	\$2,773.00
8	\$3,084.00

4-2012

Please note: If you are 65 or older or disabled you may qualify for a Regional Reduced Fare ORCA card. The regional card offers discounts on transit agencies across the region. The low income card offers discounts only on Kitsap Transit. For questions regarding the Regional Reduced Fare Permit, please contact Customer Service at 1-800-501-7433 for details or visit <http://www.kitsaptransit.org/RegionalReducedFare.html>

To receive your reduced fare discount you must pay your fare with a pass or E-purse loaded onto your ORCA card. Paying your reduced fare from E-purse entitles you to a free 2-hour transfer at any location.

**Kitsap Transit Low Income Reduced Fare Application**

New Application  Renewal

Name: \_\_\_\_\_ First \_\_\_\_\_ Middle \_\_\_\_\_ Last \_\_\_\_\_ Apt. # \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone: \_\_\_\_\_ Number of People in Household: \_\_\_\_\_

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

To apply by mail, complete and sign the application above, include a copy of one of the eligibility documents listed on the other side of this brochure, enclose both in an envelope and mail to:

Kitsap Transit Customer Service  
60 Washington Avenue, Suite 200  
Bremerton, WA 98337

When sending your application by mail, please also provide the answer to the following 'secret question':

What is your mother's maiden name? \_\_\_\_\_

You will need to provide the answer to the 'secret question' and provide your zip code as written above if you wish to set up a My ORCA Account at [www.orcact.com](http://www.orcact.com).

**For CSO Staff Use Only:**

Eligibility documentation provided:

Food Assistance  Department of Corrections Program

Medicaid  Income Tax Return

Public Housing Benefits (Section 8)  W-2 forms

Home Energy Assistance from KCR  3 months of paystubs

WorkFirst Program  FAFSA

Social Service Agency or Shelter  Other: \_\_\_\_\_

CSO: \_\_\_\_\_ Date: \_\_\_\_\_

Para la traducción de este documento en español, por favor llame al 1-800-501-7433 durante las horas normales de oficina. El personal de servicios al cliente se conectará con un intérprete.

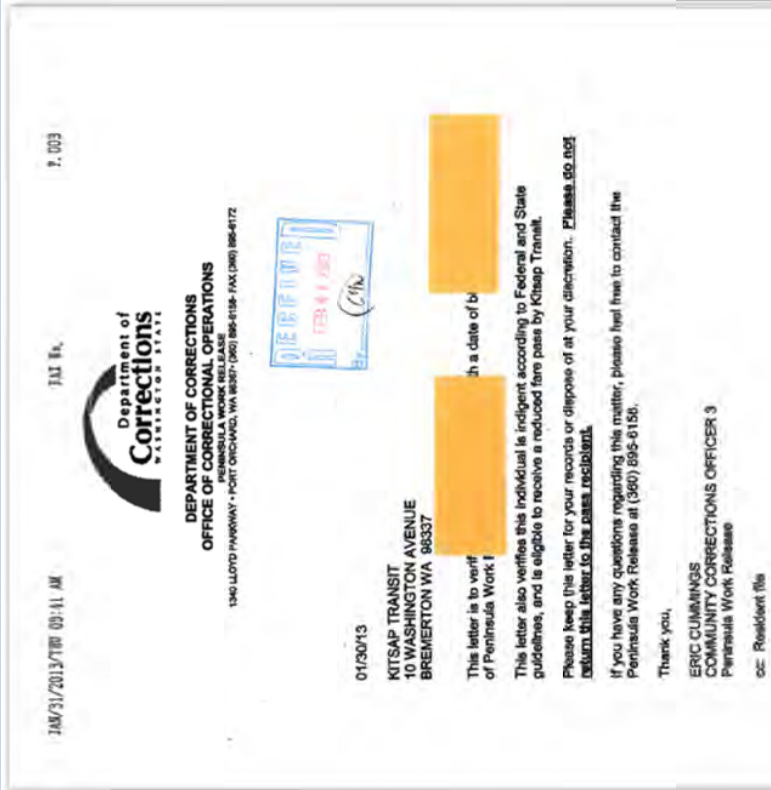
Once the eligibility is established, the ORCA card fee is waived. If these cards are lost, stolen or damaged, the customer is responsible for the \$5 fee. The system also requires low income cards to be registered, with the exception of Business Accounts. In the Business Account environment, the cards are registered to the Agency instead of the cardholder.



