



Board Report

File #: 2017-0813, **File Type:** Program

Agenda Number: 12.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 17, 2018**

SUBJECT: NEW LOW INCOME FARE SUBSIDY PROGRAM (LIFE)

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AMENDING the FY18 Adopted budget in the amount of \$3.6 million to include Measure M funds to support the Board approved Low Income Fare is Easy (LIFE) program; and
- B. RECEIVING AND FILING the LIFE Program Update.

ISSUE

At its May 2017 meeting, the Metro Board approved the expansion and consolidation of Metro's low income fare subsidy programs, effective January 1, 2018. At that time, the Measure M guidelines had not been approved by the Board (they were subsequently approved in June 2017) and this action incorporates Measure M funding as planned and provides an update of current and future planned activities.

DISCUSSION

As noted above, effective January 1, 2018, in an effort to leverage new Measure M funding, the Rider Relief Transit Program (RRTP) and the Immediate Needs Transit Program (INTP) have been combined to form the consolidated Low Income Fare is Easy (LIFE) Program. See Attachment A for LIFE program Guidelines.

Implementation of the LIFE program is moving forward in two phases.

Phase 1

The first phase is to increase the subsidy for participants with the immediate expansion of the program using the current coupon/token based distribution methods of providing qualifying riders access to discounted 7-day or 30-day passes (RRTP) or the distribution of tokens by Metro affiliated network of social service agencies (INTP).

Table 1 below reflects the increased subsidy amounts effective January 2018.

Table 1 - Revised LIFE Fare Media Subsidies

Pass Type	Previous Monthly Subsidy	Revised Monthly Subsidy
Regular 30-Day	\$10	\$24
Regular 7-Day	\$10	\$24
College/Vocational 30-Day	\$6	\$13
Student (K-12) 30-Day	\$6	\$10
Senior/Disabled 30-Day	\$6	\$8

Phase 2

Phase two will consist of integrating this program onto TAP fare collection system, eliminating the need for coupon and token usage and will be fully implemented by the end of 2019. For 7-day passes, upon implementation of Phase 2, the TAP fare collection system will automatically apply a \$6 dollar *per pass* discount to each purchase thereby allowing the rider to benefit throughout the month, a feature not presently available with the use of the current coupon methods of redemption.

Future plans encompass complete technical integration into TAP, resulting in the following features:

- **A simplified Participant Eligibility Process** - eligibility for subsidies will be indicated on eligible participant's TAP card each year eliminating the need to appear at the distributing agency every 6 months.
- **New TAP ride-based options** - Tying participants' benefits to a TAP card allows for a new ride product to replace the tokens issued under INTP today. Under the revised program the customer can choose either a discounted pass product or the TAP rides each month. Currently, the TAP ride option is not available.

When fully implemented, the combined increase in transit subsidy for qualified riders and technological improvements in the program will significantly enhance the ability of economically vulnerable individuals, including the Senior and Disabled, Student, and regular riders to access both Metro and other Municipal transportation service providers.

Marketing & Outreach

In an effort to ensure maximum outreach to potential riders, an extensive marketing campaign was developed and launched in December 2017. See Attachment B for the detailed Marketing Plan. The

campaign uses a four part strategy:

- **Distribution of information throughout Metro network** - A different approach was devised for the current participants and the new recruitment. The campaign uses Metro channels to reach all eligible riders. These channels, some of which were also provided to participating operators, include brochures translated into 9 languages, posters, car and rail cards, on hold messages, Source post, etc.
- **Distribution of information through Digital media consultant** - a media agency was contracted to place advertisements in various websites, applications, digital radio and bill boards to reach target audience
- **Outreach through program administrators and participating partners** - LIFE administrators, along with 600 + participating non-profit, faith-based or governmental agencies conducted outreach to their client base and general public. Also, certain trade organizations were contacted as well.
- **Outreach conducted by Metro program staff** - LIFE program information was provided to Municipal Operator partners, Bus Operations Subcommittee and Local Transit Systems Subcommittee, Policy Advisory Council, Citizens Advisory Committee and Service Councils. The program changes were also communicated to internal Metro departments that have regular contact with the public to assist with outreach. A special Metro TAP vendor event was organized to provide the program changes to Metro vendors, as well as update them on improvements made to the invoicing process.

The effectiveness of the campaign will be continuously analyzed, and the outreach plan will be revised to target the underserved areas.

DETERMINATION OF SAFETY IMPACT

There is no impact on the safety of Metro patrons or employees as a result of the Board's consideration of this item.

FINANCIAL IMPACT

Funds for the above recommendation are included in Measure M as approved by the voters and included in the Metro Board approved Measure M guidelines.

Impact to Budget

The FY18 Adopted budget included \$10 million funded with Prop C 40%. Should the Board approve staff recommendation, an additional \$3.6 million from Measure M 2% (ADA Paratransit and Metro Discounts for Seniors and Students) will be added to the budget.

ALTERNATIVES CONSIDERED

The Board could choose to not approve the additional funding for the LIFE program. Staff does not recommend this alternative as this action is designed to implement a Board approved initiative to assist economically disadvantaged individuals access expanded travel and transportation options.

NEXT STEPS

The implementation of Phase 1 on January 1, 2018 marks the beginning of additional activities in order to capture the technological advances in future TAP technology. Future planned activities include:

- Update the existing seller agreements with TAP third party vendors to incorporate the redemption requirements of the LIFE program.
- Revise agreements and policies with municipal operator partners
- Continue integration of INTP into LIFE
- Continue development of the system infrastructure to support new administrative processes in coordination with TAP Operation
- Review and revise current policies regarding agency participation, taxi provisions etc.
- Review and revise the operating guidelines as applicable
- Identify pilot vendor locations for TAP enhancements and overall vendor rollout strategy in coordination with TAP Operation
- Continue to market the new program, including a comprehensive outreach campaign to raise awareness of available discounts
- Continue to work with participating agencies to address implementation issues
- Discuss coordination opportunities with other jurisdictions, including the County of Los Angeles, that provide subsidized transit passes to their constituents
- Issue RFP for new third party administrators

ATTACHMENTS

Attachment A - LIFE Operating Guidelines
Attachment B - Marketing and Outreach Plan

Prepared by:

Armineh Saint, Sr. Mgr., Transportation Planning (213) 922-2369
Drew Phillips, Dir. Budget, (213) 922-2109

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer