Metropolitan Transportation Commission

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Policy Advisory Council Equity & Access Subcommittee

Wednesday, April 11, 2018 | **12:00 PM** | **Yerba Buena - 1st Floor**

This meeting will be recorded. Copies of recordings may be requested at the Metropolitan Transportation Commissioner (MTC) at nominal charge, or recordings may be listened to at MTC offices by appointment.

The Policy Advisory Council advises the Metropolitan Transportation Commission on transportation policies in the San Francisco Bay Area, incorporating diverse perspectives relating to the environment, the economy and social equity.

1. Welcome

2. 18-0250 2019 Transportation Improvement Program (TIP) Investment Analysis

Summary of feedback received at the February subcommittee meeting and discussion of the proposed approach for the 2019 TIP Investment Analysis.

Action: Discussion

Presenter: Mallory Atkinson

Attachments: 02_2019 TIP Investment Analysis.pdf

3. 18-0197 Proposed Regional Means-Based Transit Fare Program Framework (30 minutes)

An update to the report that was presented at the January and February subcommittee and proposal of a regional means-based fare program framework.

Action: Discussion

Presenter: Melanie Choy

Attachments: 03_Proposed Regional Means-Based Transit Fare Program Framework.pdf

03_Handout_Means Based.pdf

4. New Business

Members of the subcommittee may bring up new business for discussion or addition to a future agenda.

5. Public Comments / Other Business

Note: The subcommittee will not take action on items not listed on today's agenda.

6. Adjournment / Next Meeting

The next meeting of the Policy Advisory Council Equity and Access Subcommittee will be held Wednesday, May 9, 2018 at 12:00 p.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

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Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing Committees.

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	18-0250	**Version:** 1		**Name:**	
Type:	Report			**Status:**	Informational
File created:	3/29/2018			**In control:**	Policy Advisory Council Equity & Access Subcommittee
On agenda:	4/11/2018			**Final action:**	

Title: 2019 Transportation Improvement Program (TIP) Investment Analysis

Summary of feedback received at the February subcommittee meeting and discussion of the proposed approach for the 2019 TIP Investment Analysis.

Sponsors:

Indexes:

Code sections:

Attachments: 02_2019 TIP Investment Analysis.pdf

Date	Ver.	Action By	Action	Result

Subject:
2019 Transportation Improvement Program (TIP) Investment Analysis

Summary of feedback received at the February subcommittee meeting and discussion of the proposed approach for the 2019 TIP Investment Analysis.

Presenter:
Mallory Atkinson

Recommended Action:
Discussion

Attachments:

Agenda Item 2

METROPOLITAN TRANSPORTATION COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Policy Advisory Council Equity & Access Subcommittee DATE: April 4, 2018

FR: Mallory Atkinson, Programming and Allocations

RE: 2019 Transportation Improvement Program (TIP) Investment Analysis

At the February Subcommittee meeting, staff provided an overview of the development of the 2019 Transportation Improvement Program (TIP) Investment Analysis and requested feedback on the overall approach to the analysis and possible improvements to the methodology. This memo summarizes the feedback received at the meeting and discusses the proposed approach for the 2019 TIP Investment Analysis.

Background

The development of the 2019 TIP is currently underway. The TIP is a list of near-term transportation projects, programs and investment priorities for the nine-county Bay Area that have federal funds or otherwise require a federal action.

As part of the TIP, MTC conducts an Investment Analysis to better understand how investments in the TIP affect disadvantaged or historically marginalized communities – including minorities, low-income populations, seniors, and persons with disabilities – as compared to the general population. The analysis seeks to identify whether an equitable proportion of investments are being made on projects that support the transportation needs of residents of low-income households and racial/ethnic minorities.

Existing Approach

The existing approach, used in the 2017 TIP Investment Analysis, included four key components which are summarized below.

- ***Population Use-Based Analysis*****:** This analysis compares the estimated percent of investments included in the TIP that benefit low-income and minority populations, as well as seniors, to the percent of these populations' relative usage of the transportation system, for both roadways and transit.
- ***Disparate Impact Analysis*****:** This analysis compares TIP investments per capita for racial or ethnic minority populations, as a percentage of per capita investments identified for nonminority populations, to investigate whether disadvantaged persons in the region are receiving an equitable share of the benefits from TIP investments on a per capita basis.
- ***Mapped Projects Analysis*****:** For the mapped projects analysis, projects in the TIP are mapped over the region's Communities of Concern and census tracts with concentrations of disadvantaged populations that are above the regional average. This analysis provides the public with an opportunity to visualize the distribution of projects planned in the near-term in relation to geographic concentrations of disadvantaged groups, to identify any systemic exclusion or imbalances in investments.

- ***Supplemental Information:*** Given the limitations of the data available, a quantitative analysis of TIP investments in relation to the transportation of persons with disabilities is not included. The analysis does include a qualitative discussion of regional investments and planning initiatives that support transportation by seniors and persons with disabilities.

Feedback & Discussion

At the February meeting, subcommittee members provided feedback on the existing approach and recommendations for the 2019 TIP Investment Analysis. Key points that were provided include:

- Existing approach evaluates investments in relation to how the existing transit and roadway transportation systems are currently being used rather than the impact of proposed investments on other important aspects of transportation including access, choice, safety, and cost.
- Existing approach examines equality, rather than equity, of transportation investments. The analysis can demonstrate whether or not there are disparities in the dollar amounts invested in transportation projects that support the travel of disadvantaged populations as compared to the general population, but the analysis does not identify whether different groups are getting the level and types of investments that they need.
- Existing approach does not capture the complex benefits and burdens resulting from individual projects. In the example provided, the construction of a new BART station could significantly improve access and reduce travel times for many residents and employees, while at the same time increasing the development pressures and risk of displacement in the nearby vicinity.
- Staff should continue efforts to identify or create quantifiable data on transportation of persons with disabilities.
- Qualitative discussion on transportation of persons with disabilities could benefit from additional outreach to stakeholder groups, such as Paratransit Coordinating Committees, to incorporate the additional information on the travel behavior and needs related to different transportation-related disabilities.

Proposed Approach

Staff is committed to incorporating more of an outcome-based approach to the TIP investment analysis, with the intent of better answering the question, “How will the transportation projects in the TIP affect the lives of *all* Bay Area residents?”

For the 2019 TIP Investment Analysis, staff proposes to build upon the existing approach by incorporating Plan Bay Area 2040 transportation-related equity measures and additional project performance data that is newly available with the 2019 TIP. These improvements would be completed through the mapping analysis or through an additional quantitative analysis where possible, and staff will also conduct additional outreach to inform the qualitative discussion on transportation-related disabilities. Staff will provide additional detail on the proposed approach at the April Committee meeting.

In addition, MTC and the World Institute on Disability have partnered on a FY18-19 Caltrans Sustainable Communities Grant proposal to assess and plan for improved access and mobility for people with disabilities. Should this proposal receive grant funding, MTC will be better positioned to fill the existing data gaps and have a better understanding of the travel patterns of people with disability.

Metropolitan Transportation Commission

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Legislation Details (With Text)

File #:	18-0197	**Version:**	1	**Name:**	
Type:	Report			**Status:**	Informational
File created:	3/8/2018			**In control:**	Policy Advisory Council Equity & Access Subcommittee
On agenda:	4/11/2018			**Final action:**	

Title: Proposed Regional Means-Based Transit Fare Program Framework
(30 minutes)

An update to the report that was presented at the January and February subcommittee and proposal of a regional means-based fare program framework.

Sponsors:

Indexes:

Code sections:

Attachments: 03_Proposed Regional Means-Based Transit Fare Program Framework.pdf
03_Handout_Means Based.pdf

Date	Ver.	Action By	Action	Result

Subject:
Proposed Regional Means-Based Transit Fare Program Framework
(30 minutes)

An update to the report that was presented at the January and February subcommittee and proposal of a regional means-based fare program framework.

