

**Board Report**

File #: 2022-0679, **File Type:** Informational Report**Agenda Number:** 22.

**EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 20, 2022****SUBJECT: FARELESS SYSTEM INITIATIVE AND LOW-INCOME FARE IS EASY****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE status updates on Fareless System Initiative (FSI) and Low-Income Fare Is Easy (LIFE) Programs.

ISSUE

The Fareless System Initiative is a phased approach that gives our most vulnerable riders access to fareless transit. Phase 1 is a two-year pilot program that allows students in participating K-12 Districts, charter networks, private schools, and community colleges to ride Metro and 13 additional transit agencies without paying fares. The Low Income Fare is Easy (LIFE) Program provides free and reduced-fares to low-income riders. The LIFE Program is a bridge to Phase 2 of FSI, which is a future extension of fareless services to low-income adults once funding has been identified. This report provides a status update on the FSI and LIFE Programs.

BACKGROUND

On May 27, 2021, the Board passed Motion 45 (Garcetti, Mitchell, Krekorian, Hahn, Bonin, and Solis) (Attachment A) on implementation strategies for the Fareless Systems Initiative (FSI). The motion directed the Chief Executive Officer to implement the Fareless System Initiative, subject to a final funding plan and while pursuing cost-sharing agreements and reporting to the Board monthly on the development, launch, and performance of FSI.

On September 23, 2021, the Board approved a staff recommendation (File #2021-0574) to launch Phase 1 of the Fareless System Initiative for K-14 students on October 1, 2021, with the understanding that future Board approval would be required to launch Phase 2 for low-income adults once available funding had been identified. In addition, the Board adopted Motion 40 (Attachment B), which directed staff to revamp the LIFE program and implement a series of promotional activities and improvements to the LIFE program.

Phase 1 of FSI and the LIFE Program improvements are stepping stones to Phase 2 and beyond and

are helping bring fare relief to low-income riders and youth who are some of Metro’s most vulnerable riders. The LIFE program’s goal is to increase mobility and the quality of life for the participants. As staff continues to seek funding for FSI Phase 2, significant enhancements have been made to the LIFE program. Strategic efforts have been implemented to double enrollment in the program in accordance with Motion 40 to ensure accessibility to the program.

FSI Phase 1

In an effort to make Metro more accessible while providing financial relief from transportation costs for students and their families, Metro launched the GoPass pilot in October 2021. The GoPass pilot was supported using one-time American Recovery Plan Act (ARPA) funds. The estimated cost of the twenty-month regional fareless pilot program for K-14 students based on projected fare-revenue loss is \$49.9 million. ARPA funds are being used by Metro, other transit agencies, and many participating school districts to cover the cost of the GoPass pilot program, which ends June 30, 2023. The cost for K-12 districts to participate is \$3 per enrolled student per year, and the cost for community college is \$7 per student per year.

DISCUSSION

Year 1 of the GoPass Pilot Program ran from October 1, 2021, through July 31, 2022. Fifty (50) K-12 public Districts, Charter School Networks, and Independent Charter and Private schools participated in Year 1, along with and six (6) Community College Districts representing fourteen (14) colleges, which included over 1,100 schools and more than 1 million eligible students in the partner districts (see Figure 1 below). Thirteen (13) transit agencies are participating in the program: City of Commerce, Culver CityBus, Foothill Transit, Glendale Beeline, GTrans, LA County Shuttles, LADOT DASH, Long Beach Transit, Montebello Bus, Norwalk Transit, Pasadena Transit, Santa Monica Big Blue Bus, and Torrance Transit. This is 50% of the agencies on TAP. Staff continues to meet weekly with all interested transit agencies in LA County to ensure open communication and data sharing and is working on adding additional transit agencies to the program.

