



## Motion No. M2020-22

### Authorizing Participation in an Income Based Pilot Program

Meeting:	Date:	Type of action:	Staff contact:
Board of Directors	03/26/2020	Final Action	Rhonda Carter, Chief of Staff

### Proposed action

(1) Authorizing participation in a two-year income based pilot program managed and administered by King County to support low-income riders in King, Snohomish and Pierce counties and (2) directing the chief executive officer to negotiate and enter into an agreement or modify an existing agreement with King County for Sound Transit's participation in the pilot program in an amount not to exceed \$2 million for the duration of the two-year pilot program, including any modifications to the agreement that do not change the term or amount of the agreement.

### Key features summary

- Participation in the pilot program is part of Sound Transit's action plan to update the ST fare enforcement program.
- The pilot program is being managed by King County and will cover qualifying riders in King, Snohomish and Pierce County. Sound Transit will participate in the program for a duration of twenty four months, which is expected to begin in July 2020
- Under the program, fully subsidized annual transit passes will be provided to eligible participants on an ORCA LIFT card to allow pass holders to ride free on all Sound Transit and King County services.
- Eligibility is limited to people who are very low income, defined as households with incomes at eighty percent of the Federal Poverty Level or less. Participation will initially be limited to people enrolled in six state benefit programs who meet the eligibility requirements.
- This action authorizes the CEO to negotiate and enter into an agreement or modify an existing agreement with King County to administer the program for the two-year period, including changes to the agreement to better achieve the program goals without changing the duration or amount authorized by this action.
- Sound Transit's participation will end twenty four months after the program starts unless the Sound Transit Board acts to authorize Sound Transit's continued participation in a future program, or program extension.

### Background

As part of Sound Transit's continuous improvement process and based on community concerns, the organization set up an internal interdisciplinary workgroup to evaluate current fare enforcement policies, procedures, protocols, and gather community feedback to identify where improvements should be made. The agency developed an action plan to achieve the following vision:

A system where everyone taps—where everyone who has fare media can get to where they want to go, and everyone who needs fare media can get access to it.

The action plan includes multiple actions that will be implemented within six to twelve months starting March 2020. The income based pilot program was included in the action plan to allow Sound Transit to provide fare media to people who currently may not have access to it. The pilot is intended to give agency staff valuable information on how best to serve the very low income population, so best practices can be implemented as Next Gen ORCA comes online.

In 2014, the Board established “Low Income Adult” as a new reduced fare category. The Board defined “Low Income” as people whose annual household income is at or below 200% of the federal poverty level. In 2014, the Board also established the reduced fare rate for Link light rail for low income riders with a valid Low Income ORCA card issued by an ORCA partner agency. In 2015, the Board established similar reduced fare rates for low income riders on Sounder and ST Express. Low income fares for Link, Sounder and ST Express are all equivalent to Youth fares.

The proposed income-based fare program was developed by King County Metro in partnership with community leaders and members who are experiencing poverty. The program serves individuals who are “Very Low Income” defined as people with household incomes less than 80% of the Federal Poverty Level (FPL), initially limited to people participating in six state benefit programs with the same income qualification threshold.

Program participants would initially be enrolled by the same agencies that do the majority of enrollment for existing low-income fare program, ORCA LIFT. Participants would receive fully subsidized annual transit passes for use on transit services operated by Sound Transit and King County Metro and could use the ORCA card they are issued through the program to receive discounted fares on other regional transit services. Passes provided by this program will be valid only on Sound Transit and Metro service but offered in Snohomish, Pierce and King Counties to eligible individuals.

Under the proposed agreement, Sound Transit and King County will negotiate each party’s share of the cost to administer the distribution of fully-subsidized ORCA LIFT passes to qualified people. King County will administer distribution of the cards through state benefit programs in Snohomish and Pierce counties, and use their existing ORCA LIFT structure to distribute passes in King County. Under the proposed agreement, Sound Transit will reimburse King County for a portion of administrative costs and a proportional share of the fully-subsidized cards.

The King County Council has approved this program to move forward. This action allows Sound Transit to participate in an income based pilot program for the duration of twenty four months with King County to offer this program starting as early as July 2020 and run twenty four months from the start.

## **Fiscal information**

The budget for this item will be finalized in negotiations with King County Metro and memorialized in an intergovernmental agreement. The agreement amount is not to exceed \$2,000,000 for the two-year pilot.