Presenter:
Melanie Choy

Recommended Action:
Discussion

Attachments:

METROPOLITAN
TRANSPORTATION
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TO: Policy Advisory Council
Equity and Access Subcommittee

DATE: April 4, 2018

FR: Melanie Choy, Programming and Allocations

RE: Proposed Regional Means-Based Transit Fare Program Framework

The Subcommittee's agenda item on Regional Means-Based Fare Program Framework is attached as presented to this month's MTC Programming and Allocations Committee, which will meet on April 11, 2018. The item is being presented for information only before the Commission's Programming and Allocations Committee. This subcommittee will receive an update of its own at your subcommittee meeting, also on April 11.

As noted in the attached materials, MTC has been involved in identifying transportation challenges for low-income residents and promoting solutions through various regional planning and policy initiatives for over a decade. Concerns about transit affordability are commonly raised by low-income residents during these efforts. In 2015, MTC initiated the Regional Means-Based Transit Fare Pricing Study to look comprehensively at this issue. The study provided high level data assessments, program structure ideas, and spurred conversations that have informed the proposed Regional Means-based program framework.

MTC staff will be at your April 11 meeting to discuss a revised framework for a Regional Means-Based Fare Program.

Attachment

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April 11, 2018 **Agenda Item 5a**

Proposed Regional Means-Based Transit Fare Program Framework

Subject: Proposed Regional Means-Based Transit Fare Program Framework

Background: In January, staff presented a proposed framework for a Regional Means-Based Transit Fare Program. In response to questions raised by the Committee and further discussions with transit operators, staff is proposing a revised framework. Further background is provided in the attached memo and presentation. Elements of the proposed program framework are summarized below:

Agency Participation: Bay Area Rapid Transit (BART), Caltrain, Golden Gate Bridge, Highway and Transportation District (GGBHTD), and San Francisco Municipal Transportation Agency (SFMTA) have all indicated preliminary interest in participating.

Fare Discount: A 20% per trip discount will be offered to eligible persons.

Eligibility: Adults earning less than 200% Federal Poverty Level (FPL).

Implementation: Implemented through Clipper® and centrally administered.

Funding: The combined revenue loss for the participating operators is estimated to be $21 million (based on data provided by transit operators and assuming 50% of eligible riders participate). MTC proposes to make STA funds (SB 1) and LCTOP funds available (totaling approximately $11 million, annually). Regional funds would be used for administrative costs first, currently estimated at $3 million annually. The remainder would defray operators' revenue losses from the regional program. The operators are to cover any remaining costs or revenue losses from their augmented STA revenue-based funds or other sources.

Issues: <u>1. Agency Participation.</u> While there is conceptual agreement between MTC and agency staff, each agency's program participation is subject to governing board approval.

<u>2. Financial Risk related to discount levels and participation rates.</u> The extent of regional revenue loss is dependent on the rates of discount and participation (transit agencies and eligible riders). While participation rates can be estimated based on existing programs in the Bay Area and beyond, the actual participation rate is unknown. A minimum discount of 20% per trip across all participating agencies is being proposed to help minimize the financial risk.

<u>3. Implementation Challenges.</u> Program implementation will require coordination between MTC, transit agencies, county social service agencies and other partners. While this proposal provides a high-level conceptual overview, program development and design, including a federal Title VI evaluation and transit operator board consideration and approvals, will take time to develop. Staff estimates program development to occur through early 2019 and program start-up in mid-2019. This schedule also allows MTC to confirm continuation of SB 1 post-November 2018 prior to program launch.

Recommendation: Information only.

Attachments: Attachment 1 – Executive Director Memo
Attachment 2 – Draft MTC Resolution No. 4320 (included for information only)
Attachment 3 – Presentation Slides

METROPOLITAN
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375 Beale Street
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Memorandum

TO: Programming and Allocations Committee DATE: April 11, 2018

FR: Executive Director

RE: Regional Means-Based Fare Program

Background

MTC has been involved in identifying transportation challenges for low-income residents and promoting solutions through various regional planning and policy initiatives for over a decade. Concerns about transit affordability are commonly raised by low-income residents during these efforts. In 2015, MTC initiated the Regional Means-Based Transit Fare Pricing Study to look comprehensively at this issue. The study provided high level data assessments, program structure ideas, and spurred conversations that have informed the proposed Regional Means-based program framework.

Program Development

Over the last year, MTC staff has been in discussions with transit operators to gauge program interest, solicit input on technical feasibility, and develop program framework parameters. The discussions have been focused on a few topic areas:

- Operator participation in the regional program
- Estimated revenue loss to transit operators (including anticipated usage by eligible participants, discount to be offered, and how to off-set any revenue loss)
- Clipper® technical feasibility
- Program design and implementation

Operator Participation

A number of transit agencies have expressed support for a means-based fare program for low-income adults, but due to financial risk concerns have indicated an inability to participate at this time. As a result, the proposed participation is now based on the large transit operators that have indicated interest in participating. These agencies are Bay Area Rapid Transit (BART), Caltrain, Golden Gate Bridge, Highway and Transportation District (GGBHTD), and the San Francisco Municipal Transportation Agency (SFMTA). AC Transit and SamTrans have opted not to participate at this time due to the financial risk of fare losses.

Transit Operator Revenue Loss and Regional Funding Availability

Based on the Regional Means-Based Fare Study, MTC estimated that the revenue loss to all transit operators would be $16 million (presented in January 2018), assuming a 50% discount and 20% participation by eligible riders. The revenue loss estimate has since been revised upward to $21 million, based on revenue loss data provided by transit operators (see Table 1 for summary). Additionally, this updated figure also reflects changes in the assumptions based on feedback we have received.

The extent of regional revenue loss is dependent on the rates of discount and participation (by transit agencies and eligible riders). While participation rates can be estimated based on existing programs in the Bay Area and beyond, the actual participation rate is unknown. The Programming and Allocations Committee, and transit operators, also voiced concern that staff's original participation rate assumption of 20% was low (usage of the discount by eligible riders) for different reasons: either stemming from a belief that the region should aim to achieve a higher participation rate or that the discount will be very popular and participation will be greater than 20%. The new estimate assumes a 50% participation rate. To balance that higher participation assumption, the proposed framework also reduces the discount from 50% to 20% per trip. Note that GGBHTD staff is still considering implementation options for a discount, and the SFMTA may opt to offer a larger discount but seek only partial reimbursement.

Table 1: Estimated Revenue Loss Summary

	Regional Means Based Study	**Current Proposal**
Estimated Revenue Loss	$16 Million	**$21 Million**
Assumptions	All Bay Area transit operators 50% fare discount 20% participation by eligible riders 2014 Statistical Summary Data Adults earning less than 200% FPL	**BART, Caltrain, GGT, SFMTA** **20% fare discount** **50% participation by eligible riders** **2017 Transit operator provided data** **Adults earning less than 200% FPL**

Table 2: Estimated Revenue Loss by Participating Operator

	Estimated Annual Revenue Loss (in $millions) @50% participation, 20% discount *	Operator Provided Statistics (Annual)				
		Current Average Fare	Farebox Recovery Ratio	Annual Fare Revenue ($ millions)	% Adult Ridership Low- income	# Low income Riders (Annually)^
BART	$10.6	$3.90	77%	$484.8	25%	32,336
Caltrain	$0.9	$5.27	68%	$98.4	9%	1,752
Golden Gate Bus	$0.4	$4.81	19%	$15.0	31%	1,013
Golden Gate Ferry	$0.2	$8.05	53%	$20.3	14%	368
Muni	$8.6	$0.93	21%	$173.5	59%	114,363
Totals	$20.7			$792.0		149,832

*In million dollars annually. Based on current demographic and revenue data provided by operators; fiscal impact does not include any assumptions for elasticity, ridership changes, etc.; includes estimates for operators currently providing discounts. Assumes participant eligibility threshold = below 200% Federal Poverty Level.
^Using annual ridership and low-income adult ridership % from operators, assumes each participant uses discount twice daily for 240 days per year.

To offset the anticipated revenue loss and to fund administrative program costs, MTC would make State Transit Assistance (STA) Population- Based program funds and, if needed, Low Carbon Transit Operations Program (LCTOP) available. The MTC contribution comes from the additional State Transit Assistance population-based funds through Senate Bill 1 (SB 1) and reserved for Regional Programs in MTC Resolution No. 4321, and from MTC's population-based share of the LCTOP reserved for Clipper®/ Fare policy investments in MTC Resolution No. 4130. Approximately $8 million in STA funding is estimated to be available annually starting in Fiscal Year 2018-19 and, if needed, approximately $3 million in LCTOP could be available annually starting in FY 2018-19. Actual funding levels would be subject to annual MTC allocation actions.