## Examples of qualifying documentation:

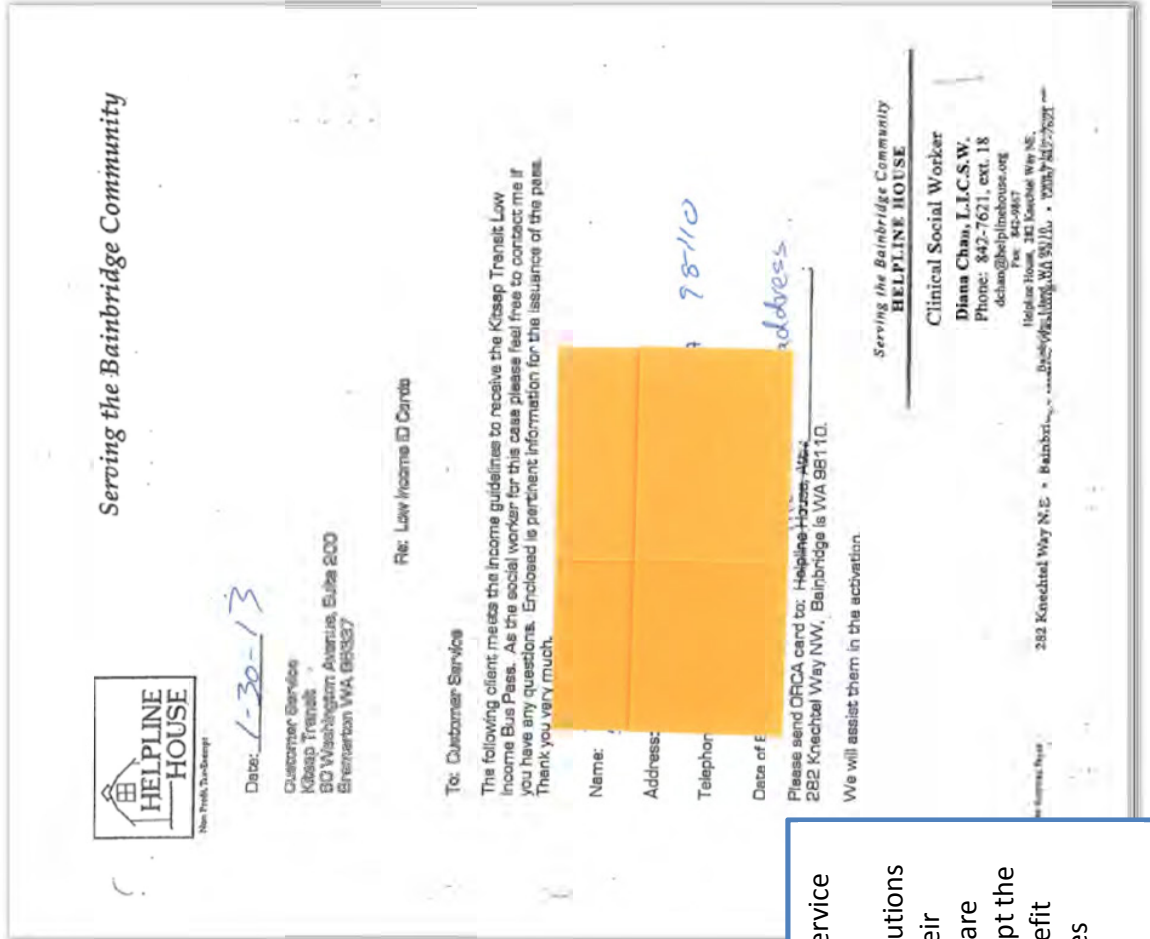
Department of Corrections – Peninsula Work Release Resident

This type of documentation is faxed direction from DOC to our office and not hand carried by the residents.



Bainbridge Island – Helpline House

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



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

## Examples of qualifying documentation (cont.):

### Social Security Administration – SSI Recipient

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

**Social Security Administration**

Date: January  
Claim Number: [REDACTED]

WASHINGTON IDENTIFICATION CARD  
[REDACTED]

DECEIVED  
JAN 31 2013  
By: [REDACTED]

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

**Information About Supplemental Security Income Payments**

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

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

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

**Date of Birth Information**

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

**Type of Supplemental Security Income**

You are entitled to monthly payments as a disabled individual.

**If You Have Any Questions**

If you have any questions, you may call us at 1-800-772-1213, or call your local Social Security office at 855-820-0101. We can answer most questions over the phone. You can also write or visit any Social Security office. The office that serves your area is located at:

SOCIAL SECURITY  
9694 MICKELBERRY RD NW  
SILVERDALE, WA 98383

See Next Page

### YWCA – Resident Program

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

eliminating racism  
empowering women  
**YWCA**

P.O. Box 559  
Bremerton, WA 98337  
360-479-5118  
Fax: 360-479-2460

Date: 12/27/12

To Whom it may concern:

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

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

She has been a resident here since 12/4/12

Any assistance you can offer her would be appreciated. If you have any questions concerning her stay at the facility, please give one of our A.L.I.V.E. staff members a call at (360) 479-5118.

Thank you for your time and attention to this matter.

Sincerely,  
Charlene Edmond  
(Print Name)  
Charlene Edmond  
(Sign)  
Client Advocate  
YWCA A.L.I.V.E. Program

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

## Kitsap Transit's Low Income Program Highlights

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

Valid for reduced fare on Kitsap Transit only.  
Fare must be paid with E-purse or a pass.

