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Mitigating the Impacts of Fare Increases on Low-Income Transit-Dependent Populations

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Mitigating the Impacts of Fare Increases on Low-Income Transit-Dependent Populations

by

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Abstract

Mitigating the Impacts of Fare Increases on Low-Income Transit-Dependent Populations

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This report discusses the effects of the Great Recession on US transit agency budgets, and the actions taken to cope with declining revenues, including increases in fares, which disproportionately impact low-income, transit-dependent populations. For a variety of reasons, US transit agencies have responded by establishing programs to mitigate the impact of fare increases on vulnerable populations. A scan of US transit agency websites identified five prevalent types of mitigation programs established by transit agencies. A case study of Capital Metro transit agency offers some insight on these issues. Finally, recommendations for additional research and action in this arena are discussed.

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Transit's Recessionary Dilemma

Fuel prices are up, making driving more expensive, youth are abandoning the automobile, (Davis, Dutzik and Baxandall 2012) the sustainability movement continues to gain momentum, and transit ridership is approaching all-time highs. This should be a shining moment for public transit agencies in the United States. Yet transit service has been cut, employees laid off, fares increased, and 69% of US transit agencies reported budget shortfalls for 2011 (American Public Transportation Association 2010). Despite the otherwise promising environment for US public transportation, transit agencies are facing unprecedented fiscal challenges. Notwithstanding increased demand and need for transit, less transit service is available and the cost to access it has increased. Such is the dilemma the Great Recession forced US transit agencies to endure.

THE GREAT RECESSION'S IMPACT ON US TRANSIT AGENCIES

Between December 2007 and June 2009, the United States experienced the longest period of recession since the Great Depression (National Bureau of Economic Research 2010), and the subsequent economic recovery has been disappointingly slow. With all US transit agencies largely dependent on public subsidies which are invariably derived from sources beyond the direct control of those agencies, the prolonged period of economic turmoil has hit US public transit authorities especially hard, and especially with respect to transit agencies' revenue to fund transit operations.

Transit Capital and Operating Expenses

To understand the specific nature of the Great Recession's impact on US transit agencies, one must understand the differences between transit agencies' capital and operating budgets. Like most major public enterprises, transit agencies typically maintain separate budgets to account for expenditures used for daily operations and those used to purchase large, durable assets.

The lion's share of transit agencies' operations budgets typically consist of the salary and benefits of the employees or contractors who are necessary to operate, maintain and support the transit system, including vehicle operators and maintenance staff, management, and support personnel. Fuel, parts, supplies, and professional services also make up significant portions of most US transit agencies' operating budgets.

Transit agencies' capital budgets largely consist of the cost to procure and construct durable assets necessary to the operation of the transit system, such as new transit vehicles, transit facilities and supporting computer systems.

The methods through which transit agencies' capital and operations budgets are funded vary. Capital budgets are typically funded by the issuance of public debt and by federal grants. Operating budgets are primarily funded by state revenues, local/regional revenues, and transit fares. The recession has impacted these funding sources in differing ways, and the effects on capital and operating budgets have varied accordingly.

Recessionary Impacts to Capital Budgets

The majority of transit agency funding for capital investment is obtained through the issuance of public debt and grants from the Federal Transit Administration (FTA). These funding streams have been indirectly impacted by the Great Recession; however the net result has not been a significant reduction in availability of capital funding for transit agencies. The recession's effects have caused public debt markets to often become volatile; however the manner in which public transit agencies secure their debt has, with few notable exceptions, not restricted agencies' access to capital markets (Jeffery A. Parker & Associates, Inc. 2009). Federal funding for transit capital projects through FTA grants has remained relatively stable; however, the weakness in federal gas tax collections and the failure of Congress to develop a sustainable transit funding policy in the recent reauthorization of the federal transportation act imperils such stability in the future. While the recession has caused locally funded capital expenditures to decrease, much of that reduction in local expenditures seems to have been replaced by additional federal funding for capital projects via the American Recovery and Reinvestment Act (ARRA) (Jeffery A. Parker & Associates, Inc. 2009). The so-called stimulus bill, provided $8.4 billion in capital funding for public transportation projects (American Public Transportation Association 2010). The net effect has been relatively stable funding for transit agencies' capital budgets. Nevertheless, as the slow economic recovery continues to impact transit agency budgets, pressures to reduce capital expenditures will persist. Federal action to reduce discretionary spending and the exhaustion of ARRA funds, will further erode support for capital expenditures. Indeed, as evidenced by APTA's 2010 survey of US transit agencies, 49% had transferred funding from capital budgets to offset losses in operating revenue, and another 18% were considering such action for the future. (American Public Transportation Association 2010). Such a reduction in capital stock investment will no doubt be manifest in long term impacts on the cost of transit operations. For example, the inability to replace vehicles will likely lead to increased maintenance operations costs associated with the upkeep of older vehicles, and agencies may experience reduced productivity from the use of outdated systems for want of funding to replace them.

Recessionary Impacts to Operating Budgets

The impact of the recession on transit agencies' operations budgets has been far more pronounced than on capital budgets. Transit agencies' operations are largely funded by state and/or local revenues and transit fares. The recession has hit state and local revenues hard, with high unemployment impacting state and local income tax collections, reduced consumption resulting in lower sales tax receipts, and stagnant or declining real estate values resulting in reduced property tax collections. Such strain on state and local revenues has led to reduced funding for transit agencies. In a 2010 survey of 151 US transit agencies, 90% reported flat or decreased local funding and 89% reported flat or decreased state funding (American Public Transportation Association 2010).

Despite, or perhaps as a result of, the economic malaise, US transit ridership levels have been on the rise, which might lead one to assume that fare revenue has increased, thus relieving transit agencies of some of the pain of reduced operations subsidies from state and local revenues. However, the incremental increase in fare revenue has thus far not significantly offset much larger losses in revenue from state and local governments. US transit agency operations are heavily subsidized, meaning a relatively small portion of operating costs are offset by fare revenue. US transit agencies' fare recovery ratios vary widely, but are reported to average 35% across all modes (Lindquist, Wendt and Holbrooks 2009), which leaves the remaining 65% of operating costs to be subsidized primarily through state and local revenues. Thus, although ridership and fare revenue have increased, the positive impact on transit agencies' operations budgets has not fully compensated for the loss in more significant revenue sources. As will be discussed, many agencies have already responded to the reduction in state and local/regional funding for operations by increasing fares, which has also contributed to increased fare revenue for many agencies (American Public Transportation Association 2010).

Not only has declining revenue for operations been a bitter pill for agencies to swallow, rising fuel prices and labor and benefits costs have exacerbated pressure on transit agencies' operations budgets. For example, in 2009, the Denver Regional Transportation District reported an 8% increase in ridership in the first quarter of the year, yet also reported a 55% increase in fuel costs for the same period and an $18 million decline in revenue (Stromberg 2008).

A Distressing Bottom Line

Substantial decreases in revenue coupled with increasing operational costs have created a perfect storm for transit agencies to weather. Unfortunately, transit agencies face few good options for dealing with the dilemma brought on by the Great Recession. Transit agencies have responded to fiscal pressures by dipping into reserve funds, reducing local capital funding to cover operating shortfalls, reducing services, laying off employees and exercising the only revenue lever at most agencies' disposal – increasing fares (American Public Transportation Association 2010). All of these actions have impacts on short-term and long-term service quality, and ultimately on the level of services available to transit riders. As evidenced by APTA's 2010 survey, 84% of US transit agencies have cut service or raised fares, or are considering either or both of those actions for the future, with 44% of agencies having implemented a fare increase in 2009, and an additional 34% considering future fare increases. This paper will examine the impact of fare increases on transit users and what programs transit agencies have implemented to mitigate the equity impacts of those increases on low-income populations.