Regional funds would be used for administrative costs first, currently estimated at $3 million annually. The remainder would defray operators' revenue losses from the regional program, up to 50% of the losses. The operators are to cover any remaining costs or revenue losses (50% or more) from their augmented STA revenue-based funds or other sources. As shown in Table 2, gross revenue loss at the participating transit agencies is estimated at $21 million. MTC's proposed annual subsidy of $8 million would leave the operators covering a net loss of $13 million with their own funds. It is anticipated that the distribution of regional funds to participating transit operators would be based on the actual trips and revenue loss, with proportional adjustments if the regional funds are not sufficient to cover all costs. Details of this as recommended by the participating operators are shown in Appendix 1 to this memo.

Fare Products and Clipper® Technical Feasibility

The discount program would be implemented through Clipper® using a standardized discount on single trips called the "Clipper® Coupon." The Clipper® Coupon will allow an eligible Clipper® card holder to get a discount on any single trip taken on a participating transit operator. This approach is recommended (with concurrence from transit operators) based on flexibility, time needed to develop and test the Clipper® Coupon software, and cost-effectiveness. With this approach, only single trips paid with e-cash will receive the Means-Based Discount; discounts on passes will not be supported. However, existing transit operator pass programs like Muni Lifeline may continue in parallel to the Means Based Discount Program on Clipper® at the operators' discretion (and own funding). Additionally, the current Clipper® 1.0 system cannot technically support a monthly accumulator pass product.

Program Design and Implementation

While this proposal provides a high-level conceptual overview, program development and design, including a federal Title VI evaluation and transit operator board consideration and approvals, will take time to complete. Program implementation will require coordination between MTC, transit agencies, county social service agencies and other partners. The Clipper® Regional Transit Connection (RTC) card administration will serve as the model for structuring a centrally administered program. User-based outreach (soliciting input from the targeted beneficiaries of the program) will be integrated into development of the program to ensure the program is designed with the end user in mind. A set of program evaluation metrics will also be outlined during this time, with periodic status updates to the Commission anticipated. The program is intended to be improved over time based on the evaluation and the learned experiences from the initial rollout of the program.

Eligibility for participation is anticipated to be established at 200% of the federal poverty level for adults. Seniors, disabled, and youth currently receive transit fare discounts and would not be eligible for the Means-Based fare program. Further development of the eligibility requirements is needed and emphasis will be to build upon the experiences of other existing Means-based programs (PG&E Care, SFMTA Lifeline, ORCA LIFT, etc.).

<u>Revised Framework Proposal</u>

Proposed Regional Means-based Fare Program

Participating Agencies (subject to confirmation and board approval)

1. Bay Area Rapid Transit (BART)
2. Caltrain
3. Golden Gate Bridge, Highway and Transportation District (GGBHTD)
4. San Francisco Municipal Transportation Agency (SFMTA)

Means-based Discount

A minimum 20% per trip discount of the adult fare (in addition to any existing Clipper® discounts) will be offered to eligible persons.

Eligibility

Adults earning less than 200% Federal Poverty Level (FPL)

Funding

MTC to make available an estimated $11 million in funding (subject to annual allocation action by MTC) that would be used for administrative costs first. The remainder would defray up to 50% of operators' revenue losses for the new regional means-based fare program. The operators are to cover any remaining costs or revenue losses from their augmented STA revenue-based funds or other sources.

The MTC contribution comes from the additional State Transit Assistance population-based funds through Senate Bill 1 (SB 1) and reserved for Regional Programs in MTC Resolution No. 4321 (approximately $8 million), and from MTC's population-based share of the Low Carbon Transit Operations Program (LCTOP) reserved for Clipper®/ Fare policy investments in MTC Resolution No. 4130 (approximately $3 million).

Implementation

- Program to be implemented on Clipper® through a discount coupon approach.
- Program will be centrally administered on behalf of all participating agencies.
- Program will be evaluated for continual improvements and is subject to revision based on financial sustainability, efficiency, and effectiveness.

Conditions

- Operators to conduct Title VI analysis per Federal Transit Administration (FTA) as required.
- If SB 1 is repealed, the Regional Means-Based fare program is subject to cancellation.
- The formula for distributing regional funds to transit operators will be based on actual trips taken and is subject to refinement based on the rider participation rates and amount of regional funding available.
- SFMTA can continue, expand, or eliminate its current Lifeline monthly program; however the regional funding will only be used to compensate for participation in the new regional program. Other operators with existing low-income rider discount programs, who are not participating in the regional program, would not be eligible for regional Means-Based Fare Program funding.

Feedback Received
Staff solicited the input from transit operators, the Equity and Access Subcommittee and the Policy Advisory Committee. Much of the feedback received was focused on implementation activities and will be addressed during the design phase of the program. The Equity and Access Subcommittee feels this is an important program and while it may not be possible to have all transit operators participate initially, they suggest setting a program goal to work towards greater agency participation.

Next Steps
Should the Commission decide to move forward, staff estimates program development to occur through 2019 and program start-up in mid-2019. This schedule also will allow us to confirm continuation of SB 1 post-November 2018 prior to program launch.

May 2018	MTC considers approving framework
Summer 2018	Transit Agency Boards consider approval of Means-based Fare Discount program participation
Fall 2018 – Spring 2019	Program design and development
Summer 2019	Program start-up

This presentation is provided for information only. No action is being requested at this meeting.

Steve Heminger

SH:mc
Attachment – Appendix 1- Proposed Revenue Distribution

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Appendix 1

Regional Means-Based Fare Program:

Transit Operator Proposed Distribution of Regional Funds

Transit operators have developed a preliminary distribution formula for splitting the regional funds amongst participating operators for demonstration purposes. The distribution formula is still in development. The formula below assumes a total of $11 million in regional funding is available. The first $3 million of this is being reserved for program administration costs, which leaves a balance of $8 million available to offset transit operator revenue losses. This estimated remainder of $8 million in regional funds would defray operators' revenue losses from the regional program, up to 50% of the losses. The operators are to cover any remaining costs or revenue losses (50% or more) from their augmented STA revenue-based funds or other sources.

As Proposed by Transit Operators

Revenue Distribution Notes

- Primary allocation of available funds will be towards system development, implementation and ongoing administrative costs.
- Remaining funds per agency will be allocated on a not to exceed amount based on the proportional revenue of participating agencies (see Table below)*.
- Reimbursement will be capped at 20% per trip, applied to Clipper base adult fare (discounts offered in excess of 20% will be covered by Operators)*.
- Operator annual fare revenue in subsequent years will be calculated using actual fare revenue + revenue loss associated with program.
- Undistributed revenue for the first two years will be rolled over until initial program implementation is complete and enrollment has stabilized, after which time further discussion and consensus to be reached regarding additional allocation.

Operator	Annual Fare Revenue	% Total	Max Funding Distribution**
BART	$484,813,126	61%	4,896,233
Caltrain	$98,427,507	12%	994,041
Golden Gate Bus	$15,097,171	2%	152,470
Golden Gate Ferry	$20,320,581	3%	205,222
Muni	$173,482,205	22%	1,752,034
TOTAL	$792,140,590		8,000,000

** The $8 million in regional funds would defray operators' revenue losses from the regional program, up to 50% of the losses.*
***Assumes $3 million for administrative costs.*

Date:
W.I.: 1311
Referred by: PAC

ABSTRACT

MTC Resolution No. 4320

This resolution approves the Regional Means-Based Fare Program, a regional low-income discount fare program for eligible transit riders.

Further discussion of this action is contained in the MTC Programming and Allocations Summary Sheet dated ________, 2018.

