



Board Report

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Agenda Number: 31.

EXECUTIVE MANAGEMENT COMMITTEE MAY 19, 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 Board has requested ongoing updates on the status of the Fareless System Initiative (FSI), and Low-Income Fare Is Easy (LIFE) Programs.

BACKGROUND

On May 27, 2021, the Board passed Motion 45 (Garcetti, Mitchell, Krekorian, Hahn, Bonin, and Solis) 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 report 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 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, and strategic efforts have been implemented to double enrollment in the program in accordance with Motion 40 to ensure accessibility to the program.

DISCUSSION

Fareless and reduced-fare transit programs in Los Angeles County are both an investment in social mobility and an important tool to assist in the fight against income and health inequality. These programs make Metro more accessible while providing financial relief from the ever-rising cost of living for the working poor. The cost barrier to transit disproportionately impacts low-income households and can limit mobility and access to employment, education, medical care, and social services. Research has found that low-income riders are more likely to be burdened by the costs of using public transit and most likely to not take or delay taking necessary trips due to cost.

FSI Phase 1

Metro seeks to remove transportation barriers that will help fulfill and sustain LA County's economic and social promise, transforming the region into a happier, more vibrant, more prosperous, and more equitable place to live and work.

Lack of affordable transportation is a frequently cited barrier to regular school attendance. The FSI Phase 1 (GoPass) program provides students at participating schools the ability to receive a free transit pass, giving students unlimited access to public transportation to school, extracurricular activities, and work. Student attendance has been linked to improved academic performance, higher graduation rates, and other social benefits such as lower incarceration rates, teen pregnancy, and drug abuse.

Background

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 by 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.

Metro Government Relations and Planning Departments are vigorously continuing to seek long-term funding. Statewide and Federal funding for free student transit pass programs would help boost graduation rates and student health and wellness throughout California and would create a long-term shift toward student success and increased financial stability for this generation and future generations of Californians.

Program

With much success, the GoPass program launched on October 1, 2021, with Los Angeles Unified School District (LAUSD), Culver City Unified School District (CCUSD), and five other school districts and charter school networks.

Enrollment status as of May 5, 2022:

- Fifty-one (51) K-12 Districts and Charter School Networks,
- Five (5) Community College Districts have signed up for the program, and;
- Over one million eligible students in the partnered districts

Metro continues outreach and discussions with the remaining K-12 Districts/Networks and Community College districts in LA County to join the GoPass program. Another forty (40) K-12 Districts and four (4) Community College Districts are in the process of joining.

In addition:

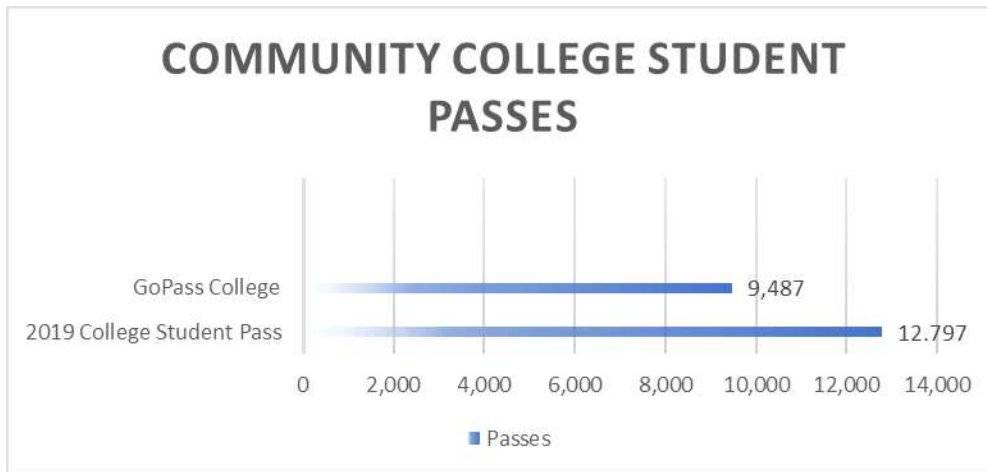
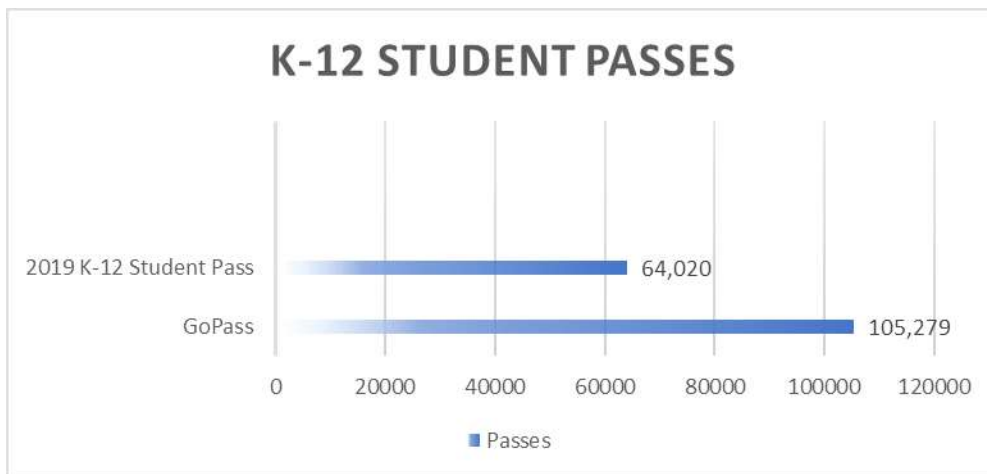
- 716,563 GoPass TAP Cards have been distributed to schools
- 114,766 (16% of cards distributed) have been registered in the GoPass portal
- 75,190 (66% of registered cards) are being actively used on the system
- 2.82 Million boardings have been recorded on all participating transit agencies
- Active cards have an average of 38 boardings used to date

