



Low Income Bus Pass Program Committee

Final Recommendation to the Madison Common Council 4/15/2010

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Background

Much of the debate about Metro Transit's fare increase that was implemented April 5, 2009 centered on concern about low income, transit dependent riders who would be most vulnerable to an increase in fares. In response to this concern, City staff worked with representatives from area non-profit organizations to develop a pilot Low-Income Pass project, which was approved by the Common Council on February 24, 2009.

Pilot Program

Target Customers – Low-income riders

Eligibility – The person must show his or her Quest card in order to purchase a half-price 31-day bus pass at one of the participating outlets. Only one pass is sold per Quest card, and only one pass is sold per family. [The pilot program was subsequently amended to allow eligibility by Quest card or self-certification of an income at or below 150% of poverty level.]

Fare Types – 31-day passes that look identical to the full price 31-day pass.

Distribution Points –

- Metro Transit, 1245 E. Washington Avenue
- Dane County Job Center, 1819 Aberg Avenue
- City of Madison Treasurer's office, 210 Martin Luther King, Jr. Blvd, Room 107

The Common Council's action also called for a committee to work on creating a sustainable low income bus pass program. The Low Income Bus Pass Program Committee was created and held their first meeting on August 14, 2009.

The Low Income Bus Pass Program Committee met from August 2009 through April 2010 to work on their charge of developing a sustainable low income bus pass program and balance that with the need for Metro Transit to maintain a stable funding source. In addition, subcommittees met to research similar programs in other states and make recommendations to the full committee about elements of the program such as defining target customers, how eligibility would work, what fare types would be offered and distribution points for the passes.

The Committee approved a draft recommendation that was then shared with relevant constituencies such as the welfare to work program, the homeless consortium and staff at various non-profit social service agencies. With feedback and more discussion, the recommendation was further refined to the document presented here.

The City of Madison approved funding in the amount of \$100,000 for the pilot program. A limit of 400 low income passes was available for sale during each month of the pilot in 2009. That number was reduced to 300 per month during 2010. A total of 120,000 rides were taken on low income bus passes during the months they were available in 2009 (April – December). Of the 3600 passes available for the pilot, 1,971 of those were sold in 2009. While the Committee continued to work on a more sustainable program, the pilot continued in 2010 YTD.

Table 1 – Low-Income Pass Sales

	METRO OFFICE			JOB CENTER			TREASURER			# of Passes Sold by Month	\$ Value of Passes Sold
	Distributed	Sold	Remaining	Distributed	Sold	Remaining	Distributed	Sold	Remaining		
April	100	55	45	100	18	82	200	31	169	104	\$ 2,860.00
May	100	57	88	100	37	145		37	132	131	\$ 3,602.50
June		62	26		49	96		39	93	150	\$ 4,125.00
July	100	76	50	100	89	107		42	51	207	\$ 5,692.50
August	100	74	76	100	105	102	100	57	94	236	\$ 6,490.00
September	100	93	83	100	115	87	100	65	129	273	\$ 7,507.50
October	100	95	88	100	125	62	100	69	160	289	\$ 7,947.50
November	100	92	96	200	108	154	100	94	166	294	\$ 8,085.00
December		87	9	0	110	44		85	81	282	\$ 7,755.00
January	100	109	0	100	66	78	100	80	101	255	\$ 7,012.50
February	100	100	0	100	56	122	100	96	105	252	\$ 6,930.00
March	146	125	21		66	56	20	115	10	306	\$ 8,415.00
Total	900	900	0	1000	878	122	800	695	105	2,473	\$ 76,422.50

Distributed	2700
Sold	2473
Remaining	227

VALUE OF SOLD PASSES/\$27.50 PER PASS

METRO	\$ 24,750.00
Job Center	\$ 24,145.00
Treasurer	\$ 19,112.50
	<u>\$ 68,007.50</u>

The Committee conducted a survey of people purchasing the low income pass to determine, among other things, the amount of migration from other fare media or cash fares to the low income pass versus the amount of new ridership generated by the pass. Economist Mike Welsh was asked to analyze this information and determined that each low income pass sold represents a loss of approximately \$25 in revenue to Metro. Metro has indicated that other than that \$25 loss, there is no additional cost of this program to Metro Transit. The Committee explored a variety of potential funding sources in addition to City funds, including funding from programs such as Temporary Assistance to Needy Families and Job Access Reverse Commute. Also considered were grants, foundations and other community sources. No stable source of funding outside City funding was identified.

While it is difficult to determine the total need for reduced cost transit, demographic data indicates that a significant need exists among low-income City of Madison residents. 17.6% of Madison's adult residents live below the federal poverty line. 8.1% of city residents utilize public transportation to commute to and from work (Census Bureau, 2006-2008 Three Year Community Survey). Low-income individuals are more likely than their higher income peers to be transit-dependent due to the cost of vehicle ownership. Approximately 43% of Metro riders report earnings of \$25,000 or less per year compared to approximately 21% of the general population (Metro Transit On-Board Survey of Passengers, 2008). This data points to the necessity of reduced cost transit for low-income transit dependent residents.

Committee Recommendation

The Low Income Bus Pass Program Committee recommends that the City continue to fund the equivalent of 300 passes per month in Metro Transit's annual budget. The Committee feels strongly that the need for low income bus passes exceeds the current 300 pass/month cap. Therefore if further monies are identified from the City or any outside funding sources, the Committee recommends that those funds be used to expand the capacity of this program.

The Committee has developed program recommendations based on the desire to use available funds in the most efficient way, provide service to as many eligible customers as possible and make the program accessible and user friendly. The reduced fare pass gives low income community members a chance to ride the bus more often (as compared to a scenario where they just come up with the cash to ride to and from work each day) and therefore allows them to participate more fully in the community.