Date:
W.I.: 1311
Referred by: PAC

RE: Regional Means-Based Program Framework

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4320

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq*.; and

WHEREAS, transit affordability has been highlighted as a regional issue in MTC's Coordinated Plan, Plan Bay Area and other plans;

WHEREAS, MTC has conducted the Regional Means-Based Fare Pricing Study;

WHEREAS, the MTC recommends adopting a regional framework for the program, with participating operators, funding guidelines, and program conditions, as shown in Attachment A;

RESOLVED, that MTC approves Regional Means Based Fare Program Framework, subject to the conditions noted therein; and, be it further

RESOLVED, that MTC may annually allocate regional funds to support the Regional Means Based Fare Program per the respective funding program guidelines.

METROPOLITAN TRANSPORTATION COMMISSION

____

Jake Mackenzie, Chair

The above resolution was approved by the
Metropolitan Transportation Commission
at a regular meeting of the Commission held
in San Francisco, California, on ______, 2018.

Regional Means Based Transit Fare Program Framework

Participating Agencies

1. Bay Area Rapid Transit (BART)
2. Caltrain
3. Golden Gate Bridge, Highway and Transportation District (GGBHTD)
4. San Francisco Municipal Transportation Agency (SFMTA)

Means-based Discount

A minimum 20% per trip discount of the adult fare (in addition to any existing Clipper discounts) will be offered to eligible persons.

Eligibility

Adults earning less than 200% Federal Poverty Level (FPL)

Funding

MTC to make available an estimated $11 million in funding (subject to annual allocation action by MTC) that would be used for administrative costs first. The remainder would defray up to 50% of operators' revenue losses for the new regional means-based fare program. The operators are to cover any remaining costs or revenue losses from their augmented STA revenue-based funds or other sources.

The MTC contribution comes from the additional State Transit Assistance population-based funds through Senate Bill 1 (SB 1) and reserved for Regional Programs in MTC Resolution No. 4321 (approximately $8 million), and from MTC's population-based share of the Low Carbon Transit Operations Program (LCTOP) reserved for Clipper®/ Fare policy investments in MTC Resolution No. 4130 (approximately $3 million).

Implementation

- Program to be implemented on Clipper® through a discount coupon approach.
- Program will be centrally administered on behalf of all participating agencies.
- Program will be evaluated for continual improvements and is subject to revision based on financial sustainability, efficiency, and effectiveness.

Conditions

- Operators to conduct Title VI analysis per Federal Transit Administration (FTA) as required.
- If SB 1 is repealed, the Regional Means-Based fare program is subject to cancellation.
- The formula for distributing regional funds to transit operators will be based on actual trips taken and is subject to refinement based on the rider participation rates and amount of regional funding available.
- SFMTA can continue, expand, or eliminate its current Lifeline monthly program; however the regional funding will only be used to compensate for participation in the new regional program. Other operators with existing low-income rider discount programs, who are not participating in the regional program, would not be eligible for regional Means-Based Fare Program funding.

Means-Based Fare: Regional Framework Proposal

MTC PROGRAMMING AND ALLOCATIONS COMMITTEE

APRIL 11, 2018

Program Goals

Make transit more affordable for the Bay Area's low-income residents

Move toward a more consistent regional standard for fare discount policies

Define a transit affordability solution that is financially viable and administratively feasible, and does not adversely affect the transit system's service levels and performance

(Michael Macor, *SF Chronicle*)

Proposed Regional Means - Based Program Framework

Participating Agencies	• BART • Caltrain • GGBHTD • SFMTA *subject to Board approvals*
Eligibility	• Adults earning < 200% Federal Poverty Level
Discount	• 20% per trip discount
Funding	• ~ $11M annually (SB 1 – STA & LCTOP funds) for administrative costs and defray up to 50% operator revenue loss • Operators to cover remaining costs/revenue loss.
Implementation	• Offered through Clipper • Program subject to cancellation if SB 1 repealed

Proposed Regional Means - Based Program Framework

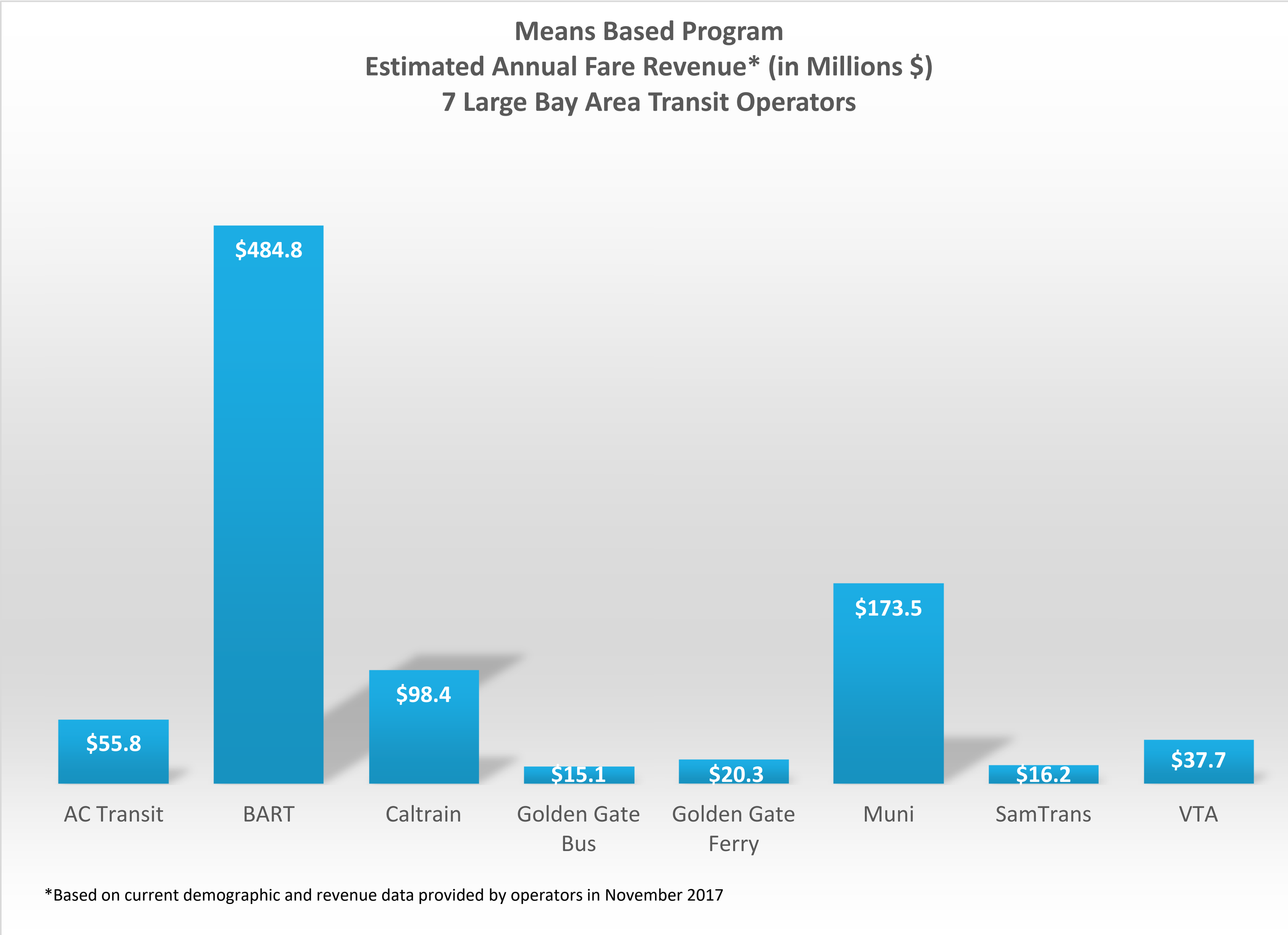
Summary of Transit Operator Participation

1) BART, Caltrain, GGBHTD, SFMTA
   Staff level intent to participate. Next step is Board approvals

