

## **Low Income Reduced Fare: Position Paper**

Since 2000, the standard King County Metro bus fare has more than doubled; over that same period, the real median household income in the United States has fallen by more than 10% for working-age households. Riding public transit is fast becoming a financial hardship for low income people, at a time when we should be striving to make it more affordable for everyone. We believe that one effective means of making public transit more affordable is to introduce a regional low income reduced fare. However, we also believe that close attention must be paid to how “low income” is defined, how eligibility is determined, and how a regional low income fare program is administered.

**Scope of a Low Income Reduced Fare Program:** A low income fare program should be regional, ideally covering all the transit agencies that recognize the Regional Reduced Fare Permit for seniors and people with disabilities; at the least it should cover King County Metro Transit and Sound Transit.

**Relation to the Reduced Fare Bus Ticket program:** A low income reduced fare program should not be conceived as a replacement for the existing Reduced Fare Bus Ticket program, which allows health and human service agencies to purchase subsidized bus tickets for the people they serve. There will continue to be a need for these bus tickets, especially for transitory populations and since even a reduced fare will be unaffordable for individuals with no income.

**Fare Levels:** We recommend that a low income reduced fare match the current senior and disabled fare of \$0.75. We also recommend that there be a monthly pass option; for a \$0.75 fare, the cost of a PugetPass would be \$27 per month.

**Eligibility Criteria:** Among transit agencies that have a low income reduced fare program, there are two main ways of determining eligibility. Some, such as Kitsap Transit, piggyback on other income-based assistance programs, so that an individual who is receiving some other form of assistance is also considered eligible for the reduced fare. Other transit systems use an income standard. We recommend that receiving another form of assistance be sufficient for eligibility, but that an income standard also be accepted, because many people who would qualify for assistance based on their income do not in fact apply for and receive it.

**Definition of Low Income:** The “low income” category is commonly defined as comprising those earning less than 200% of the Federal Poverty Level, but there are several other standards currently in use. The Self-Sufficiency Standard developed by Dr. Diana Pearce, which was conceived as a replacement for the Federal Poverty Level, is used by the Workforce Development Council of Seattle King County, the King County Work Training Program, and the City of Seattle Youth Employment Program. We recommend that eligibility criteria for a Low Income Reduced Fare program be based upon this standard, since it is superior to other standards in its sensitivity to family composition and local costs of living. We recommend that the low income threshold be set at no less than 100% of the Self-Sufficiency Standard. There is already a “Self-Sufficiency Calculator” for Washington State online, [www.thecalculator.org](http://www.thecalculator.org), that can be used to determine eligibility.

**Proof of Eligibility:** Several transit agencies, including StarTran (Lincoln, NE) and Madison Metro Transit (Madison, WI), have successfully used a self-certification form (honor system) rather than requiring proof of eligibility. We recommend that this option be considered, both because it is simple, accessible, and dignified and because the administrative savings of not having to verify and maintain records of everyone’s income or assistance would likely outweigh the cost of the very small percentage of riders who might abuse the system.

**Administration:** We believe it is extremely important that it be possible to apply for a low income reduced fare card or pass throughout the year, rather than by some particular date. We also recommend that people be required to renew their application no more frequently than once per year. A low income reduced fare program could be administered as an extension of the existing Regional Reduced Fare Permit program.

**Funding:** We recognize that a good low income reduced fare program will result in substantial costs to the transit agencies that participate in it, and that sources of funding must be found. However, we also believe it is incorrect and inappropriate to consider the full amount of the discount to be “lost” fare revenue that must be funded by other means. In fact, many of the people who would use a low income fare card, like many of the people who currently receive subsidized bus tickets, would not otherwise be paying the full fare; instead they would not be riding the bus, or they would ride much less often. We recommend that a county-wide Employer Tax (RCW 81.100.030) be considered, since this is one of the few unused funding mechanisms King County already has at its disposal.