Eligibility Expires:  
**May 31, 2014**



## Challenges of Kitsap Transit's Low Income Program

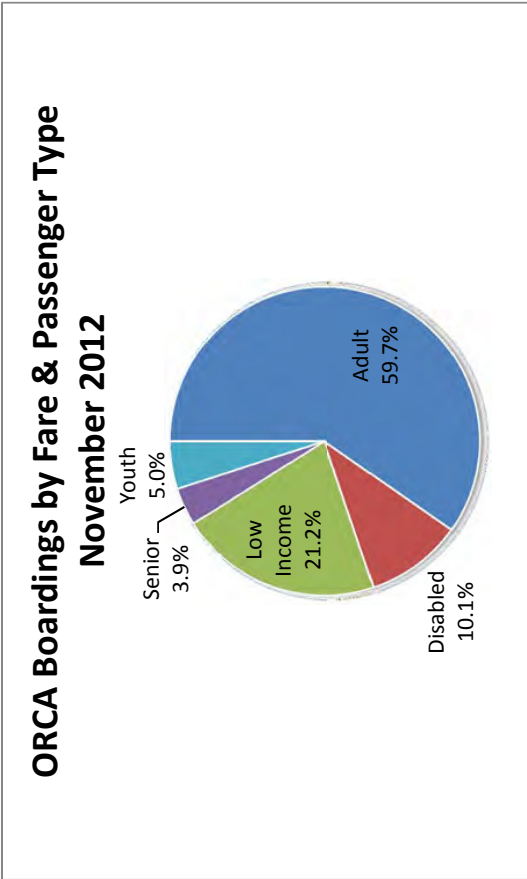
- Renewals: If a customer remains eligible for low income, the system does not allow the expiration date to be updated; a new card must be issued.
- Lost or stolen cards: If a low income card is reported lost or stolen, we must log into the Call Center Website to verify the expiration date before issuing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