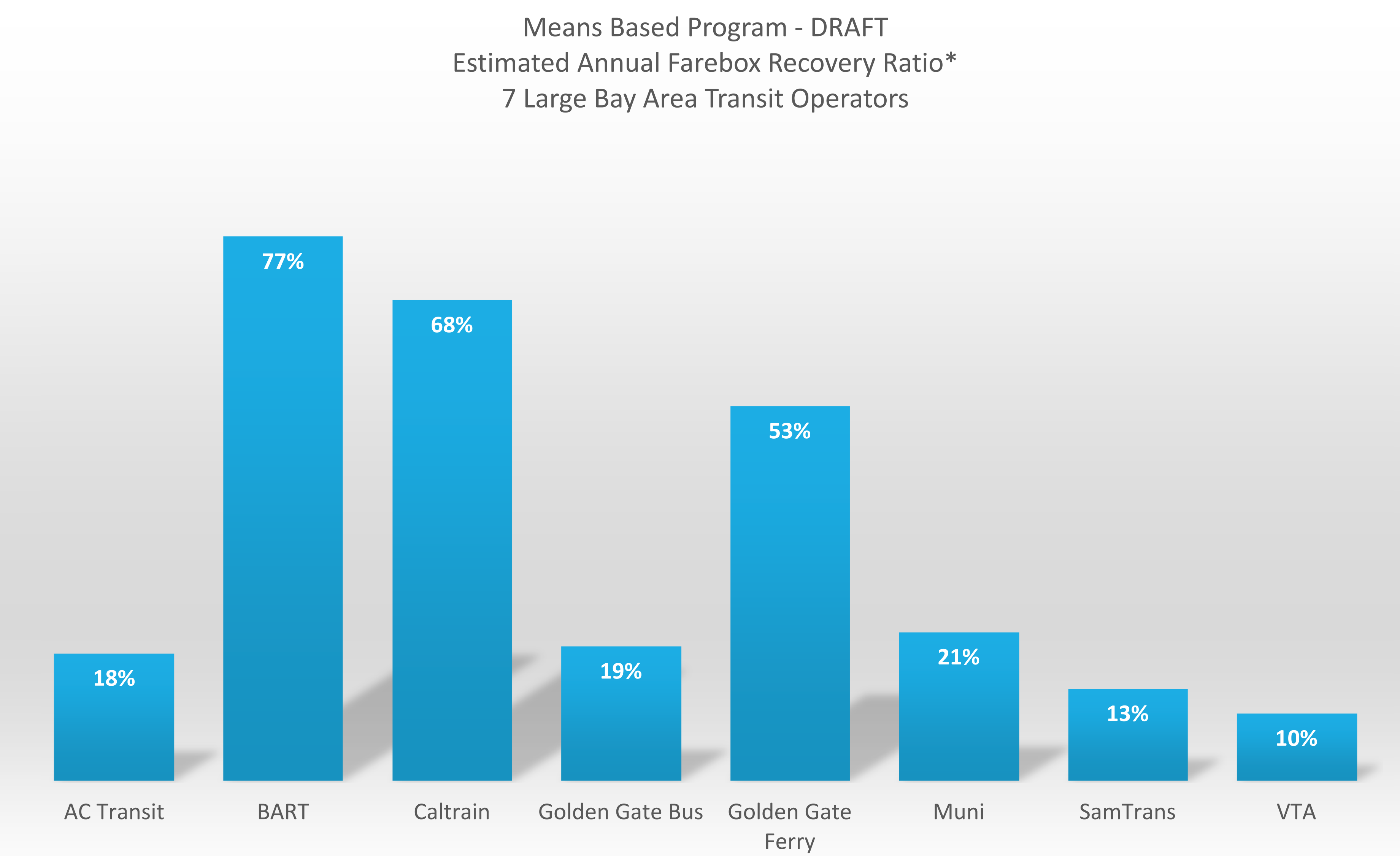
2) AC Transit and Samtrans
   Opted to not participate due to financial risk

3) VTA
   Opted to not participate given it currently has two programs in place and due to financial risk

4) All other transit operators
   Staff recommends not including other agencies at this time, to minimize financial risk and program complexity. Potential to add additional operators after implementation and initial financial impact is known.

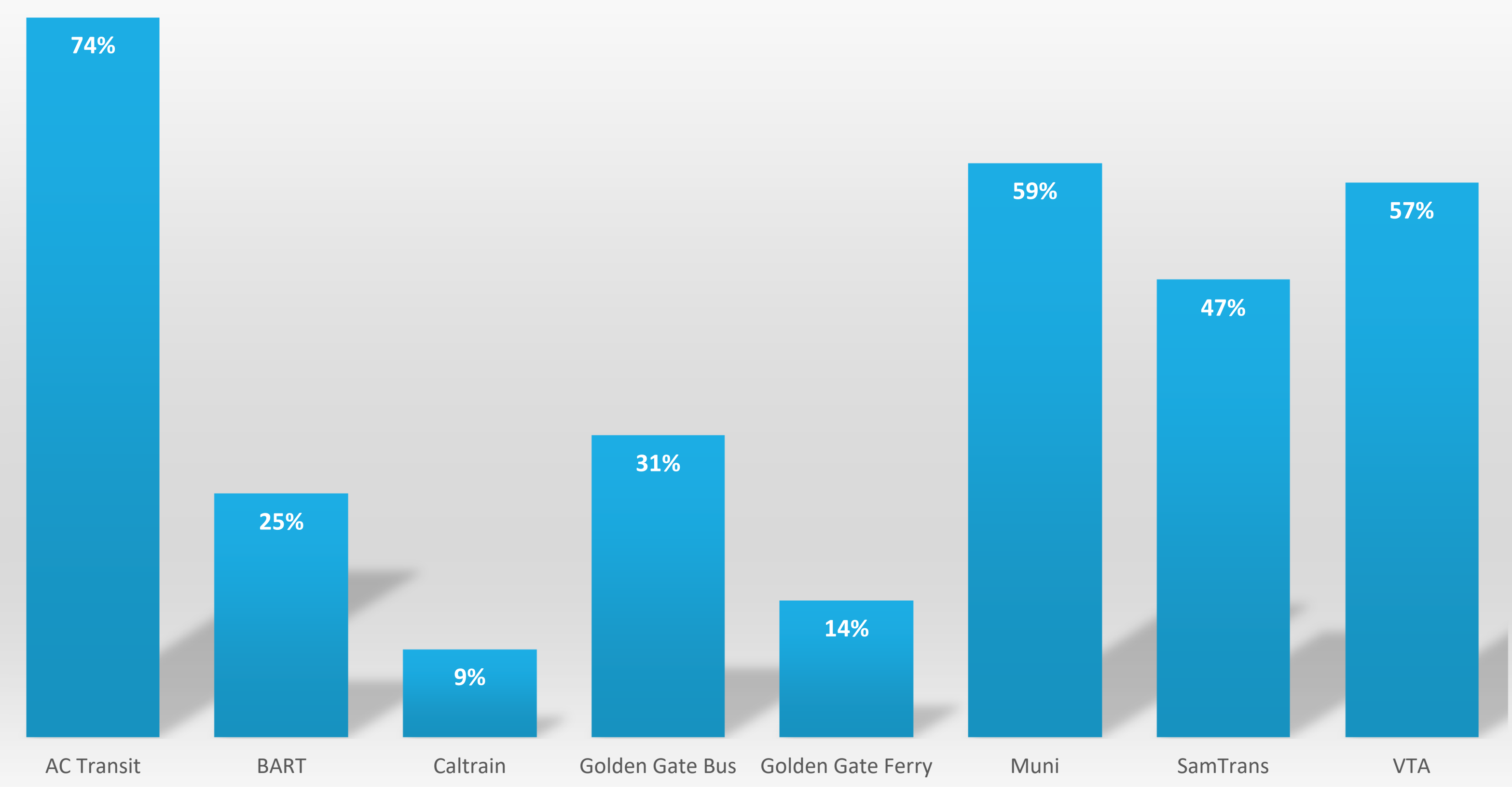


Means Based Program
Estimated Annual Fare Revenue* (in Millions $)
7 Large Bay Area Transit Operators
$55.8
$484.8
$98.4
$15.1
$20.3
$173.5
$16.2
$37.7
AC Transit
BART
Caltrain
Golden Gate Bus
Golden Gate Ferry
Muni
SamTrans
VTA
*Based on current demographic and revenue data provided by operators in November 2017