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. They also appreciate the time savings in the simplified administration process. Students say that knowing people worked together to create a program that helps them makes them feel like people care about them. They are also grateful for the money that the program saves for them and their families.

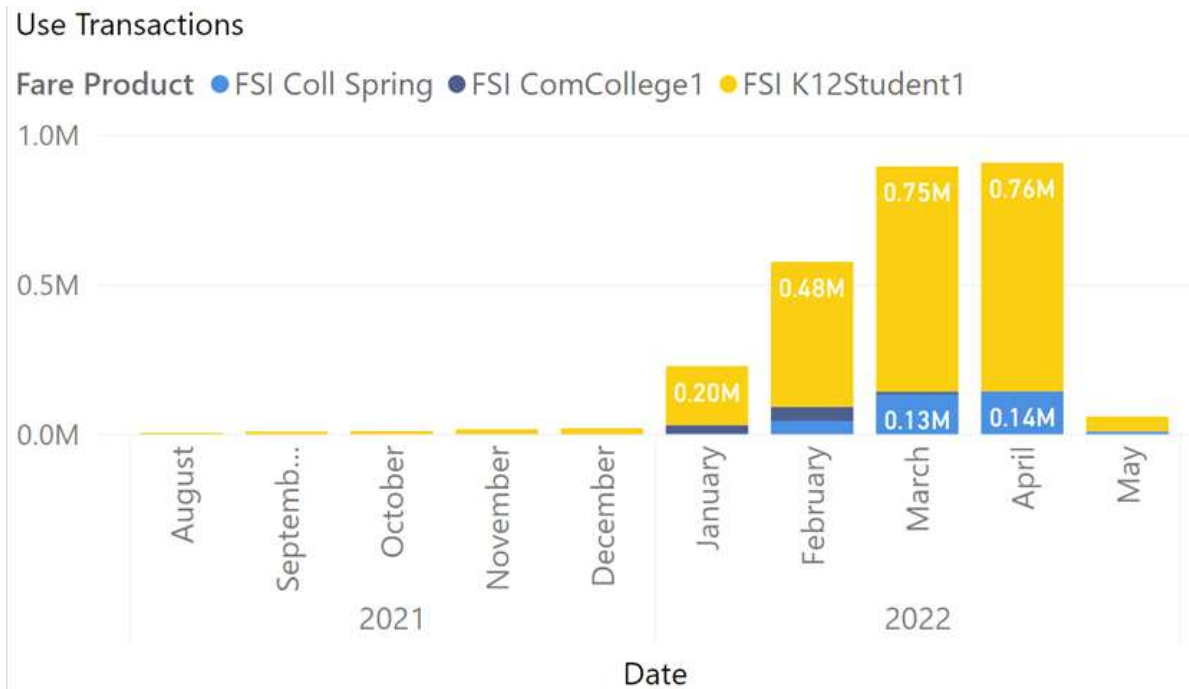
GoPass Usage

Though the program is only eight months into its two-year pilot, staff has seen considerable benefits of the program. With a focus on equity, early findings have supported that the GoPas Program has increased transit accessibility for students. Currently, K-12 GoPass participants are **64%** above 2019 K-12 cardholders. Community college participants are **74%** of 2019 College/Vocational cardholders, most colleges are still not back to in-person classes.