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



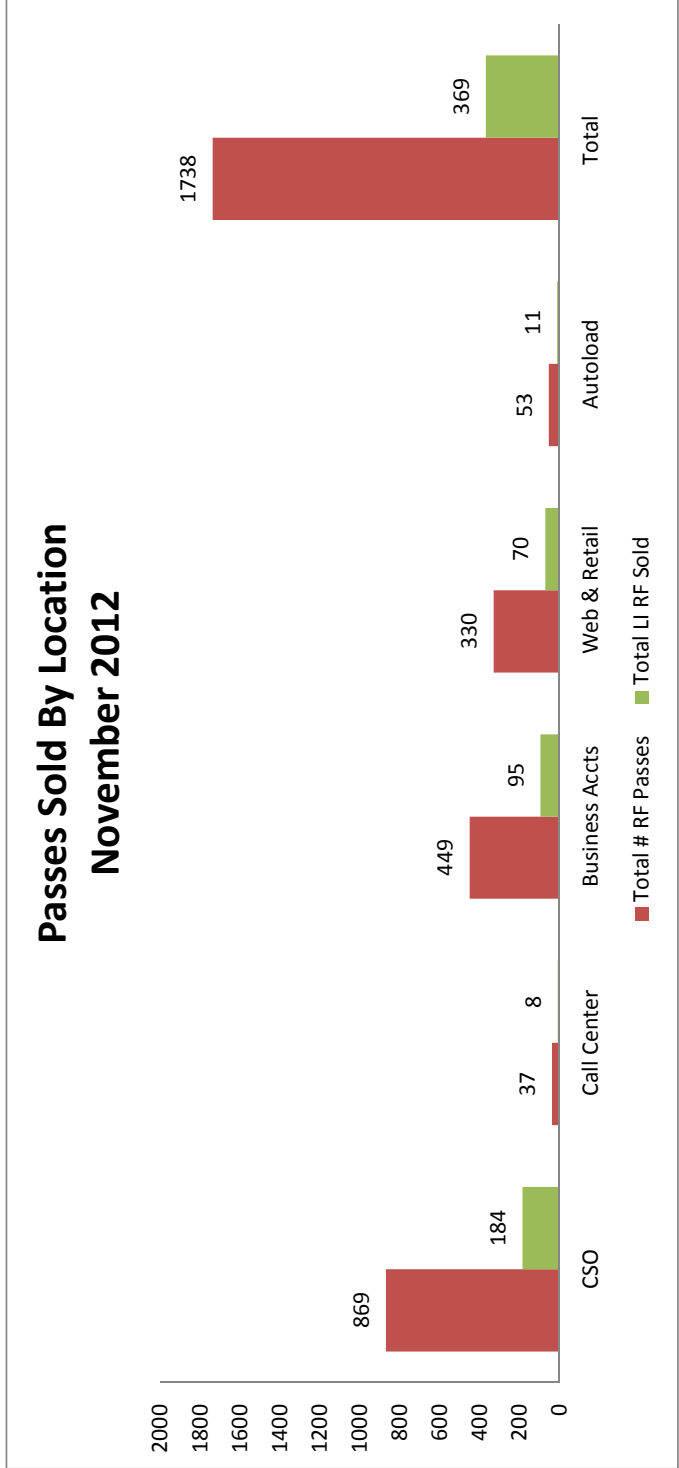
# Kitsap Transit's November ORCA Stats



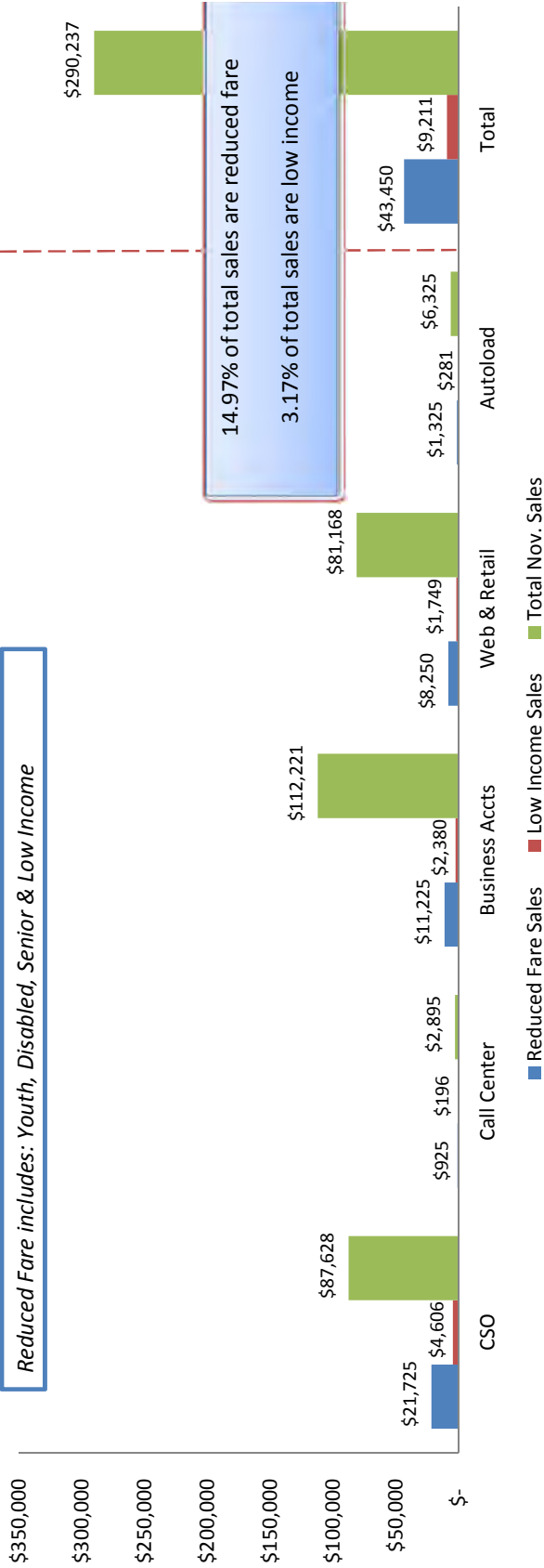
Calculation: We took the total reduced fare sales by location and converted into total number of reduced fare passes sold. We then used the ORCA Boardings by Fare and Passenger Type and determined the percentage by type. We applied the low income percentage to total RF passes sold to give us our total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

For example:

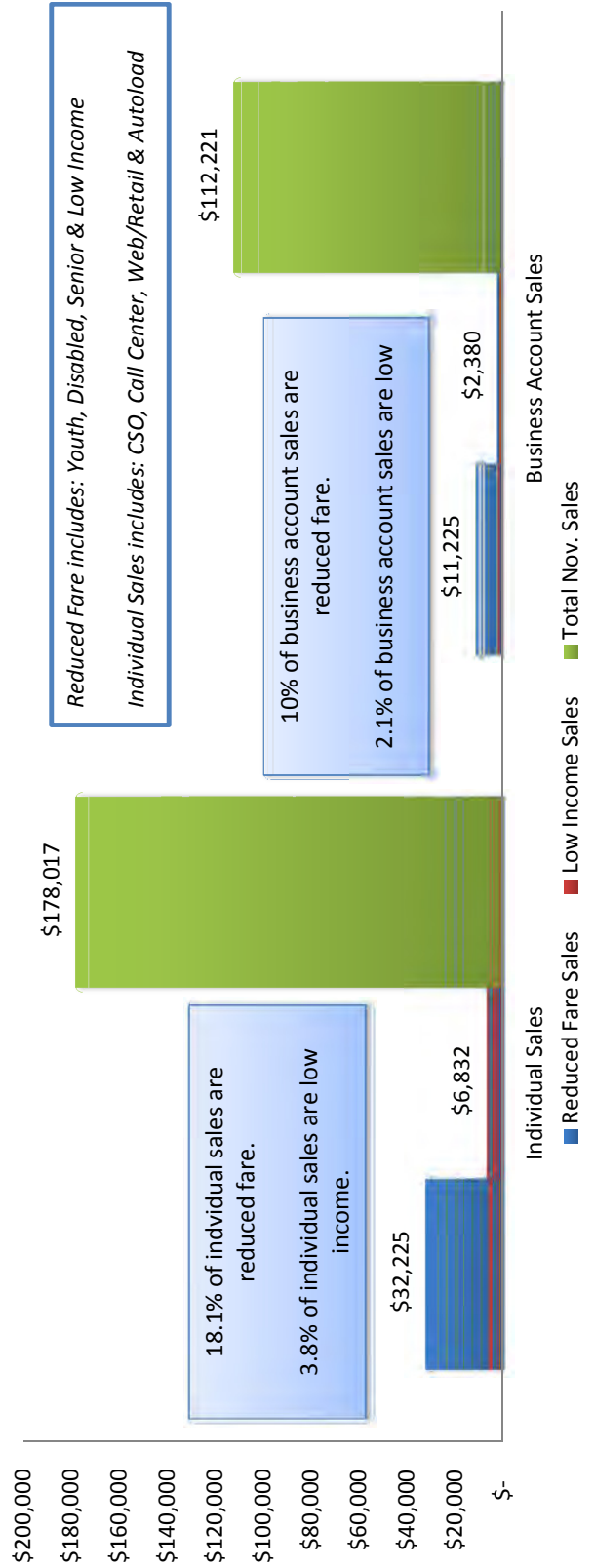
In November, we had \$925.00 in reduced fare sales at our Call Center. Divide this total, \$925.00 by \$25.00 (cost of our reduced fare pass) which gives us 37 reduced fare passes sold for November at this location. Using the 21.2% from the ORCA report, we can apply this to the 37 reduced fare passes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