IMPACT OF FARE INCREASES ON TRANSIT USERS

The impacts of US transit agency fare increases are not equally felt among all transit users. In fact, US transit fare policies in general are regressive in nature. The most common transit fare structure in the US is a flat fare. Agencies typically charge the same rate for a trip regardless of the length or time of travel. A flat fare structure is typically employed due to its simplicity for passengers and ease of implementation. However, such a structure is regressive, with lower-income riders paying a greater share of their income for fares, and as well cross-subsidizing wealthier users of the system (Cervero, Transit Pricing Research: A Review and Synthesis 1990). As fares increase, this vertical inequity in flat fare systems becomes even more pronounced.

Impact of Fare Increases on Low-Income, Transit-Dependent Populations

An estimated at 63% of US transit ridership consists of low-income, transit-dependent populations (Moulding 2005). Although transit agencies have gone to great lengths to attract riders who have higher incomes and other transportation options, the proportion of so-called choice riders remains substantially less than the proportion of riders with few transportation options beyond transit.

Fare increases have disproportionately impacted those without higher incomes to absorb increased transportation costs and lacking feasible alternatives. Having to pay a higher proportion of income for transit fares places an unequal burden on low-income individuals and families, making it more difficult to afford housing, utilities, food, healthcare, education, insurance and other necessary household expenditures.

PROSPECTS FOR FUTURE FARE INCREASES

Our economy appears to be slowly recovering: sales tax collections are increasing, housing prices and property tax revenues are rebounding, new jobs are being created, and unemployment appears to be stabilizing. However, even as our economy recovers, improvements to transit agency budgets are likely to lag, and the fiscal pressures causing transit agencies to increase fares is likely to endure. The current calls for federal deficit relief will likely mean reductions at some level to transit funding, and fuel costs are likely to continue a long term upward trajectory. Absent a dramatic shift in the way public transportation is funded in the United States, transit agencies will likely continue to perceive the need to increase fares and/or reduce service, and low-income populations will continue to disproportionately carry the burden of such actions – unless steps are taken to mitigate those impacts.

Literature Review

Recent literature regarding the equity implications of transit fare policies and structures is relatively scant, and studies of efforts undertaken by transit agencies to mitigate the impact of fare increases on low-income, transit-dependent populations are virtually non-existent. There is a large body of research on transit pricing, including fare elasticity and the relative efficiency and equity of various fare structures. However, most of the existing transit pricing research was undertaken in the 1970's and 80's, largely due to substantial investment in such research by the Urban Mass Transit Administration (UMTA). UMTA sponsorship of such research ceased in the 1980's, and the volume of published articles and research reports in his arena has decreased significantly (Cervero, Transit Pricing Research: A Review and Synthesis 1990). Many of the of the fiscal, legal and political realities now faced by US transit agencies did not exist at the time most of the relevant transit pricing research research was conducted, and although the findings from this body of research are useful in framing current fare equity discussions, their utility is somewhat limited given their age. Further, there seems to have never been much research undertaken on specific programs transit agencies might implement to mitigate the impact of fare increases on low-income, transit-dependent populations. What follows is a review of the literature from transit fare pricing research with respect to the issues impacting fare equity.

FARE POLICY OBJECTIVES

Fare equity is but one of several goals that transit agencies may seek with respect to the design of their fare structure. Cervero asserts that transit agencies typically pursue multiple fare policy objectives and rationales, most of which overlap, and many of which are conflicting (Cervero, Transit Pricing Research: A Review and Synthesis 1990). Typical transit fare policy objectives include:

- Recover the cost of services (Fare Recovery)
- Maximize fare revenue generation
- Reflect the value or quality of service to the user
- Equity objectives, often targeted specifically to low-income, transit dependent populations
- Encourage commuters to shift travel from automobile to transit, often as a means to achieve related policy goals such as congestion relief, energy conservation, and air quality improvement

Cervero further claims that it is not uncommon for transit agencies to refrain from articulating the intended objectives of fare policy changes, both in recognition of conflicts among objectives as well as fear of being criticized for not attaining the stated objectives (Cervero, Transit Pricing Research: A Review and Synthesis 1990). Although other fare policy objectives are important, and increasingly so given the impact of the great recession, this paper is chiefly concerned with equity objectives.

FARE EQUITY DEFINITION

Nearly all transit policies and activities have equity implications, and an abundance of literature explores equity in areas ranging from transit finance, service allocation and network design. With regard to transit finance in general, Pucher analyzed allocations of benefits and tax burdens among income classes to determine extent to which the poor have benefited and to what extent they have borne the costs of transit subsidies. Pucher found that the overall means of transit finance, including taxes and fares, is progressive (Pucher 1981), with income from higher-income populations generally redistributed to lower-income populations. However, in the 30 years since the publishing of Pucher's study, the fiscal operating environment for transit has changed, and these changes are likely to have engendered significant impacts on the relative progressivity of transit finance. As transit fares continue to increase, the need to consider them in isolation is necessary to ensure that equity is maintained and improved.

There are few peer-review studies that evaluate fare equity in particular, typically via case studies, and in doing so explored several potential types of equity that may be evaluated with regard to transit fares. Much of the literature, including Nuworsoo et al, considered three general criteria for fare equity evaluation (Nuworsoo, Golub and Deakin 2009):

- The benefit criterion, which asserts that people should pay for services in proportion to the benefits they receive from them. For example, transit passengers might pay more for express services than for slower local services, or pay more for direct services than for services requiring a transfer. Many agencies have adopted this approach of charging higher fares for so-called premium services.
- The cost criterion, which asserts that people should be charged for the use of the transit services in proportion to the cost of providing service to them. This is complex to determine for individual riders, but could be partially captured through time-of-day and location-based pricing.
- The ability to pay criterion, which asserts that people should be charged for the use of transit in proportion to their wealth. While this may be partially achieved by charging lower fares to groups that tens to have

lower incomes, such the elderly and the disabled, there is no guarantee that the actual rider in the group is economically disadvantaged.

While the benefit and cost criteria are well-suited to evaluate the horizontal equity of transit fares, Noworsoo et al focus their evaluation of the equity impacts of proposed changes to Alameda-Contra Costa's fare structure under the ability to pay criteria, which considers the vertical equity of transit fares (Nuworsoo, Golub and Deakin 2009). In several studies of the equity implications of transit agency fare practices, Cervero considers both the cost and ability to pay criteria through analyses of fare efficiency and equity. Fare efficiency is defined be Cervero as the extent to which fares are set such that redistributive impacts are virtually eliminated, thus neutralizing transfers between income groups. Fare equity is determined by the extent to which the redistributions associated with inefficient fare structures are regressive (Cervero, Flat Versus Differentiated Transit Pricing: What's a Fair Fare? 1981). For the purposes of this report, the efforts of transit agencies to mitigate vertical (ability to pay) equity impacts engendered by increases in transit fares is the key issue.

FARE ELASTICITY

There is a large and well-established body of research on behavioral responses to changes in fare pricing, primarily utilizing price elasticity as the primary indicator. Disaggregation of data has allowed researchers to measure likely responses by homogeneous sub-groups, including low-income, transit dependent populations, as well as by service type, trip purpose and myriad other factors. Cervero's review of past behavioral research on transit pricing (Cervero, Transit Pricing Research: A Review and Synthesis 1990) found that transit riders are generally insensitive to changes in fare levels, fare structures, or payment methods. However, the response to fare levels varies significantly among population sub-groups and operating contexts. With respect to low-income, transit-dependent populations, the literature indicates that these riders are generally less sensitive to changes in fares than those with higher incomes or more travel choices. The extensive literature on fare elasticity is undoubtedly useful to transit agencies in projecting the likely impact on ridership behavior and revenue from fare changes, and further the research on the relative impacts for specific subgroups is essential in gauging the equity impacts of such changes. Fare elasticity research also seems to support this report's assertion that as transit fares continue to increase, the equity impacts for low-income, transit-dependent merit greater attention, as such captive riders will likely have no choice but to pay increased fares.