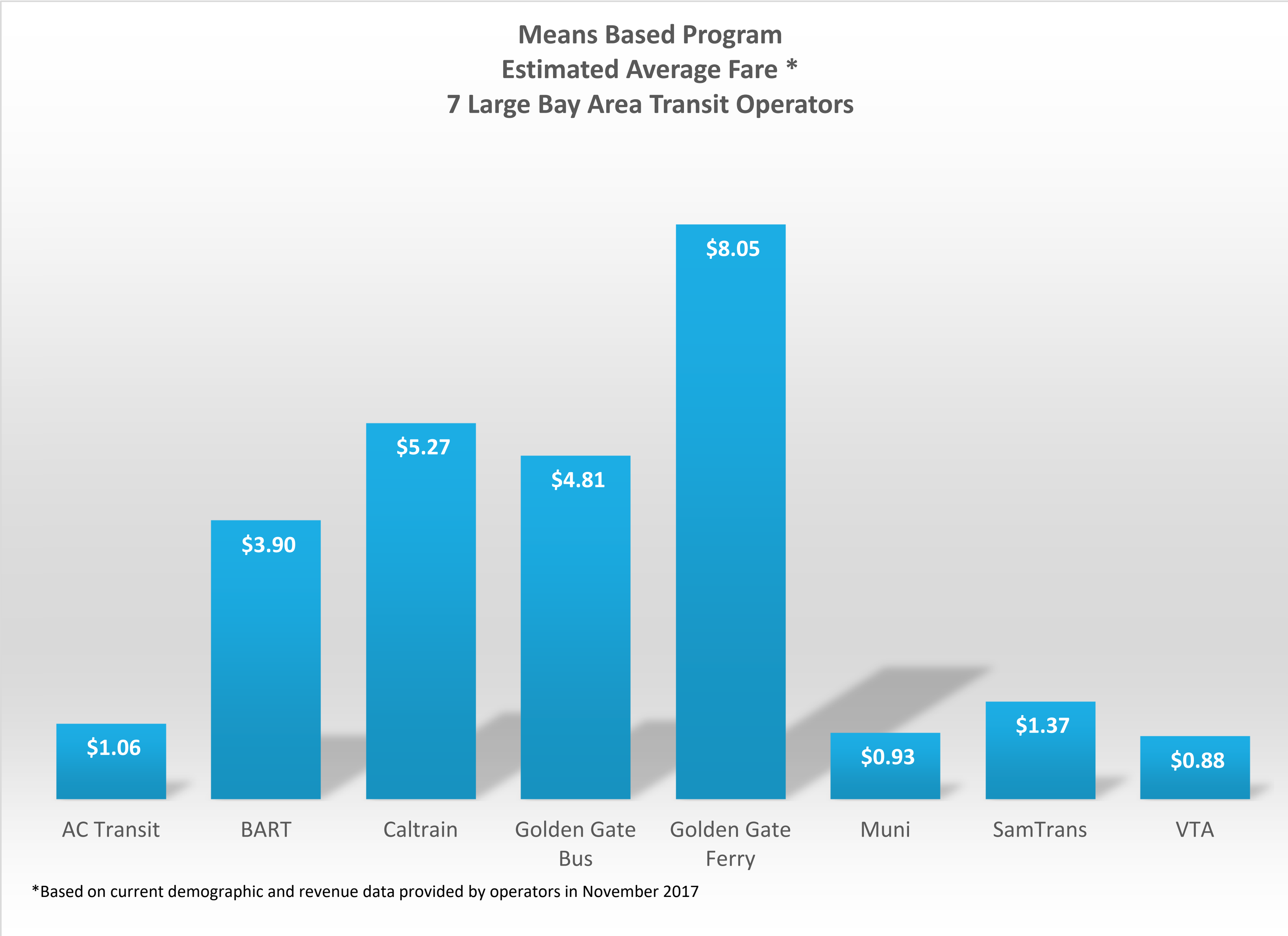


*Based on current demographic and revenue data provided by operators in November 2017

Means Based Program
Estimated % Low-Income Adult Ridership*
7 Large Bay Area Transit Operators



*Based on current demographic and revenue data provided by operators in November 2017


Means Based Program
Estimated Average Fare *
7 Large Bay Area Transit Operators
$1.06
$3.90
$5.27
$4.81
$8.05
$0.93
$1.37
$0.88
AC Transit
BART
Caltrain
Golden Gate Bus
Golden Gate Ferry
Muni
SamTrans
VTA
*Based on current demographic and revenue data provided by operators in November 2017

Estimated Annual Revenue Loss

		Operator Provided Statistics (Annual data)				
	Estimated Annual Revenue Loss @50% participation @ 20% discount [a]	Average Fare	Farebox Recovery Ratio	Fare Revenue ($ millions)	% Adult Low- income Ridership	Estimated Program Participants (Annually) [b]
BART	$10.6 M	$3.90	77%	$484.8 M	25%	32,336
Caltrain	$0.9 M	$5.27	68%	$98.4 M	9%	1,752
Golden Gate Bus	$0.4 M	$4.81	19%	$15.0 M	31%	1,013
Golden Gate Ferry	$0.2 M	$8.05	53%	$20.3 M	14%	368
Muni	$8.6 M	$0.93	21%	$173.5 M	59%	114,363
Totals	$20.7 M			$792.0 M		149,832

[a] In million dollars annually. Based on current demographic and revenue data provided by operators; fiscal impact does not include any assumptions for elasticity, ridership changes, etc.; includes estimates for operators currently providing discounts. Assumes participant eligibility threshold = below 200% Federal Poverty Level.

[b] Estimated using annual ridership and low-income adult ridership % from operators, assumes each participant uses discount twice daily for 240 days per year.

Questions from January PAC

1) Program Administration
2) Funding
3) Discount Structure
4) Pilot or Full Program
5) User Outreach
6) Program Evaluation

1) Program Administration

- Administrative Costs
  - Costs include initial set-up and annual operating
  - Experience from Other Agencies (Annual Operating costs only)

Agency	Annual Est. Admin Costs	# Served	Annual Cost/ Enrollee
SFMTA – Lifeline Pass 	$600,000	24,000 enrolled 18,000 active	$25/ $33.3
VTA - TAP (Payment to County)	$200,000	1,000 passes/ mo.	$16.7
King County Metro 	$3,000,000	45,000 enrolled	$66.7

Program Administration (continued)

- Program will be centrally administered on behalf of all participating agencies.
- Eligibility determination (“means-testing”) for potential enrollees will be coordinated centrally for all participating agencies.
  - Likely would use a third-party vendor contract, which would be administered by one transit agency or by MTC on behalf of all agencies participating.
- Enrollees will receive program-specific Clipper Card.

2) Funding

Potential additional funding to augment program

Source	Annual Amount ($ millions)	Notes/ Tradeoffs
Low Carbon Transportation Operations Program (LCTOP)	~$3.0	Currently used for Clipper capital needs, anticipated for C2
STA Revenue-based Funds (to Transit Operators)	~$72.0 M = SB 1 increment starting in FY19	Operators planning to use for general operations, making up for STA volatility

Funding (continued)

- Staff Recommends:
  - No new regional funds to existing low-income fare programs (i.e. VTA, SFMTA)
  - Not including student pass discount programs into Means-Based Fare Program.
    - Means-based fare program is focused on low-income adults who are not eligible for other discounts
    - Discounts currently exist for youth, seniors, and disabled fare categories

3) Discount Structure

- Why only single-rides and not passes? Accumulator?

  - Single ride program benefits all trips versus pass discount that benefits only frequent users

  - BART does not have monthly/multi-ride passes

  - Current Clipper system does not support regional monthly accumulator pass

4) Should a pilot occur before full program roll-out?

- After initial roll-out, the program is anticipated to be modified and improved upon over time
- Stakeholders have preference for full roll-out (no pilot), in support of policy goals of establishing a permanent program
- Most of the same back-end work would be required for pilot as for full roll-out

5) How can user outreach help shape program?

Seek input during the project development phase on how to implement program:

- Ease/ Methods of Access
- How to increase participation rate
- Eligibility Screening Process and Locations
- Operators’ Title VI analyses

6) What metrics will be used to evaluate program?

