



Motion No. M2024-47

Authorizing continued participation in an Income-Based Pilot Program

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	07/18 /2024	Recommend to Board	John Henry, Deputy CEO, Chief Finance and Business Administration Officer
Board	07/25/2024	Final action	Chad Davis, Director of Fares

Proposed action

Authorizes the chief executive officer to (1) modify an agreement with King County to extend Sound Transit's participation in a reduced fare program managed and administered by King County to support no to low-income riders in King, Snohomish and Pierce counties until the end of 2025, or until a permanent program is approved, and (2) execute further modifications to the agreement with King County that do not change the original amount of the agreement.

Key features summary

- This action authorizes the CEO to modify an existing agreement with King County to extend Sound Transit's participation in the pilot program for the duration of the program.
- Participation in the pilot program is part of Sound Transit's action plan to update the Sound Transit fare compliance program.
- Sound Transit will participate in the program for an additional time period not to extend beyond the end of 2025, or until the Board acts on a proposal to authorize a permanent program. Staying in the program is key to ensuring Sound Transit learns how to best serve riders with no to low incomes and will provide more time for Metro and Sound Transit to use program evaluation results to improve the program to increase participation and simplify and streamline program administration.
- The pilot program is being managed by King County and is available to qualifying riders in King, Snohomish and Pierce County.
- Under the program, fully subsidized annual transit passes are provided to eligible participants on an ORCA LIFT card to allow pass holders to ride fare free on all Sound Transit and King County Metro services.
- Eligibility is limited to people who are no to very low income, defined as households with incomes at eighty percent of the Federal Poverty Level or less. Participation is also limited to people enrolled in specific benefit programs.

Background

As part of Sound Transit's continuous improvement process and based on community concerns, Sound Transit has been working to reimagine the way we check fare compliance. Through this process 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.

There was a first round of commitments published in the Fare Enforcement Action Plan, including multiple actions that were implemented 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 fare media. The pilot was intended to give agency staff valuable information on how best to serve the very low-income population, and how to improve the program.

The income-based fare program was developed in partnership with King County Metro and 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 percent of the Federal Poverty Level (FPL), limited to people participating in specific benefit programs with the same income qualification threshold.

In March 2020, the Board approved Motion No. M2020-22 to authorize Sound Transit’s participation in the Income Based Pilot Program. The pilot program kicked off in September 2020. Under the program, participants are enrolled by the same agencies that do the majority of enrollment for existing low-income fare program, ORCA LIFT. Participants received fully subsidized annual transit passes for use on transit services operated by Sound Transit and King County Metro in Snohomish, Pierce, and King Counties and could use the ORCA card issued through the program to receive discounted ORCA LIFT fares on other regional transit services.

Due to the impact of COVID-19, the program rolled out much more slowly than anticipated, and in March 2022 the Sound Transit Board authorized an extension of the program through December 2024. In 2023, Everett Transit also joined the program on a pilot basis.

Since the beginning of the program through May 2024, nearly 28,000 people have enrolled, with an estimated 12,567 actively enrolled as of June 3, 2024. Program participants have made nearly 8.7 million boardings using the subsidized annual pass, with over 1.3 million boardings on Sound Transit.

The program evaluation plan, supported in part by the Robert Wood Johnson Foundation, has impact, qualitative, and process components. This evaluation is focused on determining the impact of the subsidized annual pass on: mobility outcomes; access to services such as health care, social services, education, and employment; and quality of life. This will also focus on ways to make program administration more effective and efficient. The research team includes Metro, Sound Transit, academic institutions Wilson Sheehan Lab for Economic Opportunities at Notre Dame (LEO Notre Dame), the University of Pennsylvania’s Perelman School of Medicine (UPenn), University of California at Irvine (UC Irvine), and local research firm PRR.

The results of this evaluation are expected in late 2024. These evaluation results, along with findings from Metro’s broader Design Thinking approach under the Fares Enterprise Initiative, will be used by the King County Executive to develop proposed adjustments and enhancements to the program in 2025. This will also provide the Sound Transit Board with an opportunity to choose to participate in the program on a permanent basis. Continuing with the pilot program will promote enrollment and boardings on Sound Transit service, providing continuity for very low-income riders while the agency reviews the findings of the evaluation and works with Metro to develop a permanent program for consideration by the Sound Transit Board.

Fiscal information

The fiscal impact of the pilot program extension through the end of 2025 will not increase beyond the initial approved program budgeted costs. There is no impact to the affordable Financial Plan projections. Motion No. M2020-22 established in an intergovernmental agreement with King County Metro as a not to exceed \$2,000,000 for the two-year pilot initially planned to end in July 2022. The proposed action would extend the pilot program to the end of 2025. Expenditure and lost revenue estimates for the initial pilot period were based on enrollment projections that were developed pre-COVID. COVID-19

significantly reduced enrollment below the levels projected. Sound Transit's total expenditures through the first quarter of 2024 totaled \$1,040,058, leaving a balance of \$959,942. It is not anticipated that expenditures will reach the \$2 million not-to-exceed amount through 2025.

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. The extension of the program does not require additional Title VI review.

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 design of the income-based fare program itself 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

A one-month delay would not create a significant impact to the project schedule.

Prior Board/Committee actions

Motion No. M2022-28: Authorized the chief executive officer to (1) modify an existing agreement with King County to extend Sound Transit's participation in a reduced fare program managed and administered by King County to support no to low-income riders in King, Snohomish and Pierce Counties until the end of 2024, or until a permanent program is approved, and (2) execute further modifications to the agreement with King County that do not change the term or the original amount of the agreement.

Motion No. M2020-22: (1) Authorized 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) directed the chief executive officer to negotiate and enter into an agreement or modify and 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.

Environmental review – EG 6/25/24

Legal review – MT 7/8/24



Motion No. M2024-47

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to (1) modify an agreement with King County to extend Sound Transit's participation in a reduced fare program managed and administered by King County to support no to low-income riders in King, Snohomish and Pierce counties until the end of 2025, or until a permanent program is approved, and (2) execute further modifications to the agreement with King County that do not change the original amount of the agreement.

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Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to (1) modify an agreement with King County to extend Sound Transit's participation in a reduced fare program managed and administered by King County to support no to low-income riders in King, Snohomish and Pierce counties until the end of 2025, or until a permanent program is approved, and (2) execute further modifications to the agreement with King County that do not change the original amount of the agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on July 25, 2024.



Dow Constantine
Board Chair

Attest:



Kathryn Flores
Board Administrator