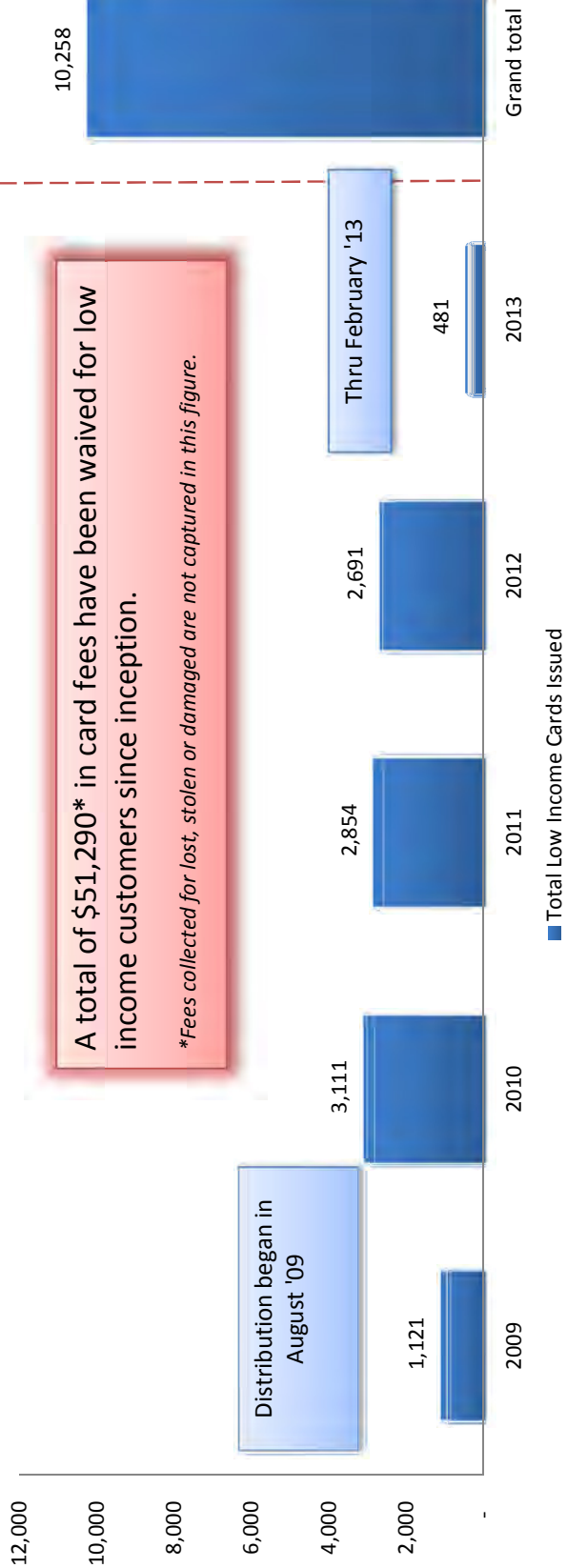
## November 2012 Sales



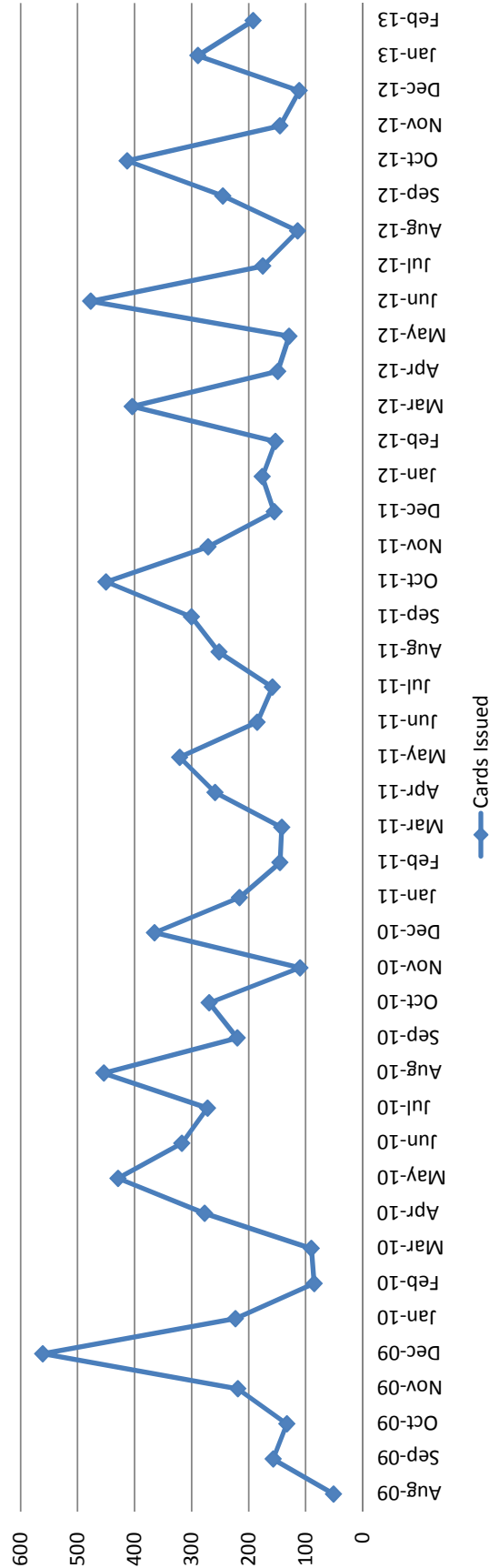
## November 2012 Individual Sales vs. Business Accounts Sales