FARE STRUCTURE

Transit fare structure varies and has substantial impact on equity for low-income, transit dependent populations. The literature in this arena identifies two basic fare structure types employed by transit agencies: flat fares and differentiated fares (Dygert, Holec and Hill 1977) (Cervero, Transit Pricing Research: A Review and Synthesis 1990). Flat fare schemes charge the same fare for all trips within the entire system, or a large portion of the system. Transit agencies that do not employ a flat fare system typically differentiate their fares by time or distance. Cervero's review of research on the equity implications of fare structure (Cervero, Efficiency and equity implications of transit fare policies 1983) (Cervero, Wachs, et al. 1980) indicates that flat fare structures are the most regressive structure for low-income, transit dependent populations, as they fail to account for trip length and the time (of day) of travel, which are factors that have substantial impact on the cost of service for a given trip. Thus transit users taking mid-day, shorter trips, pay a greater share of trip costs, than passengers taking longer, peak hour trips. This horizontal inequity also engenders vertical inequities, as lower-income passengers are more likely to be those taking short, mid-day transit trips, and wealthier passengers typically comprise a greater share of commuter service riders, which are invariably longer trips during peak commuting periods. Beyond analysis of the relative vertical equity of general fare structure, a few researchers have taken a case study approach to analyze the impacts of specific proposed fare changes on population subsets. Nuworsoo et al's analysis of several fare structure alternatives proposed by Alameda-Contra Costa Transit District confirm that proposals for flat fare structures were the least equitable of other alternatives, even when the base fares were lowered, due to the propensity of lower income riders, youth, and minorities to take more trips and transfer more frequently than their more affluent counterparts (Nuworsoo, Golub and Deakin 2009).

Despite wide agreement in the literature that flat fare structures tend to be regressive, the US transit industry continues to favor simplified fare structures. In fact, the proportion of US transit agencies employing flat fare structures (i.e., with no fare zones or peak/off-peak differentials) has actually increased in recent years, as several agencies have made efforts to reduce the complexity of their fare structures (e.g., by eliminating or reducing the number of distance-based fare zones) (Multisystems, Inc. 2003). The existing literature asserts that time of day and distance-based fare structures are more equitable than flat fares, however such fare structures are likely more complicated and expensive to implement, which is assumed to be partly why most transit agencies have moved to flat fare structures (Cervero, Transit Pricing Research: A Review and Synthesis 1990). However, with equity implications becoming an increasingly important factor in transit decision-making, and the need to increase fares likely to continue, agencies may be persuaded to more seriously consider differentiated fare pricing. Additionally, the advent and improvement of smart card fare collection technology may facilitate more complicated fare structures and drive down the cost and complexity of administering such structures (Multisystems, Inc. 2003). Yet, even with technology making more complicated fare structures easier to implement, these fare structures may remain more confusing to those with limited means, who may have relatively greater need to know in advance how much money a particular trip will cost, relative to more affluent passengers (Walker 2012).

The existing research on the equity of fare structures and case studies on the equity of specific fare structure proposals undoubtedly offer guidance to transit agencies as they consider the equity impacts to changes to fares structure. However with flat fare structures continuing to predominate, and the inherent inequities of these fare structures exacerbated by continuing increases in fare levels, the existing literature offers little assistance in determining how best to specifically design and implement policies and programs to mitigate the impacts of fare changes to low-income, transit-dependent populations.

OTHER CONSIDERATIONS FOR FARE EQUITY ANALYSIS

The focus of the existing literature and this paper has thus far been the equity of general fare structures, i.e. flat versus differentiated. However, it is worth mentioning that more specific policies and programs for transfers and fare payment methods also have substantial impacts to equity, however these issues are not discussed in detail in this paper.

Further, one may gather from the existing literature on fare equity that the unique situation of every transit agency impacts the relative equity of fare policies. The specific demographics, operating environment and other factors specific to a given community impacts the degree to which a particular fare structure or level may impact equity. Similar transit services may have different operating costs and ridership profiles in a particular city, thus changes to transit service or fares may have different implications for equity. General assumptions can be made, such as flat fares are likely to be more regressive across communities, but the degree to which those inequities are manifest is likely to vary among cities. Thus, in designing programs to mitigate inequities brought about by increased fares, one should consider each community independently.

Rationale for Programs to Mitigate the Impacts of Fares Increases

Although transit agencies likely feel justified in raising fares due to the fiscal pressures they have endured during the Great Recession, the impact on vulnerable populations cannot be ignored. For a variety of reasons discussed below, many transit agencies have established, or are considering establishing, programs designed to mitigate the impact of fare increases on low income, transit-dependent populations.

Federal Title VI and Environmental Justice Requirements

Transit agencies rely heavily on federal funding for capital investment and operating support, and recipients of federal funding must abide by federal statues, including Title VI of the 1964 Civil Rights Act, which prohibits discrimination on the grounds of race, color, or national origin. As low-income, transit dependent populations tend to primarily consist of people of color, transit agencies must ensure that the impacts of service or fare changes do not have a disparate impact on protected classes of people, lest they jeopardize critical federal funding. Therefore, in order to satisfy the requirements of the Title VI requirements, transit agencies may seek to establish programs or initiatives to mitigate the impacts of fare increases on low-income, transit dependent populations. Further, environmental justice requirements intended to insure that all population segments receive fair treatment are increasingly affecting transit agencies' consideration of potential fare changes. As a result, legal challenges to proposed fare increases have occurred in several cities. Several equity-based challenges have compelled transit agencies to modify fare proposals or have resulted in legal restrictions on future changes. In other instances, legal challenges to fare changes have caused transit agencies to more fully explain and defend the rationale for fare increases. Even in instances of unsuccessful legal challenges, the fare policy decision-making process was influenced by the expression of equity concerns. Consequently, transit agencies, often believe they must now consider more carefully potential equity concerns in the development of fare change proposals. (Multisystems, Inc. 2003)

PRESERVING/INCREASING RIDERSHIP

Total transit ridership typically is a strategic measure of performance or public value for transit agencies. Thus, agencies may deem it important to preserve the perception of public value and maintain ridership levels by avoiding the loss of significant ridership by low-income riders due to higher fares. Although, as was discussed earlier, lower income passengers often have few transportation options, and many, if not most, will likely be forced to pay increased fares, despite the additional financial burden.

POLITICAL PRESSURE

In many quarters, transit agencies are perceived as a social service, rather than a public utility. Thus, in communities with a strong advocacy network on behalf of vulnerable populations, transit agencies may be under political pressure to maintain accessibility to low income, transit dependent populations in order to achieve to their perceived purpose of providing mobility for the disadvantaged.

FUTURE NEED TO MITIGATE

The prevalence of programs to mitigate the impacts of fare increases is likely to increase as the fiscal plight of US transit agencies worsens. The national economic recovery appears to be on a slow trajectory, and transit agencies will undoubtedly continue to endure declines in public funding. Further, operating costs, most notably fuel prices, will likely continue to increase. Impending demographic realities will also create additional pressures on transit agencies. The recession has resulted in a growing population of persons in poverty, and as the large baby boomer age cohort reaches retirement age, there will be an increased number of transit-dependent seniors on fixed incomes. Not only will all the above factors create additional fiscal burdens that may necessitate further increases in fares, they are also likely to heighten the perceived need for transit to play a social service role in many communities. As a result, many agencies will experience increased demands to provide some fare impact mitigation for low income, transit-dependent populations.

Methodology

This paper seeks to identify the prevalent types of programs US transit agencies have implemented in order to mitigate the equity impacts of fare increases on low-income, transit dependent populations. Because no consolidated listing of such programs exists, a scan of 55 US transit agency websites was conducted in May of 2012 to identify the types of programs that have been implemented. The results of the scan are located in the appendix of this paper. The agency name, the city and state in which it is located, program name(s), and brief program description(s) were collected for each agency reviewed. The data was then reviewed to identify areas of commonality in agency programs and policies.

Analysis

This paper identifies five general mitigation program types among the agencies reviewed.