It is estimated that approximately \$500,000 will be spent in 2020 and will be funded by the agency’s operating contingency budget within the 2020 adopted budget. The unallocated operating contingency budget is \$5,766,300 with year-to-date spending of \$0 and is within the agency’s budget authority. Funding for future years will be included in future annual budget requests.

In addition to the agreement amount, Sound Transit estimates revenue loss from the program of approximately \$900 thousand per year for two years.

## **Title VI compliance**

The purpose of this pilot program is to increase transit access to very low-income residents of King, Pierce and Snohomish Counties. American Community Survey, King County Metro and Sound Transit survey data indicate that minorities are more likely than non-minorities to be very low-income. Therefore this demonstration program will not have a disproportionate impact on low-income riders, nor will it have a disparate impact on minority riders.

## **Public involvement**

This action is part of the Sound Transit action plan on fare enforcement. The action plan was informed by an extensive public engagement process that included seven listening sessions with people of color and with those experiencing poverty, an on board survey with 1,100 respondents, and an online survey of over 8,000 respondents. The specific design of the income based fare program is the result of an extensive engagement process led by King County Metro that included multiple meetings with people experiencing poverty or people that work with people experiencing poverty.

## **Time constraints**

Delay of this policy would impair Sound Transit's ability to negotiate program details with King County so implementation can begin in July 2020.

## **Prior Board/Committee actions**

Resolution No. R2015-29: (1) Selected an option to set fare rates for the low income adult fare category and potentially increase fares on Sounder service, (2) selected an option to set fare rates for the low income adult fare category and potentially increase fares on ST Express service, and (3) amended Sound Transit fare rates in Attachment A of Resolution No. R2014-28 with the selected options.

Resolution No. R2014-28: (1) Selected an option to set fare rates for the low income adult fare category, and (2) superseded the fare rates established in Resolution No. R2007-06, Resolution No. R2010-11, and Resolution No. R2013-24 with the rates established by this action as shown in Attachment A.

Resolution No. R2014-27: Amended Resolution No. R2010-10 Attachment A—Fare Policy to establish “Low Income Adult” as a new Reduced Fare category.

Resolution No. R2010-10: Adopted a Fare Policy and superseding Resolution No. R99-2-2, Resolution No. R2005-05, Resolution No. R2007-06, and Motion No. M2004-53

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**Environmental review** – KH 3/19/2020

**Legal review** – RM 3/19/20



## Motion No. M2020-22

A motion of the Board of the Central Puget Sound Regional Transit Authority (1) authorizing participation in a two-year income based pilot program managed and administered by King County to support low-income riders in King, Snohomish and Pierce counties and (2) directing the chief executive officer to negotiate and enter into an agreement or modify an existing agreement with King County for Sound Transit's participation in the pilot program in an amount not to exceed \$2 million for the duration of the two-year pilot program, including any modifications to the agreement that do not change the term or amount of the agreement.

### Background

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Under the proposed agreement, Sound Transit and King County will negotiate each party's share of the cost to administer the distribution of fully-subsidized ORCA LIFT passes to qualified people. King County will administer distribution of the cards through state benefit programs in Snohomish and Pierce counties, and use their existing ORCA LIFT structure to distribute passes in King County. Under the

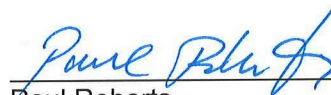
proposed agreement, Sound Transit will reimburse King County for a portion of administrative costs and a proportional share of the fully-subsidized cards.

The King County Council has approved this program to move forward. This action allows Sound Transit to participate in an income based pilot program for the duration of twenty four months with King County to offer this program starting as early as July 2020 and run twenty four months from the start.

### **Motion**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that (1) participation in a two-year income based pilot program managed and administered by King County to support low-income riders in King, Snohomish and Pierce counties is authorized and (2) the chief executive officer is directed to negotiate and enter into an agreement or modify an existing agreement with King County for Sound Transit's participation in the pilot program in an amount not to exceed \$2 million for the duration of the two-year pilot program, including any modifications to the agreement that do not change the term or amount of the agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 26, 2020.



Paul Roberts  
Board Vice Chair

**Attest:**



Kathryn Flores  
Board Administrator