## History of Low Income Cards Issued by Year



## History of Low Income Cards Issued by Month



## What ORCA already does:

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



## Business Accounts:

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

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

### Process/Challenges:

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

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

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

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

## Additional Findings:

Agencies that use Purchase Orders for clients:

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

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

Low income card:

DDU: Low Income paid \$1 dollar

OBFTP: Paid \$1 dollar

PFTP: Low Income Purse \$1 dollar

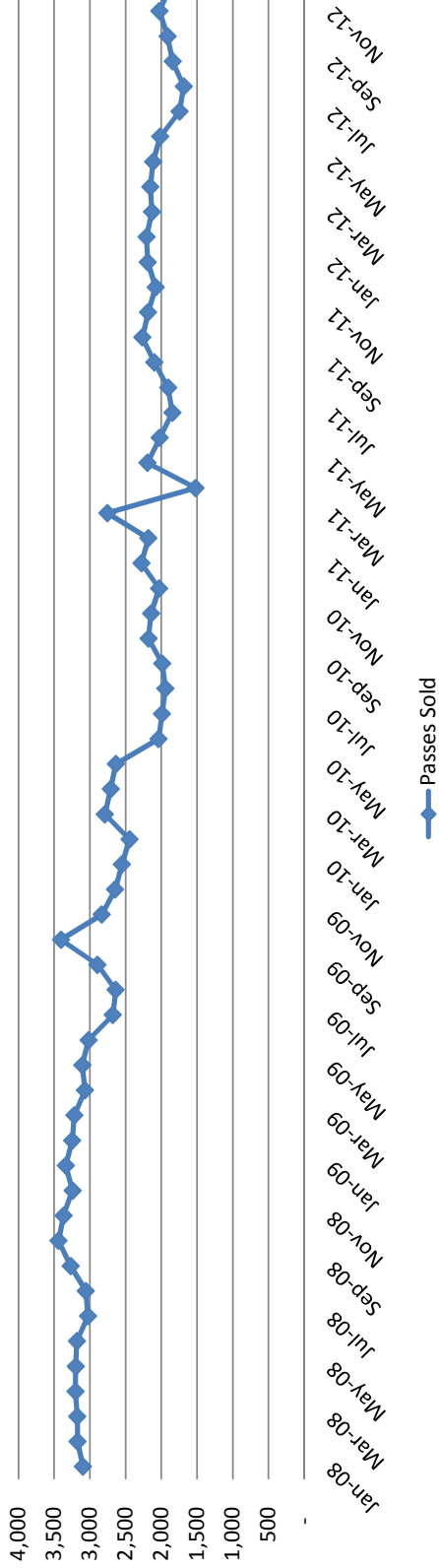
Senior Card:

DDU: Senior paid \$1 dollar

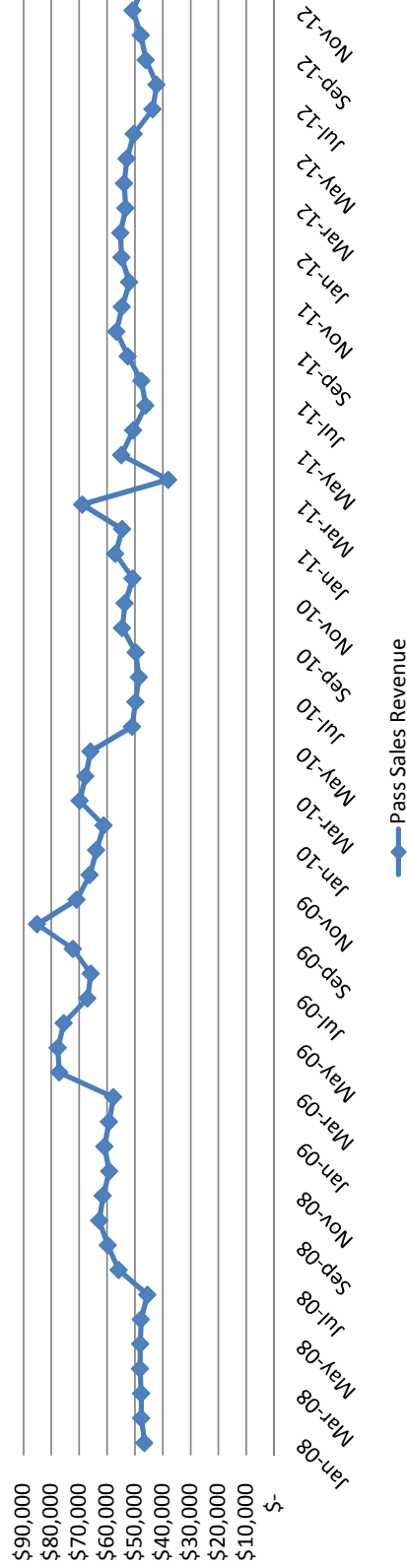
OBFTP: Paid \$1 dollar

PFTP: Senior Purse \$1 dollar

### History of Reduced Fare Passes Sold



### History of Reduced Fare Pass Sales Revenue



**Notes:** Reduced fare includes Youth, Disabled, Senior and Low Income. Paper passes were sold through August 2010. These sales include Business Accounts, retail outlets, ACCESS and our CSO. ORCA starts 4/20/2009. ORCA sales don't include ACCESS. These two graphs represent "true" pass sales months. For example: February sales are 1/15/12 to 2/14/12. Data presented early is sorted by calendar month.