PREVALENT TYPES OF MITIGATION PROGRAMS

A 2012 scan of 55 US transit agency websites indicates that transit agencies have implemented a variety of programs and policies to promote vertical equity with regard to transit fares, with several agencies implementing multiple types of programs. Undoubtedly this variety of approaches has been a result of the diverse historic, political and demographic environments in which each agency operates. Despite the variety in programs implemented by transit agencies, the majority have established programs that tend to fall into five general categories: Reduced fare programs for certain categories of riders, discounted pass programs for local social service agencies, means-based fare programs, new-hire pass programs, and establishment of charitable entities to subsidize fares for low-income populations.

Reduced Fares by Category of Rider

This type of program has been implemented to some extent in all transit agencies surveyed. Its widespread adoption is no doubt due to such a program being a requirement for recipients of federal funding. Federal requirements include the offering of at least 50% reduction in base fare during off-peak travel hours for seniors 65 and older and those with a qualifying disability. However, for simplicity's sake, many transit agencies choose to offer this reduced fare to these categories of passengers during all operating hours. This program is justified by the prevalence of seniors and those with disabilities to be both low-income and transit dependent. Many agencies also choose to include other general types of passengers in these programs without testing for income, including youth, uniformed military personnel and homeless populations. These eligibility requirements are the broadest of the 5 categories of mitigation programs. All 55 of the transit agencies included in the scan have established some form of this program type.

Discounted Pass Programs via Local Social Service Agencies

This category of programs is typically characterized by the offering of vouchers or transit passes at a discount to local governments, social service agencies and non-profit organizations that serve low-income populations. The passes or vouchers are then distributed to those organizations' clients as needed. This partnership allows agencies to mitigate the impacts of fare increases without having to establish a costly eligibility verification program. Of the 55 transit agencies included in the website scan, 10 have implemented programs that fit within this category.

Income-Based Fare Programs

Some agencies have programs that offer free or reduced fares to those who are qualified as low-income through an eligibility program, typically administered by a county government or other social service entity. These types of programs have the capacity to have the greatest impact on low-income, transit-dependent populations based upon the specific eligibility criteria. However, these programs also have the potential of being the most costly to maintain. 15 of the 55 US transit agencies websites indicated such a program had been established.

New-Hire Programs

Often funded through corporate partnerships, new-hires to local companies receive a free transit pass for an initial term of their employment in order to assist with transportation costs. Such a program is also viewed as a marketing tool as it is assumed that the employee will continue to use transit and purchase passes once the free passes expire. Of the 55 US transit agency websites scanned, 4 had established this type of program,

Charitable Foundations to Subsidize Fares for Vulnerable Populations

A newer trend in such programs is the establishment of a separate charitable foundation with a focus on raising funds for transit fare subsidies for low-income populations. Some of these efforts are funded through the federal Job Access/Reverse Commute program, which emphasizes employment supports. Such programs may be attractive to transit agencies as they could help shift the focus on transit agencies as a social service provider, and provide greater flexibility than other mitigation programs. 3 of the 55 agency websites included information on this type of program, in addition to case study on Capital Metro discussed below.

Case Study: Capital Metropolitan Transportation Authority

To better understand the impact of the Great Recession on transit agencies, and how local operating and political environments have influenced fare policy and mitigation for low-income, transit-dependent populations, a case study of Capital Metropolitan Transportation Authority (Capital Metro) was developed. This case study relied on several recent agency documents, information available on agency web pages, and the six years of experience of the author as an employee in the agency's administration.

BACKGROUND

Capital Metropolitan Transportation Authority is the regional public transportation provider for Central Texas, established by voter referendum on January 19, 1985. Capital Metro operations are funded in part by a one percent sales tax collected within its service area, which extends across approximately 522 square miles and includes nearly one million residents. (Capital Metro 2013) The Austin-San Marcos Metropolitan Statistical Area is among the fastest growing in terms of population and employment in the United States. Such rapid growth has contributed to the Austin region becoming one of the most traffic-congested cities in the United States. Such extreme congestion combined with a relatively young and diverse population has fostered an environment of greater demand for transit service. Additional trends that may impact transit demand include one of the fastest growing pre-senior populations in the nation, and a rapid suburbanization of poverty.

Capital Metro currently operates over 80 local fixed bus routes (MetroBus), complimentary paratransit service (MetroAccess), one commuter rail line (MetroRail), and a van pool service (MetroRideShare), with total 2012 ridership of 35 million. (Capital Metro, 2013)

IMPACT OF GREAT RECESSION

Austin weathered the Great Recession better than most communities; however there were substantive recessionary impacts to Capital Metro. Approximately 75% of Capital Metro's annual funding is generated from sales tax collections, which typically perform poorly in recession as household expenditures decline. Meanwhile, like most other transit properties, per unit operating costs such as labor and fuel remained level or increased, thus placing great strain on agency budgets.

During its first 15 years, Capital Metro accumulated sizable cash reserves, at one point estimated at well over $200 million, which could have been used to compensate for the precipitous decline in sales tax collections associated with the Great Recession. However, during the economic crisis, Capital Metro was in the midst of a large capital spending program called All Systems Go!, which included the construction of new park and ride facilities, transit centers and most notably the region's first commuter rail line. Because many of the All Systems Go! projects were in process and committed, Capital Metro was not in a position to halt its capital spending program to free up reserves to offset declining sales tax revenues. The agency was able to delay new capital projects; however the impact of this measure was relatively limited. The committed capital projects substantially consumed Capital Metro's reserves, and with plummeting sales tax revenues unable to replenish the agency's fund balance, total agency reserves dwindled to a perilously low amount. Allowing itself to decline to such a dangerous fiscal condition provided much fodder for agency critics, and led to intensified pressure for leadership changes and reform at the agency. At the time, Capital Metro was also under critical scrutiny due to delays and cost overruns associated with the construction of the MetroRail commuter rail service, and ongoing conflicts with its unionized labor force. Critics were eventually successful in convincing the state legislature to authorize a review of the agency's business practices, which led to a mandated set of reforms. Generally, the reforms were aimed at increasing accountability and changing business practices to reduce expenses and increase revenue in order to rebuild cash reserves. Such reforms included amending Capital Metro's fare policies to boost fare recovery and revenue.

Although Capital Metro was largely unable to use cash reserves to offset declining revenues, it did not respond similar to other US transit agencies by drastically reducing transit service. In fact, only minor reductions in service hours were implemented, and the majority of the reductions were associated with elimination of underutilized downtown circulator routes ('Dillos). Given that Capital Metro weathered the recession relatively well, it could be surmised that it was also unnecessary for the agency to increase fares in order to maintain solvency. However, the depletion of the agency's sizable reserves due to committed capital spending and declining sales tax receipts, along with management missteps, created an atmosphere in which political pressure to reform business practices intensified. Included in the reforms desired by many stakeholders was an increase in Capital Metro's historically low fare recovery, thus it could be argued that Capital Metro's motivation to increase fares was an indirect result of the great recession.

EXISTING FARE STRUCTURE

Similar to most US transit agencies, Capital Metro employs a flat fare system. Generally, Capital Metro employs a one-ride, one fare system, with fares varying by the level of amenities (local bus vs. express bus) and by distance (one and two zones for rail).

Upon its founding in 1985, Capital Metro's initial base fare was $.50. The $.50 base fare remained in place until 1990, when Capital Metro eliminated all fares as an experiment. Fares were reinstated January 1, 1991, with the adult base fare returning to $0.50 and students to $0.25. However, at this time Capital Metro also established a free fare for seniors age 65 and older and persons with qualifying disabilities, in lieu of the half fare these groups paid prior to the free fare experiment. In addition, the downtown circulator service ('Dillos) which previously charged a $.25 fare, remained free. Paratransit (MetroAccess) service charged a $0.60 fare in 1989 and returned to $0.60 in 1991.

