Meeting Notes
Regional Means-Based Transit Fare Pricing Study
Technical Advisory Committee (TAC) Meeting #3

Thursday, August 4, 2016 10:00 am-12:00 pm
Metropolitan Transportation Commission
Ohlone Room, 1st Floor
375 Beale Street, San Francisco 94105

Attendees:

Asha Agrawal	Mineta Transportation Institute/San Jose State University
Jennifer Yeamans	Yeamans Consulting
Joe Speaks	CH2M HILL
Celestine Do	CH2M HILL
Pat Piras	Public
Tom Harais	ECCTA
April Mo	SFCTA
Yeying Huang	SFCTA
Barbara Duffy	Marin Transit
Randolph Hudson	Contra Costa Employment and Human Services
Cathleen Sullivan	Alameda County Transportation Commission
Kimberly Koempel	Alameda County Transportation Commission
Bob Allen	Urban Habitat
Charlotte Barham	BART
David Weir	MTC
Melanie Choy	MTC
Anne Richman	MTC
Kenneth Folan	MTC
Scott Lane	MTC Policy Advisory Council South Bay
Nathan Landau	AC Transit
Brytanee Brown	Transform

Introductions

- MTC staff member introduced the new MTC project manager, Jennifer Yeamans of Yeamans Consulting, and the goals of the study and this meeting

Evaluation of Alternative Means-Based Transit Fare Scenarios Discussion

- Consultant staff summarized key highlights from Draft Technical Memorandum #3: Evaluation of Alternative Means-Based Transit Fare Scenarios
- Consultant staff introduced the three Affordability scenarios and two Revenue Generating scenarios analyzed, emphasizing that the scenarios need to be refined in terms of scale and policy decisions.
- TAC member question: Does low income definition of under $35,000 a year account for household size? MTC staff said that the $35,000 figure is based on the region's average household size of two to three persons in relation to 200% of the federal poverty guidelines.

Affordability Scenarios

Scenario A1: Discounted Fares & Passes – 50% discount on all fares

- TAC member questions: How would a customer use this scenario on BART as a cash customer? Consultant staff member: The details and logistics of that need to be determined.
- TAC member question: Do these boarding numbers assume 100% eligible customer participation? Consultant staff member: Yes, although it is hard to predict the uptake of the program. We would need to refine the program to manage participation levels.
- TAC member question: What lessons can we learn from other agencies? Consultant staff member: An example of a lesson learned is from the ORCA LIFT program in Seattle where they scaled outreach to help regulate enrollment.
- Audience question: Is the ridership based on current population? Consultant staff member: The ridership is based on actual ridership and share of low income riders (based on survey data). The aim will be to make assumptions and data sources more clear.

Scenario A2: Accumulator with Fare Capping

- TAC member question: Does this program have the goal of helping agencies push ridership onto Clipper? MTC staff member: The goal of the study related to fare coordination is to increase regional fare coordination across agencies. Clipper is viewed as a means to offer low-income discounts to customers.
- Audience question: Are you assuming 100% enrollment in the program when considering ridership and fare elasticity? Consultant staff member: Yes, with the implementation of this fare discount we are assuming that all eligible riders would enroll, and there will be more trips taken as a result of the discount.
- TAC member question: Does the fare revenue impact include administrative overhead? Consultant staff member: No, fare revenue impact does not include administrative costs, which are analyzed separately in the report.

Scenario A3: Cash on Clipper – 1:1 match funds provided by rider

- Audience question: Will the funds from one month roll over to the next one? Consultant staff member: We have not yet defined these programs to that level of detail.

Revenue Scenarios

Scenario R1: Eliminate non-mandated discounts

- TAC member question: Who comprises the largest group of non-mandated discount recipients? Students? Consultant staff member: I believe that students/youth are the largest group but we would need to check on that. TAC member comment: Yes, youth is a big group and eliminating the discount would be a concern. Agency TAC member comment: We discount our youth fare so this scenario would help us realize some revenue.
- TAC member comment: How would programs like Muni for Youth work with this proposed scenario? We would have to figure out the various pots of funding.

Scenario R2: Increase fares – 10% fare increase in all fares

- Consultant explained that this scenario analyzed the revenue that would be generated with a 10% fare increase implemented by all operators.

Scenario Evaluation

- TAC member question: Did you use average elasticity in your calculations? MTC staff member: Yes, we used average elasticity that is used nationally by other transit agencies and FTA study documents, with considerations for both bus and rail modes. Consultant pointed out that elasticity can vary by region, population, and agency.
- TAC member question: Did you calculate revenue for a higher percentage fare increase, higher than 10%? Consultant staff member: No, we've only conducted calculations for a 10% fare increase.

Other Evaluation Considerations: Scalability

- Consultant asked the group: Should we look at adjusting participation in this program by geographic location, for example in the inner East Bay where there are a higher percentage of low income households.
- The group discussion suggested that targeting geography or agency could make sense for a pilot program, with future expansion to follow. However, there was a general sentiment that all regions in the Bay Area have equal need for such a program; with the exception of the San Francisco MTA which has several discount programs that already meet the needs of low-income riders.

