

**Board Report**

File #: 2021-0627, **File Type:** Motion / Motion Response**Agenda Number:** 40.

REVISED
REGULAR BOARD MEETING
SEPTEMBER 23, 2021**Motion by:****DIRECTORS MITCHELL, SOLIS, GARCETTI, SANDOVAL, BONIN, AND DUPONT-WALKER**

Related to Item 35: Fareless System Initiative (FSI)

Effective March 23, 2020, former LA Metro CEO Phil Washington ordered that all passengers shall board the rear door when entering an LA Metro bus and, accordingly, removed the requirement for bus passengers to use the fare box. This practice was established to reduce the risk of COVID-19 transmissions on transit and to protect transit operators at the front of the bus from potential exposure to COVID-19. While put in place as a health pandemic response, this practice has been one of the most effective strategies in our region to respond to the economic pandemic our communities face.

Riders and community advocates quickly embraced LA Metro's fare free bus service and in August 2020, CEO Washington announced the formation of the Fareless System Initiative (FSI) Task Force to study the potential for continuing fare-free service as a recovery strategy to continue after the pandemic. The Task Force's research confirmed what riders already know; that LA Metro's riders are overwhelmingly low-income people of color for whom transit fares are an economic burden and for whom fare enforcement perpetuates racial disparities. Furthermore, the Task Force found that a fareless system would grow ridership and help the region meet its mobility, congestion reduction, and sustainability goals more effectively than almost any other LA Metro initiative. Buoyed by these findings, on May 27, 2021, the Board directed staff to proceed with FSI, subject to a final financial plan, which is before the Board for consideration today.

The financial plan identifies funding for free student passes as Phase 1 of FSI. Staff has moved quickly to build on the previously existing U-Pass program to expand free student passes to students in every participating school district throughout the county. However, the financial plan does not identify the funding needed to move forward and launch Phase 2 of FSI, which would serve all low-income riders. In the interim, staff proposes to build on the existing LIFE Program as a first step toward FSI Phase 2, until additional funding can be secured.

Increasing enrollment in the LIFE Program is an important interim step for an expansion of FSI. If implemented, it will create a pre-qualified pool of applicants for FSI Phase 2. While enrollment has grown since its launch in 2019, the LIFE Program still falls far short of its intended impact, largely due

to intimidating, restrictive, and tedious enrollment barriers. The current LIFE Program design will require an overhaul to meet the needs of eligible low-income riders. Namely, the LIFE Program must be far easier to enroll in, more accessible, easier to pay for, and truly affordable for low-income riders.

Our communities are still faced with a dual economic and health pandemic that racial and economic inequalities have further exacerbated. Programs across this region-created to support families in need-will be expiring later this year, despite evidence that these programs have collectively spurred a record drop in poverty (as much as half according to the Urban Institute). Costs will quickly escalate for families, many of whom are still unemployed, taking care of children and loved ones at home, and paying off rental debt. LA Metro must do more to prevent the resumption of fares from exacerbating economic distress among economically vulnerable people in our communities. Removing financial barriers for those who cannot afford transportation creates a lifeline for those who need access to essential travel.

Revamping the LIFE Program will alleviate the impact of fares on low-income riders while preparing LA Metro to implement FSI Phase 2.

SUBJECT: AMENDMENT TO FARELESS SYSTEM INITIATIVE (FSI)

RECOMMENDATION

APPROVE Motion by Mitchell, Solis, Garcetti, Sandoval, Bonin, and Dupont-Walker that the Board direct the Chief Executive Officer to:

- A. Develop a plan to double the number of LIFE Program enrollees by the end of 2022.
- B. Expedite a streamlined application system that enables on-the-spot enrollment and the immediate issuance of LIFE Program benefits through a process that allows applicants to self-certify qualification in the program. Applicants should attest that their information and eligibility in the program is accurate under penalty of fine.
- C. Ensure the fare capping pilot approved by the Board in March 2021 applies to LIFE Program participants.
- D. Expand partnerships with local, state, and federal public benefit programs to automatically enroll members in LIFE upon qualification.
- E. Partner with community-based organizations to canvass LA Metro buses and trains to enroll qualifying riders.
- F. Provide three months of fareless transit to new enrollees as an incentive to enrollment, beginning upon the resumption of fare collection.
- G. Evaluate whether qualified applicants can enroll in the LIFE Program with the next generation of touch screen TAP Vending Machines.

WE, FURTHER MOVE, that the Board direct the Chief Executive Officer to:

- H. Continue the current boarding practices until prospective participants can enroll-on-the spot and self-certify their eligibility, with no less than 90 days for promotion and 45 days for enrollment before fare collection resumes. The resumption of fare collection should also be subject to a 45-day awareness-building period that fares collection will resume as detailed in Attachment I of the September 2021 FSI report (Board File 2021-0574).
- I. Return to the Board in January 2022 with an update on LIFE Program changes.
- J. Conduct a LIFE Program evaluation - in partnership with community-based organizations -- to:
 - 1. Develop additional strategies that support the enrollment of new participants in the LIFE Program.
 - 2. Survey and convene current and prospective LIFE Program enrollees on how well the current program meets the needs of eligible applicants.
 - 3. Review current benefit levels and recommend changes, as appropriate.

BONIN AMENDMENT:

I would like Metro staff to come back to us in your next report with a more reasonable evaluation of the benefits and costs of going truly fareless. This analysis needs to consider:

- A. A phased approach that winds down contracts rather than breaching them.
- B. The cost of anticipated upgrades and maintenance of our fare collection system that could be avoided.
- C. Realistic ridership and fare revenue forecasts that take into account actual ridership trends, use today's ridership as a baseline, and factor in already Board-approved discounts, including today's actions.
- D. Operational savings from reduced bus dwell times and reduced staff needs for fare collection and enforcement.
- E. Validating cost assumptions from munis.
- F. Looking more holistically at Access Services, including potential savings from Federal waivers and coordination with Microtransit; and
- G. Look at universal \$26 pass proposal from Bus Riders Union.

KUEHL AMENDMENT:

Report back on the communication plan.