For the next seventeen years, (January 1, 1991 to October 2008) there were no changes to Capital Metro's base fare. In October 2008, the base fare was increased to $0.75, the student fare to $0.35, and Express bus fares also increased to $1.50 (full fare) and $0.75 (reduced fare). Capital Metro discontinued paper-based transfers in May 2007 to coincide with the introduction of local Day Pass for $1.00. With the October 2008 fare increase, the price of a Day Pass was increased to $1.50 and $3.00 for an Express Day Pass. Seniors and the disabled continued to ride for free. No reduced fare day passes were issued for either local or express bus service.

In January 2010, the local base fare increased to $1.00 and students to $0.50. Express service fares increased to $2.50 (full fare) and $1.35 (reduced fare). Local Day Passes went to $2.00 and Express Day Passes went to $5. Again, there were no reduced fare day passes because seniors and disabled continued to ride for free. In late March 2010, Capital Metro launched MetroRail service. The MetroRail fare structure was set at a premium fare, a higher fare than both local and express bus services.

In January 2011, the entire fare structure changed to Capital Metro’s current fare structure. Both Express Bus and MetroRail fares were aligned as a fare category called Regional Service, charging the reduced fare for seniors and the disabled, and the issuance and development of new reduced fare day passes since seniors and disabled individuals were now required to pay a reduced fare.

Although there have been few changes to Capital Metro’s base fare, there have been several substantive changes to the fare structure. Yet these changes have not seemed to accomplish much to improve the agency’s fare revenue nor recovery. Despite two recent significant base fare increases, Capital Metro’s base fare is still lower on an inflation-adjusted basis than in 1985 - the agency’s first year of operation. The current fare structure and levels generated revenue of approximately $17.7 million in the 2011 fiscal year, with an overall farebox recovery ratio of 11.7 percent, which is still far below Capital Metro’s peer agencies. Fare revenues have nearly doubled over the past decade, but with operating costs continuing to escalate, fare recovery has increased less than 2% in aggregate over the same period. Additionally, Capital Metro’s fare system has become increasingly complex as the agency has added new modes and new fare payment options. The lack of impact of previous changes in Capital Metro’s fare structure and levels could partially be attributed to the lack of any clear policy guidance or strategy for the fare structure. Indeed, it seems that previous fare structure changes were made without any thought to strategic goals or long term impact. These factors, coupled with the desire for business reforms, led the Capital Metro Board of Directors to develop a set of fare policies to rationally guide future changes to the fare structure and levels.

Fare Policy Objectives

As part of the effort to reform Capital Metro business practices, the Board of Directors adopted a Fare Policy in 2011, the first in the agency's history. Within the Fare Policy the Board established the following fare policy goals:

Ridership - Promote use of all modes of service by setting fares that are accessible to the widest possible range of existing and potential rider groups.

Equity - Establish equitable fares that recognize the socioeconomic composition of riders and their use of the different types of services.

Simplicity - Enhance mobility and system access through a fare system that is easy to use and understand.

Revenue - Support predictable fare revenue stream that ensures the total fare revenue stream is maintained at an appropriate level to meet Capital Metro's immediate and long term financial requirements.

Recovery - Recover a minimum of 20% of transit operating costs with passenger-paid and third-party fares.

Efficiency - Minimize fare collection costs with technologies that minimize costs associated with fare collection and revenue processing without compromising accuracy.

Capital Metro's fare policy objectives are somewhat consistent with the fare policy objectives identified in the literature review, with the notable addition of an efficiency objective related to the cost of administering the fare structure. Also consistent with the fare policies identified in the literature review is the inherent conflict among several of these policy objectives. Thus any effort to improve Capital Metro's performance in one of these policy goals is likely to result in a negative impact in another policy objective.

Fare Equity

Capital Metro, like most US transit agencies, employs a relatively undifferentiated, flat fare system, the most regressive fare structure for low-income, transit-dependent populations. Recent base fare increases have undoubtedly intensified this structural vertical iniquity. With regard to the fare equity definitions identified in the literature review, a recently commissioned Fare Policy Review for Capital Metro found additional equity concerns.

Benefit Criterion – While there is some differential pricing based on service types and amenities, i.e. higher cost for regional service (MetroExpress and MetroRail), Capital Metro's pricing scheme is inconsistent, as there is no differential for limited stop MetroBus service (Flyers).

Cost Criterion - one method to potentially achieve equity within this criterion is to work toward equivalent fare recovery across service types. The recent fare policy review found wide variances among fare recoveries, and further, widely varying subsidies per passenger, that were inequitable considering the different ridership characteristics across services.

Ability to Pay Criterion – the fare policy review found iniquities in the pricing of prepaid fare media, i.e. multi-ride passes, with greater discounts offered for passes predominately used by those with more income (31-Day Local and Regional) than those typically used by those with lower incomes (1-Day and 7-Day Local).

Mitigation Programs

Over the years, Capital Metro has developed a rather robust set or programs to maintain accessibility of fares to low-income, transit dependent populations. Of the five prevalent types of mitigation programs identified in the scan of US transit agency websites, Capital Metro has implemented three.

Reduced Fares by Category of Rider – as is required of all transit agencies receiving federal funding, Capital Metro offers half price fares for certain categories of riders, including seniors 65 and older, passengers with a qualifying disability, and students under 18. However, Capital Metro goes beyond these minimal requirements to offer these discounts at all times of day, rather than just the required off-peak discount.

Discounted Pass Programs via Local Social Service Agencies – Capital Metro has a long established discount pass program with social service agencies and non-profit organizations. Passes are sold at a 50% discount to non-profit agencies, which then disseminate them for free or for a reduced price to their clients. Currently, about 200 agencies or non-profit groups participate in the program, although the top ten agencies accounted for nearly 75% of the value of passes purchased through the program in 2008. Passes purchased through the program can be of any type—full fare or reduced fare, local or regional, and for the day, week, or month. In the 2011 fiscal year, Capital Metro sold more than $1 million in passes and tickets through the discount pass program at a net cost of nearly $500,000 to the nonprofit agency participants.

Income-Based Fare Programs – Capital Metro has not established an income-based fare program.

New-Hire Programs - Capital Metro has not established a New-Hire Pass Program.

Charitable Foundations to Subsidize Fares - To help mitigate the impact of fare increases on low-income riders, Capital Metro established the Basic Transportation Needs Fund in 2011. While Capital Metro currently contributes about $250,000 per year to the fund, it is a separate entity from Capital Metro with a separate board of directors, comprised of agency representatives and executive staff from local social service and non-profit organizations. Part of the rationale for the establishment of the fund was to separate the charitable or social service function of Capital Metro from its core mission as a transportation provider. Funds can be used to buy transit passes, taxi vouchers, or other means of supporting the travel needs of low-income populations. The initial focus of the fund was providing passes for seniors and disabled after Capital Metro eliminated free fares for these groups in 2011.

Similar to findings for other US transit agencies, Capital Metro tracks multiple outputs from its mitigation programs including reduced fare ridership, discount pass program sales, and ridership from passes distributed through the Basic Transportation Needs Fund, however there is no deliberative effort to measure the actual outcomes or efficacy of these programs.

Rationale for Mitigation Programs

Among the various rationale for US transit agencies' formation for mitigation programs, Capital Metro seems to have been predominately influenced by political pressures.

Federal Title VI and Environmental Justice Requirements – although Capital Metro references its multiple programs in Title VI related equity impact analyses as mitigation for recent fare increases, it does not appear the federal requirements in and of themselves were a motivating factor for development of these programs. The Discount Pass Program was developed long before Capital Metro's first fare increase, as were the reduced fares offered to specific categories of riders. The rationale for the establishment of the Basic Transportation Need Fund was more a response to community concerns and to foster a perception shift for the agency as a transportation provider rather than a social service.

Preserving/Increasing Ridership – the preservation of ridership does not appear to have been a compelling factor for the development of Capital Metro's programs for maintaining accessibility of fares for low-income, transit dependent populations. Considering Capital Metro's fares after recent increases remained among the lowest in the country, and given the relative inelasticity for transit demand of low-income, transit-dependent populations, it appears that large losses in ridership as a result of said increases were not a matter of great concern to agency decision-makers.