Next Steps: Formal Alternatives Analysis of Scenarios

- MTC staff member: We need a more detailed evaluation framework and criteria to move forward with the formal alternatives analysis. We can use the study goals as the criteria but which goals are more important? Are there additional considerations not currently included? MTC staff concurred and suggested that the goals be expanded to more specific objectives aligned to each goal.
- TAC member comment: Low income people are being displaced to less urban areas. We want to have scenarios that account those who need transit in inner East Bay, inner Contra Costa, etc. because we need to have a context for these scenarios.
- TAC member comment: Instead of looking at affordability for all, we could refine the scenarios by looking at areas that are poorly or well served by transit. The point was made that while affordability is important, service level are essential; care needs to be taken not to reduce revenue to transit agencies.
- Audience question: Is this an opportunity to de stigmatize transit and make it more attractive? Consultant staff member: No, this study is about targeting low income riders and promoting affordability.
- TAC member comment: Our riders in Marin are very low income. I advocate that you should implement the program on all agencies. We wouldn't necessarily increase fares but we would join a low income program. What is the proposed schedule for implementing these scenarios? MTC staff member: There is no current plan or recommendation to implement a low-income program. These scenarios represent potential programs and explore the trade-offs that come

- with such a program. Results of this study and whether there is any recommendation is yet to be determined.
- MTC staff member: The program will be more cost effective if means testing is centralized.
- TAC member comment: We ought to be implementing this program throughout the Bay Area.
- TAC member comment: Goal 2 – Building Regional Consistency – is distinctly less important, lovely to have but a potential barrier to bringing a program into existence. Goals 1 & 3 are distinctly more important to bringing benefits to low-income riders.
- TAC member question: Are we attempting to standardize fares? MTC staff member: Fare policy standardization is not a goal of this study, but developing some kind of standard discount could help make the program easier to understand and implement.
- TAC member comment: Goal 1 – increase affordability – is a high priority. Riders served in Antioch and outer regions have grown substantially. We can redirect money from agencies with more affluent demographic to less affluent areas with transit. However, Goal 3 – developing a financially viable and administratively feasible program – needs to be the number one goal.

- TAC member comment: We need to contextualize what $100M means when considering a low-income support program. This is a very substantial sum of money when compared to what we spend on affordable housing and food assistance?

- Audience comment: Affordability is important but it does not do any good if transit is not available. Consultant staff member: The intention is to build transit, not tear it down. This is the reason we have also scaled potential funding sources to offer policy makers as a way to replace any lost revenues.

- Audience comment: Goal 2 is nice to have. We need to refine our scope. Are you looking at low income riders or low income residents? The former have access to transit already. Are you providing affordability for the occasional or frequent rider? Break down Goal 1 to distinguish between occasional or frequent riders.

- Audience comment: There is no significant variation in financially viability amongst the scenarios, which does not help guide policy makers toward any one of these solutions. The other goals need to be expanded to specific policy objectives to help choose a program.

- TAC member comment: AC Transit did a survey that most riders use transit pretty often so a policy focusing on frequent riders would help AC Transit.

- TAC member comment: Even without a discount, the accumulator would benefit the low-income rider by not requiring a large purchase up front. I want the accumulator. If you fail to provide a meaningful discount, you still have this useful mechanism. If it is subsidized, that is even better.

- Audience comment: What about restaurant workers who bike because they cannot afford a Clipper pass? We need this program to focus on occasional riders in addition to frequent riders with more and free transfers. We need to come up with simple and easy messaging. Simplify message to reach out to people. How do we get people to trust us to get means tested?

- MTC staff member: should we include an additional scenario, such as the Interagency Pass? Have we analyzed enough? The group felt that the likely policy and administrative hurdles were already significant, and that an Interagency Pass seemed like an even greater challenge that may not be realistic to take on with this program.

- TAC: It is already complicated with existing scenarios so we should leave out additional scenario. Use Goals 1 & 3 and leave out G2. Break out core rider targets vs. periphery riders, Clipper users vs. those who choose not to use Clipper. Focus on core riders using Clipper.

- TAC member comment: There is a lot of material to digest. Keeping it simple is key. Focus on low income riders who have to get to work. Welfare system has tremendous requirements for work, and we should help reimburse riders for transit to get to work. We should lean on technology for solutions.

- Audience comment: There is an opportunity to have people ride more with an accumulator. We can invest in deep outreach and teach someone to use Clipper.

- TAC: We need to address the issue of easily acquiring a Clipper card. This is currently seen by some to be a barrier.

- TAC: I like Affordability scenario A1 with 50% discount because it's intuitive and easy to understand. Accumulators are more complicated to explain.

- Audience comment: We need to determine what low income people we are targeting. Goal 1 could be expanded with sub-criteria such as rider frequency, cash payment options, reaching those in greatest need, overlap with existing programs, simplicity for users, and participation goals/scalability. Do we just build features of a scenario on a smaller scale with limited resources or meet the actual need?

- TAC member comment: If we increase the administrative burden for the scenarios, it will be harder to implement. Minimizing administrative burden to transit agencies is important.

- Audience comment: I'm interested in a hybrid system with accumulator as well as cash on the card. Perhaps users get credit for referring other low income riders to this program. Consultant commented that combining the features of all scenarios could make a great product to meet various rider needs, but it creates a program that is more expensive, more complicated, and takes longer to implement.

- Audience comment: We can learn from Plan Bay Area's outreach efforts and roll this program out as consistent with the goals and requirements previously established.

- MTC staff member: With this discussion, it appears that the TAC does not want to analyze an additional scenario.

Upcoming Work

- MTC staff member: We need to identify more detailed evaluation parameters for program. The comments and opinions expressed in this meeting will help us develop those specific policy objectives.