Eligibility

Individuals at or below 150% of federal poverty level.

Eligibility Period

Eligibility approved for a six month period.

Process

Metro provides distribution points with wallet size eligibility cards to issue to eligible customers similar to the senior and disabled reduced fare eligibility cards. The distribution point will enter an expiration date on the card (six months from date of issue.) To monitor use and effectiveness of the program, the distribution point staff and applicant will complete an application form with the following information: distribution point, eligibility card issue date, applicant's voluntary responses to a few basic questions regarding pass use and demographics, and applicant's income statement.

The distribution point provides applicant with the non-transferrable wallet-size eligibility card, valid for 6 months. Applicant can use this eligibility card at the distribution points to purchase the half-price 31-day pass.

See flowchart below.

The Committee considered whether applicants can simply fill out the eligibility form at the point of sale or must go to a social service agency, the Dane County Job Center, or Joining Forces for Families to fill out an eligibility form with a staff person. The Committee decided against requiring participants to go to a social service agency because of the additional barriers it creates to access this resource.

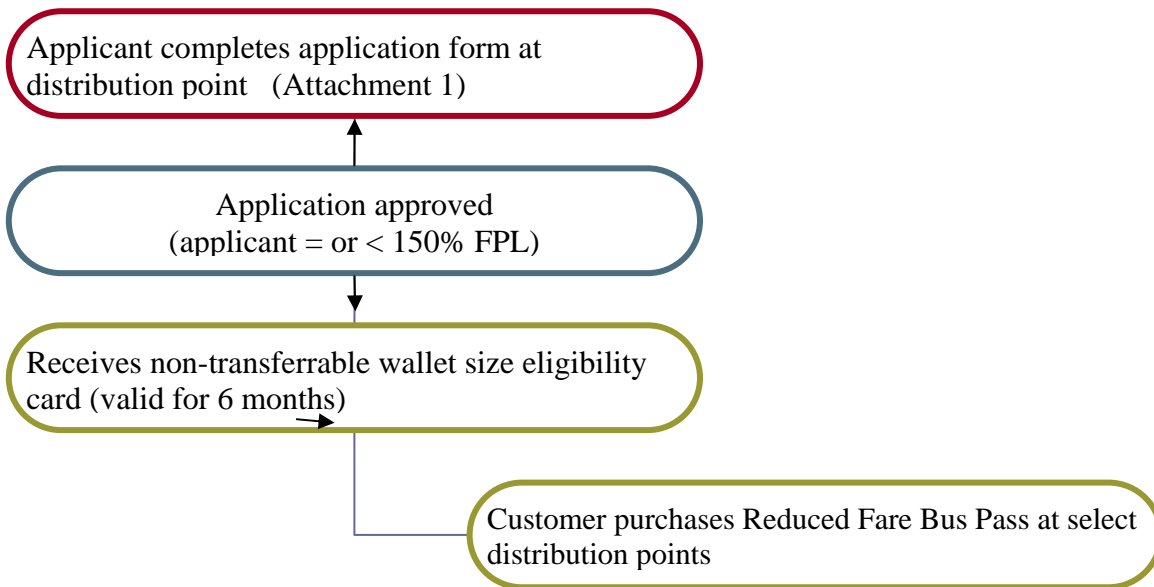
Fare Types

31-day pass at half the cost of a regular 31-day pass, currently \$27.50 (same as senior & disabled pass rates.)

Note: Adult 10-ride card is currently priced at \$15 (\$1.50/ride=pre-2009 rate increase fare)

Distribution Points

Metro Transit, Dane County Job Center, City Treasurer's Office





Application for Metro Reduced Fare Bus Pass

Part I: To be filled out by Distribution Point. Please print.

Distribution Point Name: _____

Eligibility Card Issue Date: _____

Part II: To be answered by applicant. THIS SECTION IS STRICTLY VOLUNTARY.

1) What is your zip code? _____

2) Is this your first time purchasing a reduced fare pass?

Yes No

3) If yes, what fare media did you use in the past?

cash full fare 31-day pass
 10-ride cards senior/disabled pass

4) Prior to buying the reduced fare pass, how often did you ride Metro?

0 – 5 times/week 6 – 10 times/week 11 + times/week

5) When buying the reduced fare pass, how often do you ride Metro?

0 – 5 times/week 6 – 10 times/week 11 + times/week

6) For which activities do you ride Metro?

work health/medical grocery/errands social/community

Part III: To be filled out by applicant



Metro Reduced Fare Bus Pass Self-Certification Form

Metro Transit's Low Income Bus Pass Program allows riders that are at or below 150% of the Federal Poverty level to purchase 31-day passes at half price.

A limited amount of passes are available each month at this price. Passes are available on a first come first serve basis.

To qualify, a household must be at or below 150% of the current poverty guideline:

The 2009 Poverty Guidelines for the 48 Contiguous States and the District of Columbia calculated at 150%	
Persons in family	Poverty guideline
1	\$16,245
2	21,855
3	27,465
4	33,075
5	38,685
6	44,295
7	49,905
8	55,515

For families with more than 8 persons, add \$5,610 for each additional person.

By checking this box, I certify that my income is at or below 150% of the current poverty level as defined above.

Print Name

Date

Signature

Attachment 2: Eligibility Card



Name: _____

REDUCED FARE ELIGIBILITY

This reduced fare permit allows the holder to purchase 31-day passes for half the regular price and **expires on:**

Front of eligibility card

If found, please return to:
Metro Transit
1245 E Washington Ave
Suite 201
Madison, WI 53703



Back of eligibility card

Not transferable

Improper use of this card will result in its revocation.