## [Peer Transit Agencies' Low-Income Programs](#)

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

## Peer Transit Agencies' Low-Income Programs

Agency	Program Background	Target Groups	Eligibility Criteria	Discount Level	Distribution	Participation
MTA Los Angeles, CA	Rider Relief Transportation Program  Approved by MTA board in 2006.	Income-eligible individuals, distributed through nonprofit groups	Agencies that distribute subsidy coupons must be: <ul style="list-style-type: none"> <li>• 501 (c)(3) nonprofit in LA County</li> <li>• Be established in LA County for 3 years</li> <li>• Have more than 50 people participating in their program</li> </ul> Participants must meet household income criteria, e.g. one-person household income \$25,900, and show eligibility through tax returns, proof of public assistance, etc.	MTA covers cost of fare subsidy coupons up to \$5 million worth of coupons per year.  Subsidy coupons can be used to purchase daily, weekly or monthly passes.  \$10 subsidy coupons for riders who purchase for monthly or weekly pass e.g.: 30-day Metro pass is \$75, with subsidy, \$65  \$6 subsidy coupon for seniors, college, or school-age children who do not receive subsidies through other programs.	Program is administered by two contractors: FAME Assistance Corporation and Human Services Association, both nonprofit agencies.  These agencies also partner with other nonprofits for subsidy coupons to ensure wider distribution and access.	FAME distributes: <ul style="list-style-type: none"> <li>• 9,000 coupons to regular riders</li> <li>• 15,000 to seniors and disabled</li> <li>• 5,500 to students</li> </ul>
TriMet Portland, OR	Social Service Agency Outlet Sales Program	Clients of social service agencies (includes direct service agencies and nonprofits)	Federal, state or local government agencies that receive public funding for TriMet fares.	Agencies receive 5% discount on purchase of TriMet fare products. (TriMet operates a Free Rail Zone in downtown Portland.)	Agencies purchase and distribute TriMet passes to their clients.	N/A
The Bus Honolulu, HI	Bus Subsidy Program  City and County of Honolulu established the program in response to fare increases in 2003 and 2004.	Income-Eligible Individuals	Applicant's annual family gross income must not exceed 30% of median household income (HUD).  Income verification required (tax, social security or public assistance records).	Discount only applies to monthly passes.  Adult passes: \$10 discount = \$50 for a monthly pass Youth passes: \$6.50 discount = \$24.50 for a monthly pass	Distributed to individuals on an annual rolling renewal basis.	1,200 pass users per year

## Peer Transit Agencies' Low-Income Programs

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

## Peer Transit Agencies' Low-Income Programs

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





## Revenue and Ridership Impacts of Low-Income Fare Options<sup>1</sup> (all figures in millions)

	\$0.75	\$1.00	\$1.25	\$1.50
<b>Poverty Level Definition<sup>2</sup></b>				
<b>I. 100% of Federal Poverty Level (12% of King County Population)</b>				
<b>A. Low-income fares with existing discounts<sup>4</sup></b>				
Revenue	-\$8.1	-\$6.8	-\$5.5	-\$4.3
Ridership	1.0	0.8	0.5	0.4
<b>II. 200% of Federal Poverty Level (25% of King County Population)</b>				
<b>A. Low-income fares with existing discounts<sup>4</sup></b>				
Revenue	-\$16.9	-\$14.2	-\$11.5	-\$9.1
Ridership	2.1	1.6	1.1	0.9
<b>i) Single discount fare (i.e. Kitsap model)<sup>5</sup></b>				
Revenue	-\$18.4	-\$13.7	-\$9.0	-\$4.3
Ridership	3.4	1.8	0.3	-1.3
<b>B. No change to institutional pass pricing<sup>6</sup></b>				
Revenue	-\$12.1	-\$10.3	-\$8.4	-\$6.6
Ridership	2.9	2.2	1.6	1.2
<b>i) Single discount fare (i.e. Kitsap model)<sup>5</sup></b>				
Revenue	-\$12.6	-\$9.3	-\$6.0	-\$2.6
Ridership	4.0	2.4	0.7	-0.9

## NOTES:

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

## Current Situation (2013)

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

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# APPENDIX C: Transit Riders Union Materials

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January 30, 2012

Dear Fellow Advisory Committee Members:

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

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

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

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

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

Sincerely,



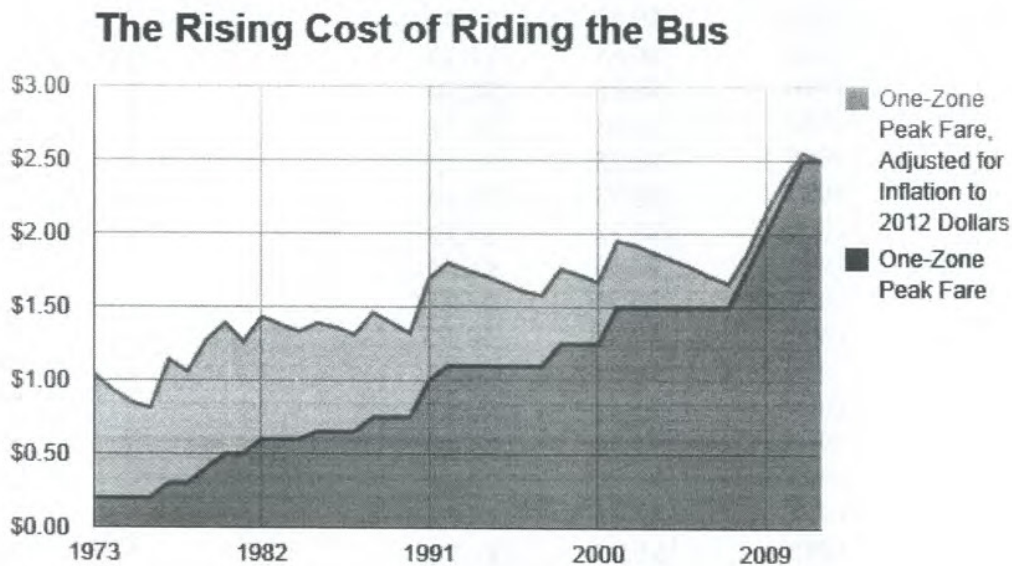
Katie Wilson  
TRU general secretary



# The Rising Cost of Riding the Bus

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

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



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



*Transit Riders Union, 2012*

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



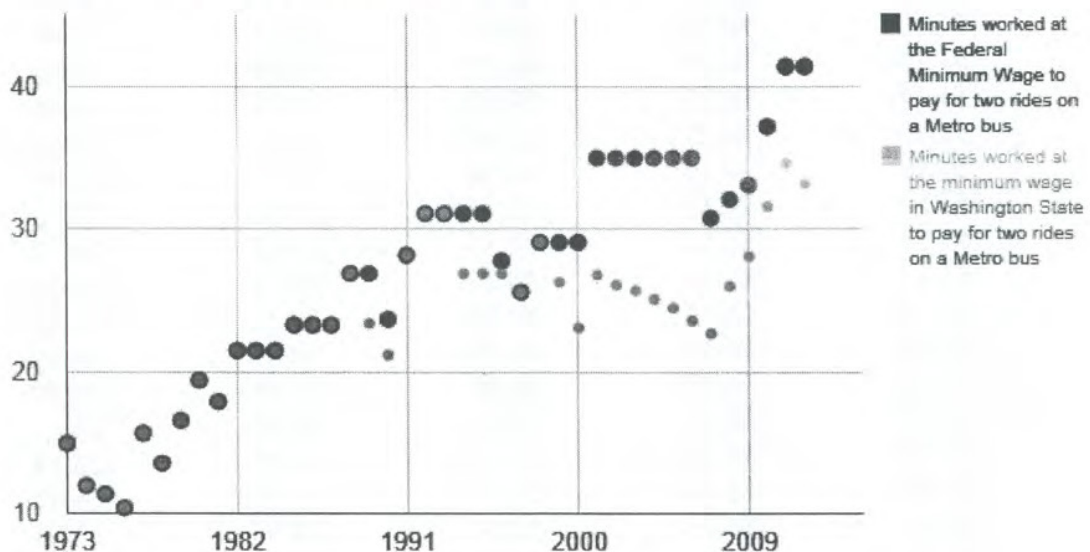
# Working More to Ride to Work

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

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

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

## Working More to Ride to Work



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

*Transit Riders Union, 2012*



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

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



## Low Income Reduced Fare: Position Paper

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

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

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

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

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



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

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

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

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

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

(A draft proposal from Katie Wilson, representing TRU)

## 1. Peer Transit Agencies' Low Income Programs

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

## 2. Income Standard

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

## 3. What is the Self-Sufficiency Standard?

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

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

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

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

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

#### 6. Eligibility and Administration

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



**they could be authorized to issue ORCAs directly.**

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

#### *7. Should Proof Be Required?*

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

#### *8. Extension and Integration with Human Services Agency Ticket Program*

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

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\* From a 2006 report about uses of the Self-Sufficiency Standard: *"Most of the entities using the Self-Sufficiency Standard for eligibility purposes are Workforce Investment Boards (WIBs). However, some nonprofits also use the Standard to set eligibility for services. For example, Women at Work in Pasadena uses the Self-Sufficiency Standard to determine eligibility for some of their special programs, so that people who are working at low-wage jobs can access them."*

<http://www.insightcced.org/uploads/publications/wd/Keeping%20the%20Goal%20in%20Sight.pdf>

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

\*\*\* This report can be found here:

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



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

## 1. DEFINITION OF LOW INCOME

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

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

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

## 2. FUNDING A LOW INCOME FARE PROGRAM

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

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

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

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

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

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



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# APPENDIX D: Kent Stories

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

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

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

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



**King County**

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