Preliminary Suggested Metrics

Quantitative	Qualitative
Number of Sign-ups/Riders	Before/After Survey of Participants
Cost/revenue Impacts	Ease of Use for Riders
Participation Trends, Travel Data from Clipper	Financial Impact for Riders
Effectiveness of Strategies to Increase Participation	Ease of Administration

Will require resources (staff and funding), and availability of Clipper data for participants

Risks

- SB 1 Availability
- Operator ability to fund revenue loss
- Clipper C1 implementation changes
- Regional Program Administration
  - Some initial work likely needed in order to develop Administration – could be before transit Boards approve participation

Next Steps

May 2018

- MTC considers approving framework, Resolution No. 4320

Summer 2018

- Transit Agency Boards consider Means-based Fare Discount program participation*

Fall 2018 – Spring 2019

- Program design and development
- Transit Agency Boards approve Means-Based Fare Discount program

Summer 2019

- Program start-up

* Transit agency Board actions may occur in multiple steps. Final program participation approval is subject to completion of Title VI analysis and may occur later.

Kimberly Ward

From:	Arielle Fleisher
Sent:	Tuesday, April 10, 2018 5:15 PM
Cc:	Martha Silver; Anne Richman; Melanie Choy; Kimberly Ward
Subject:	Item 5a: Proposed Regional Means-Based Transit Fare Program Framework
Attachments:	SPUR Comments_ Item 5a_Regional Means-based Transit Program Framework.pdf

Dear Chair Josefowitz and Programming and Allocations Committee Members:

SPUR applauds MTC and Bay Area transit operators for developing the Regional Means-based Fare Program.

The program has many strong features, including a much-needed focus on evaluation and user-based outreach. However, we have several concerns with the program framework, including the lack of a comprehensive evaluation plan, the absence of a roadmap to bring additional operators into the program and any discussion on regional fare integration as a next step. Please see the attached letter for more.

Sincerely,

Arielle Fleisher
SPUR Transportation Policy Associate

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Arielle Fleisher
Transportation Policy Associate
SPUR • Ideas + Action for a Better City

April 10, 2018

Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale St, Suite 800
San Francisco, CA 94105

Re: Item 5a: Proposed Regional Means-Based Transit Fare Program Framework

Dear Chair Josefowitz and Programming and Allocations Committee Members:

SPUR is a member-supported nonprofit organization that promotes good planning and good government in the San Francisco Bay Area through research, education and advocacy.

We applaud MTC and Bay Area transit operators for launching the Regional Means-based Fare Program and identifying options and opportunities to make transit more affordable for Bay Area residents with low-incomes. The Means-based Fare Program is a remarkable achievement in fare policy coordination between MTC and the participating agencies. We appreciate that MTC addressed many of the concerns we outlined in our previous letter. The program has many strong features, including a much-needed focus on evaluation as well as user-based outreach to ensure the program is designed with the end user in mind. However, we have several concerns with the program framework, including the lack of a comprehensive evaluation plan, the absence of a roadmap to bring additional operators into the program and any discussion on regional fare integration as a next step. Without these features, we are concerned that the program's impact will fall short and the program will not meet its goals.

SPUR offers the following suggestions to help guide the further development the program.

1. Launch the program as a pilot to understand barriers to uptake; the Commission should provide MTC staff the flexibility to iterate.

MTC staff increased the estimated program participation rate from 20% to 50%. Wanting to reach more people with this program is a good goal. However, according to the staff memo, to balance the higher participation assumption, the proposed discount was *reduced* from 50% to 20%. By offering a less robust discount, the program participation rate will likely go down, not up. Enrollment hovers around 20% or less for other transit discount programs, and these programs offer a more significant discount.

Ultimately, we do not know if a 20% discount is large enough to motivate people with low-incomes to enroll in the Means-based Fare Program one, and two, the discount is one aspect of the program. Increasing the program participation rate will require a close examination of what about the program is working, not working and why, and the ability to iterate. For these reasons, we think the program should be launched as a pilot.

MTC and the participating operators have opted to not structure the program as pilot because they want to establish a permanent program. We disagree that a structuring the program as a pilot would compromise its being a permanent program; changing a program based on feedback gathered during a pilot phase is not the same thing as canceling a program. Structuring the program as a pilot supports learning and iterating; it can be harder to change a program once it is permanent. MTC staff and the participating transit should have the flexibility to change the program without having to through a commission process during a specified pilot time period.

2. Develop an evaluation plan and identify funding for evaluation *prior* to program rollout.

Evaluation is critical to the long-term success of the Means-based Fare Program and we are pleased that the program includes evaluation metrics. However, the evaluation metrics should be part of a complete evaluation plan that specifics how and when each aspect of the program — from outreach to enrollment to use— will be assessed. The evaluation plan should further include strategies for reaching non-users in addition to program enrollees; the presentation slide outlining the program evaluation metrics refers only to program participants. The program administration costs listed in the presentation did not include funding for evaluation. Without funding, it will not be possible to conduct a meaningful evaluation of the program. Should the program not be launched as a pilot, which would lend itself to evaluation after an initial pilot phase, we think it is even more critical that an evaluation plan be in place before the program is launched.

The Alameda County Transportation Commission (ACTC) developed a thorough, robust evaluation framework for their three year-pilot Student Transit Pass Program. Their evaluation offers an excellent model for the Means-based Fare Program. We encourage MTC and the participating agencies to use ACTC's evaluation framework as a template and to seek the advice of the staff who developed the framework when designing the evaluation for the Means-based fare Program.

SPUR also encourages MTC and the SFMTA to partner on an evaluation of the SFMTA's Lifeline program. SFMTA's Lifeline program offers a template for the Means-based Fare Program, but the Lifeline program has never been evaluated. We do not know what about that program is working, not working and why. An evaluation of the Lifeline program could provide insight into how to design and develop the Means-based Fare Program to maximize enrollment, while also providing insights into how the Lifeline program itself could be enhanced.

3. Minimize inconsistency in the discount levels to simplify the user experience.

The Means-based Fare Program framework sets a 20% discount off the cost of a single ride as a floor. This means that an operator could provide any level of discount above 20%. We encourage MTC and transit operators to minimize inconsistencies in the discount as differences introduce unnecessary complexity into the program. The burden is placed on program participants to remember a host of different discounts, which can suppress enrollment and use (among a group of people who are already burdened). It is equally as important that the program be easy to apply for, easy to use and easy to renew. Through SPUR research, we have learned that a key reason people with low-incomes pay for transit with cash is because they want to maintain control; the variety of price points can be challenging to manage and there are no surprises when paying with cash.

We understand that concerns about revenue loss are motivating the discount range. This is a real concern and we appreciate that this means that a standard discount across operators is not necessarily feasible at this time. However, a way to minimize inconsistency and make it easier for customers to access and use the program is for there to be just two discount levels, one low and one high. Furthermore, the discount should be applied on every Clipper fare equally. MTC and transit operators should commit to rethinking the approach to the discount levels after a year, once there is baseline data on program usage and revenue impacts and user feedback is collected through program evaluation.

4. Develop a roadmap to add additional regional transit services to the program.

The Means-based Fare Program is a regional program focused on providing regional transit access to the people who need it the most. Proving affordable, accessible regional transportation is key to economic mobility.[1] All regional transit services—rail and express and regional buses—should be included in the program, but only three are.

Aside from San Francisco, the counties with the highest percentage of people under 200% of the poverty level are Sonoma, Solano, Napa and Alameda (Table 1). Although BART is included in the Means-Based Fare Program, it covers a small footprint of Alameda County; the transit services in Sonoma, Solano and Napa County not part of the program. This means that the Means-Based Fare Program is not reaching the locations where the majority of people with low-incomes reside.

Table 1: Low Income Population by County, 2013

County	Percent of Population Earning <200% of FPL
Sonoma	30.3%
Solano	29.1%
Alameda	28.5%
San Francisco	28.4%
Napa	27.4%
Contra Costa	25.5%
Santa Clara	23.6%
San Mateo	19.9%
Marin	18.6%

Source: 2013 ACS 1-Year Estimates; Reprinted from the Regional Means-Based Transit Fare Pricing Study, DRAFT Technical Memorandum #1: Policies and Condition. Calculated based on MTC transit rider survey results and transit agency on-board surveys.