Figure 1 - Year 1 Districts by Type

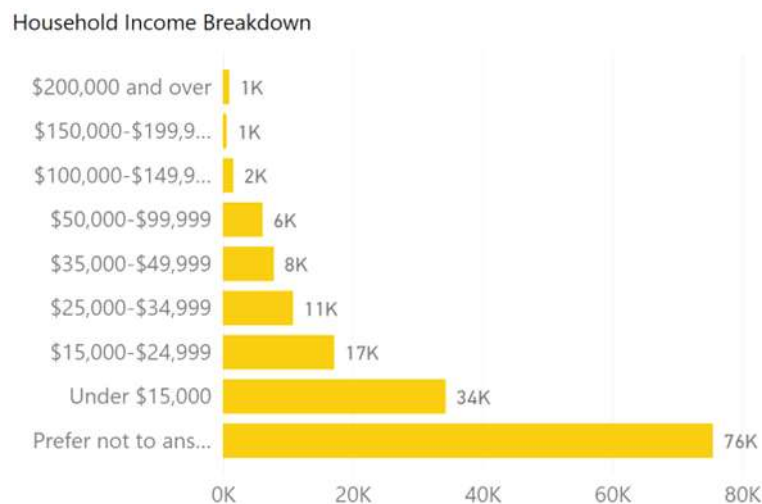
| District Type | Participating Year 1 | Total # of districts | Percent of Participation |
|-----------------------------|----------------------|----------------------|--------------------------|
| Public Districts | 12 | 81 | 15% |
| Charter Networks | 10 | 29 | 34% |
| Independent Charters | 25 | 150 | 17% |
| Private Schools | 3 | 697 | 0.4% |
| Community College Districts | 6 | 13 | 46% |
| Total | 56 | 970 | 6% |

In Year 1:

- 925,000 GoPass TAP Cards were distributed
- 135,581 passes were loaded (15% of cards distributed)
- 96,370 cards (71% of registered cards) were actively used on the system for an average of 57 boardings per card
- 5,566,839 boardings on all participating transit agencies

In Year 1 of the program, over 90% of boardings occurred Monday through Friday, with the highest usage peaking at 8 AM and 4 PM, showing that the students were using the GoPass to get to and from school.

In addition, 88% of GoPass participants who share their household income data report an annual income of less than \$50,000 per year, which would qualify them for the Low Income Fare is Easy (LIFE) program at the levels of \$47,300 for household of two persons or \$53,200 for a household of three persons (see below). This is higher than the 69% of students in LA County who qualify for free and reduced-cost lunch programs or the 70% of Metro riders who are below that threshold.



Districts and students have expressed a great appreciation for how easy it is for them to participate in the program and the cost-benefit. Schools say that they have students who rely on the program to get to school daily, and having a pass helps them avoid absences.

Year 2

Year 2 of the GoPass Pilot runs from August 1, 2022, through June 30, 2023. Goals for Year 2 are to add another fifty (50) participating districts, 94,000 more participants, and an additional 10 million boardings. So far, in Year 2 twenty-eight (28) K-12 Districts/Networks and two community colleges have joined the program (60% of goal). (See Figure 2 below.) Metro continues outreach and discussions with the remaining K-12 Districts/Networks and Community College districts in LA County to join the GoPass program. In addition, we have 42,423 new participants (45% of goal), and students have boarded more than 2.27 million times since August 1 (22% of goal).

Figure 2 - Year 2 Districts by Type (cumulative since start of program)

| District Type | Participating Year 1 | Year 2 Additional Partners | Participating as of Oct. '22 |
|-----------------------------|----------------------|----------------------------|------------------------------|
| K-12 Districts | 50 | 28 | 78 |
| Community College Districts | 6 | 2 | 8 |

Since the inception of the program through October 10, 2022:

- 1 million GoPass TAP cards have been distributed
- 168,198 passes have been loaded (15% of cards distributed)
- 139,250 cards (83% of registered cards) have been actively used on the system for an average of 57 boardings per active card
- 7,907,421 boardings have been recorded on all participating transit agencies

With a focus on equity, initial evidence supports the finding that the GoPass Program has increased transit accessibility for students. FY22 student passholders are 118% above 2019 cardholders (271,016 vs. 124,055). K-12 monthly boardings are 47% above pre-COVID averages (953,193 vs. 647,083). Community College monthly boardings are only 14% above pre-COVID (305,510 vs. 268,638) because most colleges are not yet back to full in-person attendance as many classes are offered virtually.

Next Steps

Staff will continue efforts to encourage students to obtain and register their GoPass cards, including exploring in-kind partnerships with LAUSD. Community engagement will continue with community events to increase student participation and a social media campaign. Metro launched a promotional campaign to incentivize schools to register more students, with prizes going to the top participating schools. Staff has been partnering with schools to participate in back-to-school events and holding on-campus registration events to boost program enrollment.

FSI-Phase 2 Low Income

Metro embarked on an intensive process of studying and identifying challenges and opportunities related to eliminating fares on Metro buses and trains. The FSI program is managed in a phased pilot approach, starting with Phase 1 K-14 students and expanding to Phase 2 to include low-income riders who meet Metro's existing low-income qualifications at a future date when funding can be secured. Using consultant support from Deloitte, Metro is developing a strategic roadmap to seek policy reforms to create greater public and policy consensus for Phase 2 of the Fareless program, including a federal and state advocacy plan to obtain funding to support an expanded fareless program.