Political Pressure – the political environment and public pressure to maintain accessibility for low-income, transit dependent populations seems to have been the most signifcant factor in the development of Capital Metro's programs. Although Capital Metro has faced tremendous recent political pressure to reform business practices, including increasing fare recovery, the pressure to minimize impacts on vulnerable populations has existed for quite sometime. Austin possesses a relatively progressive electorate who elect relatively progressive officials. The Capital Metro Board of Directors is primarily comprised of elected officials from local county and municipal governments or appointees of those same elected bodies. Thusly, the membership of the Capital Metro Board is somewhat predisposed to prioritize progressive interests, or at the very least balance the needs of vulnerable populations with demands for improved business practices and fiscal governance. Additionally, Austin possesses a large non-profit and social services sector that is well organized by umbrella groups such as One Voice Central Texas (One Voice), a network of community-based health and human service organizations. One Voice has been particularly effective at coalescing this sector around a common agenda and advocacy efforts. During community conversations that occurred prior to Capital Metro's recent fare increases, these groups were very much engaged and advocated successfully to ensure that mitigation for fare increases were strongly considered by the Board of Directors. One particularly effective response has been Capital Metro's engagement of the social service and non-profit community on the formation and development of the Basic Transportation Needs Fund. By investing in the fund and partnering with the community to determine where targeted needs can best be addressed and impacts mitigated, political opposition to future fare increases may be lessened.

ANALYSIS

The case study of Capital Metro seems to confirm many of the findings for US transit agencies overall. The Great Recession had deleterious impacts on Capital Metro's revenue due to a substantial decrease in sales tax collections, however the agency fared relatively well compared to other US transit agencies. Capital Metro was able to offset the decrease in revenue by postponing some capital investment, although most committed capital projects had to continue. Unlike many other US transit agencies' response to eh Great Recession, Capital Metro made only minor service reductions, which impacted routes that were not heavily utilized, thus minimizing impact to low-income, transit-dependent customers. Although fares were increased substantially during the recession, it appears that fare increases were not a response to declining revenues, rather these efforts to improve fare recovery were set in motion due to political pressures to reform agency business practices.

Capital Metro's existing fare structure is regressive, as are most US transit agency fare structures due to prevalence of flat fare systems. However, recent fare studies identified additional inequities within Capital Metro fares for differentiated service types and discounts for pre-paid fare instruments.

Capital Metro's recently-adopted fare policy goals are generally similar to other US transit agency fare goals, including the attendant conflicts among various policy objectives.

Capital Metro's need to mitigate the impacts of fare increases do not seem to have been driven by Title VI and environmental justice compliance needs. Austin's progressive political environment and organized social services advocates have traditionally applied pressure to Capital Metro to have programs in place to ensure low-income, transit dependent populations have affordable access to transit. Such pressure seems to have been the chief motivation for Capital Metro's relatively robust mitigation program.

Capital Metro has established several of the predominant fare increase mitigation strategies identified in the research, including reduced fares for vulnerable categories of riders above and beyond federal requirements, a discount pass program for social service agencies, and creation of a separate foundation for addressing targeted needs. Also similar to other US transit agencies, no data on the extent to which such programs are effective has been developed.

Recommendations for Future Research and Action

It is difficult to ascertain the impact and efficacy of programs offered by US transit agencies to provide fares for low-income passengers. However, given the likely continued pressure placed on transit agency budgets, and the resulting need for future fare increases, such efforts to mitigate the financial burdens placed on low-income populations must be effective in order to preserve access by such populations to affordable transportation. More research is suggested regarding the efficacy of mitigation programs. Further, transit industry associations such as APTA should convene a dialogue on member agencies' experiences with such programs, so that best practices could be identified and shared. The industry should develop recommendations for changes in federal, state and local policies that would facilitate greater impact and efficacy of such mitigation programs and advocate for their passage. For example, while the unique context of each community will likely necessitate some variance in programs, federal transit laws could be promulgated to require certain standard categories of programs, such as those mandated for reduced fares for seniors and disabled. This would ensure greater vertical equity for populations in all communities served by transit.

Of course, the need to mitigate would be lessened if transit agencies are not placed in the unenviable position of requiring a fare increase. Federal laws should be changed to provide increased and more stable funding for transit operations. The reauthorization of the federal transportation failed to accomplish this, and current federal fiscal challenges and the general tenor in Congress make such progress unlikely.

Conclusion

Although the environment for transit is otherwise positive, the Great Recession has had a devastating effect on US transit agency budgets. Transit agencies have taken drastic actions to cut service and increase fares to cope with decreased revenues – actions which tend to be regressive and disproportionately impact low-income, transit dependent populations.

Federal funding requirements and local sociopolitical environments of many transit agencies have led them to develop and implement programs to mitigate the costs of fares for low-income, transit dependent populations. Such programs tend to generally fall into five categories of program types. There is a lack of uniformity in how these programs are designed and implemented across transit agencies, little is known regarding their efficacy and impact, and no best practices have been identified. More research is recommended regarding the design and impact of these mitigation programs. Detailed case studies for each type of mitigation program identified in this paper should be conducted to evaluate the impact of such programs. Results of said research should be employed in convening transit industry leaders for a dialogue regarding the most effective ways to mitigate the impacts of increased fares on low-income populations. Further, the transit industry should formulate and advocate for federal policy changes so that best practices in this arena may be diffused throughout all US transit agencies. Finally, substantial changes in how US transit agencies are funded should be undertaken in order to relieve pressure on transit agencies to make up the difference from funding shortfalls through drastic and regressive increases in fares.

Appendix: Results of Transit Agency Website Review

Mitigation Programs Listed on Selected Transit Agency Websites as of May 2012

Agency	City	State	Program(s)	Description
Valley Metro	Phoenix	AZ	Reduced Fare Homeless provider program	1. General Reduced Fare ID program includes those who are in drug and alcohol addiction treatment programs; currently updating the application portion of this program. 2. Homeless Provider Program—for all non-profit organizations and government agencies who can purchase full fare passes at half-price to distribute to homeless clients who are job seeking or going to medical appointments.
SunTran	Tuscon	AZ	Reduced Fare Income-Based Reduced Fare	Pima County residents who meet low-income requirements may be eligible for the reduced fare once an application and required documentation are submitted to Special Services.
Metro	Los Angeles	CA	Rider Relief Immediate Needs Transportation Program	1. Rider Relief: The Rider Relief Transportation Program (RRTP) provides fare subsidy coupons to eligible riders who purchase daily, weekly, or monthly Metro passes, Stored Value, TAP cash purse option, and EZ transit passes from participating transit systems. Eligible riders include adult regular riders, Senior/Disabled/Medicare, K-12 grade students, and college/vocational students who are pre-qualified by a participating community-based agency. The new subsidy coupon booklets are issued by the participating community-

				based organizations and are accepted at participating pass sales locations during Pass Sales periods. The Metro sales period starts on the 25th of the month through the 10th of the following month. 2. The Immediate Needs Transportation Program (INTP) provides subsidized taxi service and/or a transit subsidy for Los Angeles County residents with limited resources who have a transportation need and no other resources to meet that need. The service is made available throughout Los Angeles Count
1. San Francisco Municipal Railway (Muni) 2. BART	San Francisco	CA	Muni Lifeline Pass Reduced Fare	1. Lifeline Pass, $31 (half-price). Muni-only pass, valid for income-qualified customers who receive benefits from the following SF county assistance programs: Food Stamps, Medi-Cal, CalWORKS, General Assistance (GA), Cash Assistance Linked to Medi-Cal (CALM), Personal Assisted Employment Services (PAES), Cash Assistance Program for Immigrants (CAPI), Supplemental Security Income Pending (SSIP). Can only be used on MUNI buses, trains and trolleys. They are not valid on BART or the cable cars. 2. BART – Standard Reduced Fare
Santa Clara Valley Transportation Authority (VTA)	San Jose	CA	UPLIFT	The UPLIFT Transit Pass Program provides quarterly, unrestricted transportation passes for homeless, case-managed individuals on all VTA bus routes and light-rail lines. • Eligibility: Pass recipient must be homeless, Recipient must be