We understand that local bus services were not expected to participate in the Means-based Fare Program because the cost of a local bus trip is already deeply discounted. Furthermore, we understand that BART, Caltrain and Golden Gate Transit were included in the program because

[1] SPUR's research found that workers who leave their county for work are more likely to have higher wages than those who stay within their county and that among lower-wage workers who lack cars, transportation is the single largest barrier to middle-wage work. See: SPUR Report, Economic Prosperity Strategy.

people with low-incomes use these services the least. However, the analysis conducted by MTC did not look at regional and express bus services as distinct from local bus services, so we do not know the extent to which regional and express bus services are or are not used by people with low-incomes.

The regional and express bus services provided by local bus operators should be assessed separately from local bus service. These services play an important role in many areas, offering connections to BART and access to many of the region's jobs centers. Regional and express bus services are premium products and have a higher price point. The cost of a ride on Solano Express is $5. A ride on AC Transit Transbay is $4.50; in June, the price will go up to $5.50. These costs are within the same range as the operators include in the Means-based Fare Program. We think it is a mistake to not include regional and express service provided by AC Transit, WestCat, SamTrans, Fast, SolTrans and Napa Vine in the program, in addition to SMART and WETA.

To understand the impact of not including regional and express bus services in the program, we analyzed the percent of households with low-incomes who live within a quarter mile of the regional and express transit services not included in the program. For the analysis, we included only those regional transit stops and stations that are not within walking distance of BART, Caltrain or Golden Gate Transit stops and station. This means that for these households, a regional or express bus or SMART— and not the transit operators included in the program— are likely to be a more viable regional transit option. For AC Transit Transbay, for example, we found that nearly 65,000 households are within walking distance of a Transbay bus stop and not a BART stop. This is *nearly the same* as the percent of equivalent households that are located within a quarter mile of the stops and stations of the three regional operators in the program combined (34.4 % vs. 38.1%) (Table 2).

Table 2: Number and percent of households with incomes under $50,000* that live within a quarter mile of select regional transit stops

Transit Operator	Number of households earning under $50,000 within 1/4 mile of a transit stop	Percent of households earning under $50,000 within 1/4 mile of a transit stop
BART, Caltrain, and GGBHTD**	77,211	38.1%
BART only	21,526	49.7%
Caltrain only	5,326	28.7%
GGBHTD only	55,977	37.73%
AC Transit Transbay only	65,195	34.4%
SamTrans Routes 292, 397, KX	19,144	30.8%
SMART	1,421	43.2%

* Household incomes below $50,000 per year are considered "low income." This roughly aligns to 200% of poverty for a family of four.
** Does not include ferry stops
Sources: American Community Survey Tables: 2012-2016 (5-Year Estimates) B19001. Household Income in the Past 12 Months (In 2016 Inflation-Adjusted Dollars); AC Transit, BART, Caltrain, and SMART stops: Major Transit Stops – 2017 https://hub.arcgis.com/datasets/MTC::major-transit-stops-2017; Golden Gate Transit stops: GTFS Data Exchange http://www.gtfs-data-

exchange.com/agency/golden-gate-transit/; SamTrans stops: SMC Map Data Portal; https://hacksmc-smcmaps.opendata.arcgis.com/datasets/8b8f2f498353438eb41c09e618f68be1_3?uiTab=table

We are glad that the Means-Based Fare program is getting off the ground and it should be implemented as soon as possible. However, the Means-Based Fare program is only reaching a small footprint of the region. According to the presentation, the potential to add additional operators after implementation is unknown. Rather than be an unknown, MTC should develop a detailed roadmap for how to bring additional regional services into the program. The roadmap should include a timeline for program expansion and additional funding sources. Lessons learned from the evaluation should inform the roadmap.

5. Improve regional fare policy in time for Clipper 2.0.

We appreciate that this discount program is doing more to employ a regional approach to means-based fare discounts than anything we seen to date. MTC and the participating operators should be proud of that demonstration of fare coordination. However, the larger inequity of a disjointed collection of fare policies and products remains, as the means-based fare program does not address regional fare integration. Without any regional fare integration, people with low income who travel across counties will continue to pay more and struggle to afford transit.[2] For example, even with a 20% discount of the cost of a BART ride, a rider using both Solano Express and BART to get to downtown San Francisco would pay $8.64 each way. With the increasing unaffordability of housing in the core of the region, the ability to afford transit is critical to continued access to opportunity across the Bay Area.

We understand that it is not possible to achieve regional fare integration through this program. However, to ease the transit affordability burden for the region's low-income residents, we cannot continue to ignore it either.

A regional accumulator—that is, one that works across multiple operators— is an attractive option for transit riders with low-incomes because it provides per-ride savings once a certain day, weekly or monthly threshold has been met. A regional accumulator would be available without means testing and would ease the transit affordability burden for people who are above 200% of the Federal Poverty Level but still struggle to make ends meet.

MTC and the participating operators, per the presentation, opted for a single trip discount because an accumulator benefits only frequent users. The Means-based Transit Fare Pricing Study did not identify whether or low-income transit riders use transit more frequently than higher-income riders thus it is unclear which option is more beneficial. Nonetheless, low-income residents surveyed for the study said a regional pass that addresses the high cost of multi-fare trips was the solution they preferred. Participants expressed strong support for a pass that included trips on different operators and for making transfers more affordable. These needs can be meet a via regional accumulator or a different regional pass product, but doing so requires regional fare integration.

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[2] This is not a new finding. In 2004, Loren Rice conducted was hired by MTC to conduct an analysis of transportation affordability for low-income households. One of her key findings was that transfers are a main contributing factor to high commute costs for the region's low-income residents. To ease this burden, she recommended reducing the costs of transfer. See: Rice, L. (2004). *Transportation Spending by Low-Income California Households: Lessons for the San Francisco Bay Area.* http://www.ppic.org/content/pubs/report/R_704LRR.pdf

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AC Transit and VTA currently offer a day pass accumulator and the SFMTA will soon offer one as well. Single agency accumulators do help make transit more affordable. However, they are insufficient because they do not address the multi-operator fare penalty.

It is our understanding that it would be too costly to institute a regional monthly accumulator now, using current Clipper technology. However, the region is in the process of upgrading the Clipper card. We think the upgrade provides the opportunity for the region to implement new approaches to fares and passes. SPUR recommends MTC carefully study options for regional fare integration and develop a regional fare policy roadmap that corresponds with the design and development of Clipper 2.0. With the Means-Based Fare Program, MTC and transit operators are demonstrating their commitment to transportation equity. But to guarantee transit riders with low-incomes pay a fair price for transit, regional fare integration needs to be addressed.

Thank you for the opportunity to provide additional input on the Means-based Fare Program. Please feel free to contact us with any questions you may have at 415-644-4280.

Sincerely,

Arielle Fleisher

Correspondence HANDOUT
Programming and Allocations Committee
Agenda Item 5a

From: Kevin Burke
Date: April 10, 2018 at 6:10:15 PM PDT
To: msilver@bayareametro.gov, CAlvarado@bayareametro.gov
Cc: Adina Levin
Subject: Means testing - comment

I'm a frequent BART/Muni/Caltrain/SamTrans rider. I'm in favor of giving discounts to low income passengers. I would also like to see a more expanded program that's integrated between agencies so you pay once even if your trip involves Muni and Caltrain, Muni and BART, SamTrans and BART, etc.

Further: at some point there must be an efficiency gain from not collecting a fare at all - especially on buses and trains that don't have all door boarding, because you need fewer fare inspectors, people can just board the bus, the driver does not need to deal with cash refunds/tickets, etc.

The gain comes from the fact that the bus isn't delayed as long, riders get to destinations faster and traffic doesn't pile up behind a stopped bus. Presumably this will lead to more riders as well, if the bus gets to where they are going more quickly and it's free people will ride it more often.

My question: has anyone worked out at what fare it's worth just letting some subset of people ride for free? Like - if the fare is five cents, probably it's not worth it to bother collecting the fare, but if the fare is ten dollars it's probably worth it because the revenue offsets the delay. What value of fare is worth not stopping the buses to collect fares?

Kevin

--
Kevin Burke