State Funding Opportunities

Metro has aggressively advocated for state funding to support free fare programs in the State of California. Assembly Member Holden advanced AB 1919, which would have created a program structure for state support of reduced fare programs. The bill was contingent upon an allocation of funding that was not included in the State Budget. While the state has experienced a record surplus, long-term fiscal outlooks still identify significant volatility in state revenues. Due to that volatility, the Legislature only allocated funds for one-time capital purposes. The Legislature is expected to consider various legislative proposals to support free fare programs. Established Board policies allow us to support those measures as they are introduced. Metro staff will continue to support legislation advancing these programs and keep the Board apprised of any new developments.

Federal Funding Opportunities

Metro has been and remains a national leader advocating for Congress and the White House to provide federal funding for reduced-fare and fare-free transit services. Metro partnered with the Los Angeles Community College District (LACCD) to secure a \$1 million grant through the Congressional Directed Funding process to help expand the GoPass program at all community colleges in LA County. The grant will fund passes for nearly 143,000 students.

With the strong support of our Board of Directors and our CEO - Metro had advocated for House Transportation and Infrastructure Chair Peter DeFazio (D-OR) to include a grant program for reduced-fare and fare-free transit services in the Build Back Better reconciliation bill he authored last year, which the full House later adopted. Unfortunately, the House passed measure included a section that provided for federal funding for reduced-fare, and fare-free transit services was never adopted into law due to the failure of the U.S. Senate to consider their version of a Build Back Better reconciliation measure. Metro is continuing to work with California's two U.S. Senators and the Los Angeles County Congressional Delegation to explore future opportunities to secure federal support for reduced-fare and fare-free transit services - including but not limited to - language that could be embedded in the Fiscal Year 2024 Transportation, Housing and Urban Development appropriations bill. Consistent with the direction provided by Metro's Board of Directors, our agency is in strong and full support of the Freedom to Move Act, federal legislation that establishes a \$5 billion competitive grant program known as Freedom to Move Grants to offset fare revenues for transit agencies. This legislation, offered in the U.S. House of Representatives by Rep. Ayanna Pressley (D-MA) and in the U.S. Senate by Senator Ed Markey (D-MA) is pending in the 114th Congress. Metro will remain a national leader on this issue by continuing to work with local, regional, state-wide, and national stakeholders who share our strong support for securing federal support for reduced-fare and fare-free transit services.

LIFE Program

Recognizing the expansion and enhancement of the LIFE program will reduce transportation costs for low-income riders and further advance social and economic mobility for economically disadvantaged individuals. At the same time, Metro continues to seek funding to implement FSI Phase 2 (low-income adults). Staff has continued to employ strategic and tactical actions that lend to streamlining and enhancing the LIFE program, increasing enrollments into the program, and

furthering access to public transit for low-income riders.

A. Double Enrollment Goal

As a result of staff's coordinated efforts, including utilizing the network of community-based partners, municipal agency partners, and municipal transit agencies, Metro continues to increase new enrollments in the LIFE program that remain on track with staff's projections to double LIFE program enrollees to 91,086 by the end of 2022.

As of October 11, 2022, there are 84,004 new LIFE participants, which represents 92.2% of the double enrollment goal and brings the total LIFE program participants to 173,793. The new enrollments can be attributed to the various coordinated efforts, the improvements to the program, which have resulted in a more accessible, seamless application and enrollment process, and tangible results such as:

- 52% of new enrollments submitted through the new online application/portal
- 39% of applications submitted via self-certification; and
- 48% of new applicants were issued a TAP card.
- New LIFE Enrollments:
 - Female: 57%
 - Male: 43%
 - Other: 0.38%
 - Prefer not to answer: 0.07%

B. Regional and Community Based Partnerships

In September 2022, LA Metro launched a partnership with the Department of Public Social Services. A dedicated online enrollment portal for DPSS agents was created to support enrollment at four pilot DPSS offices: The Belvedere office in East LA, The Glendale office, The Metro Family Office, near LA Trade Tech College, and The Rancho Park Office in West Los Angeles. In addition to an online portal, DPSS offices were provided more than 25,000 LIFE brochures in various languages. As of October 12, DPSS agents have enrolled 1077 new LIFE participants into the program. Metro staff will continue to work with DPSS to provide administrative support to ensure numbers continue to increase at these four locations.