				receiving case management through one of the participating agencies.
RTD	Denver	CO	Non-Profit Agency Reduced Fare Program	RTD offers a program for non-profit, 501(c)(3) agencies that provide assistance to low-income and/or homeless clients. Qualified agencies may apply for participation and once approved they may purchase fare products at a discount. The discounted fare products may only be given to low income and homeless clients of the agency that meet the Household Income Eligibility Guidelines of the RTD Reduced Fare Program.
MDT	Miami-Dade	FL	Transportation Disadvantaged Program Welfare to Work	1. Agencies and programs that work directly and serve those who are disadvantaged (poor, homeless, unemployed, disabled, adults & children at risk, seniors, abused, and those with addictions) may receive assistance through the transportation disadvantaged trust fund. The assistance is in the form of monthly, weekly, daily, and single tripeasy tickets. Agencies/programs coordinators or administrators must submit a letter of request identifying themselves, their programs, target clientele, services offered, and information regarding those needing assistance 2. Miami Dade transit has been working closely with welfare to work (wages, tech, and south Florida workforce) programs and their participants to eliminate transportation barriers to access employment, daycare, job training, medical services, educational,

				residential and other services and activities that will promote and eventually evolve into self-sufficiency for the participants.
DART	Des Moines	IA	Refugee Program	Refugee Program: Passengers can inquire about DART's Reduced Fare Program for Refugees at any of the participating refugee-service agencies. Participating agencies include: •Lutheran Services in Iowa •Bureau of Refugee Services •Visiting Nurse Services of Iowa •Iowa Department of Human Rights Office of Asian and Island Pacific Islander Affairs •Catholic Charities •U.S. Committee for Refugees and Immigrants They will need to fill out an application and prove their refugee status with form I-94 and photo ID or green card. Eligible refugees will receive a Reduced Fare ID card from DART, which they can use to purchase bus passes at a reduced rate at any pass-sales outlet. The Reduced Fare ID card will be good for five years. Certain restrictions apply: •Refugees using reduced-fare passes will need to show their Reduced Fare ID card to the bus operator when boarding a bus. •Reduced-fare passes are not transferable. •Improper use of the ID will result in the loss of card privileges.

MTA	Baltimore	MD	JARC Program	The Maryland Transit Administration's (MTA) ongoing effort to provide safe reliable transportation to individuals who receive public assistance, and other low income individuals and families, recently awarded $3.7 million dollars to several local organizations. The MTA's Office of Local Transit Support announced the names of recipients for its Fiscal Year 2012-2013 Job Access and Reverse Commute (JARC) and New Freedom Program (NF) Program grants.
Ann Arbor Transportation Authority	Ann Arbor	MI	Fare Deal Card	Allows cardholder to ride fixed route service for a reduced fare. For low-income residents, senior citizens ages 60-64, and people with disabilities who have not qualified for an ADA Card. Issued with: A valid state ID card or valid drivers license. Valid proof of Medicaid/Medicare card or written authorization from a participating social service agency.
SMART	Detroit	MI	Get A Job, Get A Ride	Get A Job, Get A Ride!: The Get A Job, Get A Ride! Program helps new employees save on their transportation costs. Eligible participants hired within the past 30 days who are permanent, full time employees can receive a complimentary 31 Day Pass ($66.00 value) to ride SMART's Fixed Route service. The employer must first enroll in the program and each employee must meet certain eligibility requirements.

				Veterans: SMART has been awarded a grant that will fund a $127,270 project from the Veterans Transportation and Community Living Initiative, a competitive program designed to help communities make transportation services more efficient and accessible for veterans, military families, senior citizens and people with disabilities. The grant will improve access to SMART services and other available resources.
Kalamazoo County Transportation Authority	Kalamazoo County	MI	Bridge Card	Metro 31-Day Passes are now available to eligible low-income riders for $27.50. Eligibility: Available to those filling out self-certification form that income is at or below 150% of national poverty guideline. •Will be issued a 6-month eligibility card
NJ Transit		NJ	Get a Job, Get a Ride	Corporate Partners provide qualifying new employees with a free one-month NJ TRANSIT bus, rail or light rail pass for commuting to and from work. The free passes are good for unlimited trips throughout the calendar month and help fill the financial gap between first pay periods. The program is open to all new employees who meet the following criteria: Can commute on a NJ TRANSIT bus, train, or light rail system . Starting salary must be equivalent to $ 10.00 per hour or less Must be 18 years of age or older and not a full-time student Must work at least 20 hours or

				more per week Must have been unemployed at least 30 days before taking new position Not currently receiving public assistance from a WFNJ agency, Must be a resident of New Jersey
ABQ Ride	Albuquerque	NM	Discount Passes	$20/per month pass for qualified customers (TANF/TMA). Monthly passes available for college and vocational education students (non UMN or CMN).
Santa Fe Trails / Los Valles Transit	Santa Fe	NM	TANF/NFM Job Access and JARC Reverse Commute Program	1. TANF: TANF/New Mexico Works participants are eligible for welfare-to-work services. Participants will be issued a 31-day limited pass each month they are in the program. 2. JARC: Low-Income Working People who live at or below 150% of federal poverty level are eligible for welfare-to-work services. One of the following is necessary for a person to qualify for JARC: -Be on the Low Income Home Energy Assistance Program -Receive food stamps -Qualify for public housing -Be on Medicaid -Be at or below 150% of the poverty level
Metro	Cincinnati	OH	Everybody Rides Metro	charitable foundation that subsidizes Metro bus tokens and passes for low-income individuals to support self-sufficiency; non-profit that is not part of Metro or SORTA; self-proclaimed first of this type of program in the country
RTA	Dayton	OH	Transit Access Fund	Community fund; provides assistance to social service agencies that provide jobs or job ready activities for low-income

				individuals; administered by the Dayton Foundation
Cascades East Transit	Central Oregon	OR	Low-income Dial-A-Ride	Dial-A-Ride is a curb-to-curb, shared ride transit service providing rides to people with disabilities. Dial-A-Ride also provides service to low income seniors not living near a fixed Bend Transit route. To prove eligibility as disabled, low-income disabled, or as a low-income senior, you must submit the appropriate application or applications.
TriMet	Portland	OR	Free Rail Zone Ride Connection	1. Free Rail Zone: You can ride MAX Light Rail and Portland Streetcar within downtown Portland, the Rose Quarter and the Lloyd District for free—all day, every day. The Free Rail Zone includes most of downtown Portland (within the boundaries of the Willamette River, NW Irving and I-405), as well as MAX stations from the Rose Quarter to Lloyd Center. Look for Free Rail Zone emblems at rail stations within these boundaries 2. Ride Connection (Non-profit that works with TriMet.) Currently we provide services to older adults and people with disabilities, rural Washington County residents, and low-income job seekers. We have a wide array of transportation services from door to door rides to teaching people how to use public transportation to vehicle sharing programs, and our focus remains the same....connecting individuals with their communities.

EMTA	Bradford, Tioga, and Sullivan Counties	PA	Welfare to Work Transportation Program	Northeastern PA Welfare to Work Transportation Program (WTW) is a demonstration project funded by the Pennsylvania Department of Transportation. This is a temporary program meant to help Welfare/low income clients to get to and from employment until they are able to identify a more permanent transportation resource. Cash Assistance Clients or individuals who meet the income requirements and have children below the age of 18 who are determined eligible by the County Assistance Office.
COLTS	Lackawanna County	PA	JARC Program	Job Access Reverse Commute (JARC) funding is available to transport welfare recipients and people who meet federal low-income guidelines to work. Eligible employees will receive a voucher that entitles them pay a reduced rate of $20 for a monthly bus pass. Reduced fare bus passes are available for people going to work in the evening. If you are employed and you meet federal low-to-moderate income guidelines, you may be eligible for a discounted COLTS bus pass.
Monroe County Transit Authority	Scotrun	PA	Workers Express	Workers Express is a project funded by the Pennsylvania Department of Transportation and the Pocono Workforce Investment Board. It is a temporary program meant to help eligible individuals with children get to and from work and day care. Eligibility screening for this program is handled through the Pocono Alliance. Individuals wishing to apply for the program

				should call the Transportation Case Manager at the Pocono Alliance, (570) 517-5367. Anyone who is working, has a dependent child, is a resident of Monroe County, and is determined eligible, can use the service. A variety of options are available through a new voucher program *Fixed Route bus tickets, (Free) maximum 40 tickets/mth, up to 6 mths. *Shared Ride and Taxi, Vouchers are issued based on 20 work days/mth at $20.00/day up to 3 mths. (Transportation on Shared Ride and Taxi are limited to $400.00/mth and is pro-rated for the portions of a month traveled.) *Mileage Reimbursement options are possible through your Case Manager at the Pocono Alliance.
SVSS	Shenango Valley	PA	Fare Discounts	$.50 Fare Medicaid/Medicare card and are under 65 years of age, SVSS bus pass marked "HALF PRICE FARE"* $0.25 Fare: Unemployed Persons (Must Prove Unemployment Status) Free Fare: Public Welfare Recipients (For Any Medical Related Trip Only)
CARTA	Charleston	SC	Low-income fares	Low income fares are available to those who qualify. Qualified individuals will receive a CARTA ID that they will need to show when paying the discounted fare. Qualifications must be re-verified every 6 months to be eligible to use the discount fare. Low Income tickets are available at CARTA Administrative offices and at The

				Trident One Stop Career Center.
RTA	Corpus Christi	TX	Token Program and Matching Bus Program	Token program – tokens are distributed to qualified programs and charities for distribution. RTA does receive monthly reports from programs receiving token assistance but does not screen applicants for eligibility. Programs that qualify for the token program may participate in a matching bus pass program. For example, if an agency purchases a monthly bus pass, we will provide one free. Matching pass program is limited to fixed route services.
Sun Metro	El Paso	TX	Job Express	Job Express: Job Access and Reverse Commute (JARC) program meant to provide flexible-route and demand-response service. The program is designed to support those transitioning from welfare to work by providing transportation to job training, education, employment and child care destinations. Job Express is responsive to requests for late night and flexible shift transportation. Eligible clients can use Job Express whenever they need to get to school, work, job training or employment interviews. It also assist in getting the client's children to school or daycare so clients can get to work or school on time. The program is a partnership between Sun Metro and the El Paso Transportation Alliance. Funding for the project is provided by FTA grants and the El Paso Empowerment Zone. Additional support is provided by the Housing

				Authority of El Paso, the Opportunity Coalition for the Homeless and the Upper Rio Grande Workforce Development board. Members of the El Paso Transportation Alliance are: YWCA, Project Vida, Pr
The T	Fort Worth	TX	FAIRAID	In 1989, The T implemented a grant program, FAREAID, to facilitate access to services delivered by Social Service Agencies by persons who were low-income and could not get there otherwise. Through the FAREAID Grant Program, we award day passes to non-profit groups and agencies who distribute them to clients to use on T bus service. We accept applications in September and award grants for following fiscal year beginning in October.
Metro Houston	Houston	TX	Bulk Purchase Discount	Program with some of the larger not for profit organizations who purchase our fares in bulk. They get a small discount based on the quantity.
UTA	Salt Lake City	UT	1. State Horizon Card Discount 2. Ecopass	1. Use the cash value on your Utah State Horizon Card to purchase the Adult Monthly Pass and receive a discount of approximately 16%. The pass is good for unlimited travel on local buses and TRAX for one calendar month. This fare applies to passengers ages 18-64 2. Eco Pass: An Eco Pass is a company-sponsored annual transit pass employees can use to ride TRAX or the bus to commute to work and also for personal transportation

Sound Transit	Central Puget Sound	WA	Reduced Fare	You can qualify for a temporary Regional Reduced Fare Permit if you: •currently participate in a vocational career program with the Washington State Individual Education Program (IEP).
Metro	King County	WA	HopeLink Job Access Reverse Commute (JARC) Transportation Program	1. Hopelink - Provides transportation for: Medicaid Transportation - In partnership with the Department of Social and Health Services (DSHS), Hopelink coordinates transportation to and from medical appointments for low income residents on Medicaid assistance. Interpreter Services - Hopelink also partners with DSHS to broker Spoken Language Interpreter Services when arranged by DSHS contract service providers (i.e., medical providers) or DSHS staff. 2. The Job Access Reverse Commute (JARC) Transportation Program developed by the King County Department of Transportation is a comprehensive approach to providing transportation to transition low-income and welfare reform clients into employment. The County created the Metro JARC Program to •make transit affordable for low-income and welfare recipients. •provide personalized services to help individuals join or form carpools and vanpools. •develop transportation alternatives that better link low-income

				individuals to job centers. •subsidize leased vans
Kitsap Transit	Kitsap	WA	Reduced Fare	Reduced fare is available for low-income persons to ride Kitsap Transit routed buses and the Kitsap Transit Foot Ferry. One of the following forms of verification is necessary ◦Award letter from SSI, DSHS, Medical coupon, Food assistance documentation (Note: EBT Quest cards do not qualify as proof - must provide paperwork issued by DSHS) ◦Financial Assistance Award Letter ◦Low income housing paperwork ◦Letter from a public shelter ◦Letter from Work Release ◦Voucher from public assistance agency
Valley Transit	Walla Walla	WA	STN Passes	Special Transportation Needs (STN) passes are available for $10 per month. Washington State defines special transportation needs as a person who does not drive because of age, ability or income. Job Access passes are available for $12 per calendar month and provide people enrolled in the Job Access program with transportation to and from work from 5am to 11:30pm.

Metro Transit	Madison	WI	Low-Income Pass	Metro 31-Day Passes are now available to eligible low-income riders for $27.50. Eligibility: Available to those filling out self-certification form that income is at or below 150% of national poverty guideline. •Will be issued a 6-month eligibility card. •Passes are available on a first-come, first-serve basis on the first business day of each month. •Supplies are limited. When an outlet has sold its monthly supply, low-income passes will not be available at that location again until the beginning of the next month.
BJCTA	Birmingham	AL	Standard	Standard Reduced Fare Program
CATA	Little Rock	AR	Standard	Standard Reduced Fare Program
Valley Metro	Phoenix	AZ	Standard	Standard Reduced Fare Program
Regional Transit	Sacramento	CA	Standard	Standard Reduced Fare Program
SDMTS	San Diego	CA	Standard	Standard Reduced Fare Program
WMATA	Washington DC	DC	Standard	Standard Reduced Fare Program
JTA	Jacksonville	FL	Standard	Standard Reduced Fare Program
IndyGo	Indianapolis	IN	Standard	Standard Reduced Fare Program
MBTA	Boston	MA	Standard	Standard Reduced Fare Program
CATS	Charlotte	NC	Standard	Standard Reduced Fare Program
NFT Metro	Buffalo	NY	Standard	Standard Reduced Fare Program
MTA	New York	NY	Standard	Standard Reduced Fare Program
SEPTA	Philidelphia	PA	Standard	Standard Reduced Fare Program
Nashville MTA	Nashville	TN	Standard	Standard Reduced Fare Program
MATA	Memphis	TN	Standard	Standard Reduced Fare Program
Via	San Antonio	TX	Standard	Standard Reduced Fare Program
DART	Dallas	TX	Standard	Standard Reduced Fare Program
SEPTA	Philadelphia	PA	Standard	SEPTA does not have a reduced fare program for low-income riders. However there is an independent agency called Logisticare that

				administers a program for low income persons meeting specific criteria. One of the program benefits provides low cost or free fare instruments for travel to medically necessary appointments. SEPTA is not affiliated with this agency but they do purchase our fare instruments to distribute to their members traveling within our Philadelphia five county service area.

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