Metro's CBO partners have been deployed countywide to provide multilingual outreach and support to hard-to-reach populations such as low-income and cash-paying riders and others at Metro stations, community events, food banks, and other locations. Metro's CBO' are assisting qualifying riders with enrollment applications and supporting the overall public engagement campaign. Since February 2022, Metro's CBO partners have:

- Held more than 100 in-person outreach events at Metro transit stops and stations
- Distributed more than 10,000 flyers and brochures in English, Spanish, Korean, and Chinese to potential enrollees

- Distributed electronic LIFE information via email and text messages to more than 100,000 people.

Metro staff will continue to work with CBO partners to expand reach; and staff will continue to work with the network of CBO partners to collect and evaluate feedback received from new LIFE program participants and potential enrollees.

C. Marketing and Media Efforts

Metro continues to ensure robust outreach, engagement, and promotion tactics that have furthered the LIFE program improvements and increased enrollments to support the double enrollment goal. As a result of focused tactics, the LIFE media campaign has delivered 35 million trackable impressions, 196,000 clicks resulting in 14,000 trackable online applications to date. This means that on average every \$9.33 that Metro spends in trackable advertising has resulted in a new LIFE program applicant. Metro continues to run paid media in various platforms such as English & ethnic print, terrestrial radio, display, paid social, on bus benches, fast food screens, laundromat banners, billboards, and other paid media platforms. Staff will continue implementing inclusive and innovative outreach, promotion, marketing, and media tactics.

EQUITY PLATFORM

At its core, the goal of the FSI Pilot Program is to achieve greater equity by reducing barriers and improving access to transit for all communities. Currently, 88% of registered GoPass users are low-income. This is higher than our systemwide average of 70% low-income riders measured pre-COVID, in the most recent Onboard Customer Survey in Fall 2019. In Year 1, over 90% of the GoPass boardings were used to get to and from school. Not having to worry about the cost of and access to transportation helps students focus on their studies and improves student success. It also saves students money for other important items, like healthy meals. A study conducted of Metro's U-Pass program in 2019 showed that students receiving a free transit pass have up to 27% higher graduation rate, allowing them to continue to higher levels of education and better paying jobs. A 2015 Harvard study found that access to reliable transportation is the single strongest factor in the odds of escaping poverty. Since the start of the GoPass Program in October 2021, K-12 student passholders have increased by 102% and College/Vocational passholders have increased by 106%, meaning that more than twice as many students now have access to reliable transportation, which will improve their student success and future income levels. In addition, there are community college students in the GoPass program who are also parents with children participating in GoPass at their own K-12 schools, so the entire family benefits from the program.

One of the considerations identified for Phase 1 was that low-income families would still need to pay fare when accompanying their minor students. However, the opportunity for students to participate in a fareless program reduces the cost for the whole family to travel together. In addition, participating schools are simultaneously promoting participation in the Low Income Fare is Easy (LIFE) program for other family members. When a student registers their GoPass TAP Card, the confirmation screen contains a live link to allow other family members to click through to the online LIFE application.

Therefore, the GoPass Program is also helping encourage qualifying family members to utilize the benefits of the LIFE Program.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These programs support Metro's Strategic Plan Goal 3) Enhance communities and lives through mobility and access to opportunity and Goal 4) Transform LA County through collaboration and leadership. Metro will continue to work toward providing accessible and inclusive services for the residents of Los Angeles County.

NEXT STEPS

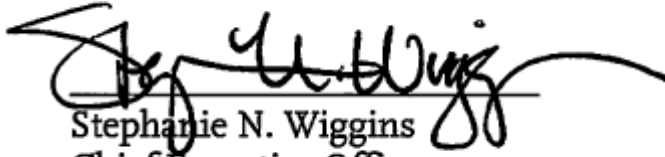
Staff will continue the expansion and analysis of FSI Phase 1 while continuing to seek funding and policy changes for Phase 2 of the program and continue the enhancement efforts for the LIFE program.

ATTACHMENTS

Attachment A - Board Motion 45
Attachment B - Board Motion 40

Prepared by: Devon Deming, Deputy Executive Officer, FSI (213) 922-7957
Michael Turner, Deputy Executive Officer, Government Relations, (213) 922-2122
Raffi Haig Hamparian, Sr. Director., Federal Affairs / Government Relations, (213) 922-3769
Monica Bouldin, Senior Executive Officer, Customer Experience, (213) 922-4081
Michael Cortez, Manager, Community Relations (213) 418-3423
Elba Higueros, Deputy Chief of Staff, (213) 922-6820

Reviewed by: Nicole Englund, Chief of Staff, (213) 922-7950
Jennifer Vides, Chief Customer Experience Officer, (213) 922-4060



Stephanie N. Wiggins
Chief Executive Officer