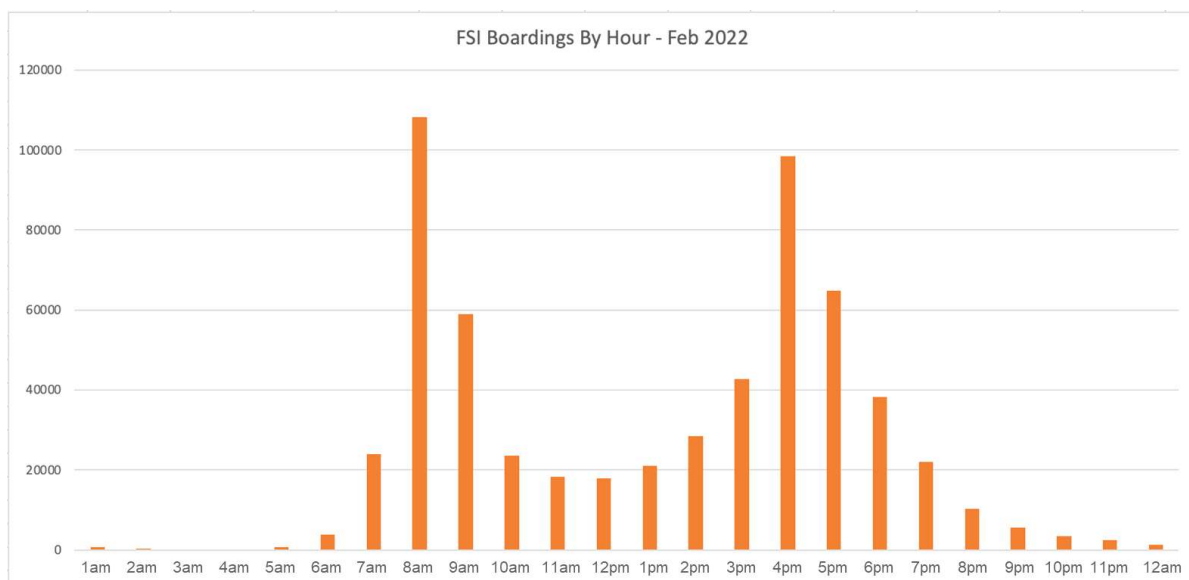
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The increase in pass access has resulted in a 21% increase in K-12 boardings vs. pre-Covid. The tables below show that community college boardings are only 57% of pre-COVID monthly boardings because most colleges are still not back to in-person classes.



Over 90% of boardings are occurring Monday through Friday, with the highest usage peaking at 8 AM and 4 PM, consistent with school hours. This demonstrates that GoPass can be a tool to help address learning loss by removing transportation cost as a barrier to in-person school attendance.



Based on TAP, staff identified the top 5 Metro Bus and Rail Lines:

- Bus
 1. Metro Local Line 16 - DTLA West Hollywood via West 3rd st
 2. Metro Local Line 2 (East) - DTLA - Westwood via Sunset Bl
 3. Metro Local Line 4 (East) - DTLA Sonata Monica via Santa Monica Bl
 4. Metro Local Line 233 - Lake View Terrace- Sherman Oaks via Van Nuys Bl
 5. Metro Local Line 33 - DTLA- Santa Monica via Venice Bl
- Rail
 1. Metro B Line (Red)
 2. Metro E Line (Expo)
 3. Metro L Line (Gold)
 4. Metro G Line (Orange)
 5. Metro A Line (Blue)

In addition, 88% of GoPass participants who share their household income data are low-income compared to 69% of low-income students in LA County and 70% of Metro riders who meet that threshold.

Partnership with other transit agencies in the region has been vital to the program's success. Students' ability to travel seamlessly throughout the county has contributed to increased participation and active use of GoPass, demonstrating the viability of a true universal transit card. Twelve (12) transit agencies are participating in the program, including City of Commerce, Culver CityBus, Foothill Transit, Gardena Transit (GTrans), LA County Shuttles, LADOT DASH, Long Beach Transit, Montebello Bus, Norwalk Transit, Pasadena Transit, Santa Monica Big Blue Bus, and Torrance Transit.

Next Steps

Staff is working with faculty at UCI to analyze the results of the GoPass program under various research grants they have available. The analysis will be conducted in Year 2 and will include: changes in participation, boardings, frequency, and purpose of usage; school success indicators such as attendance and graduation rates; effect on customer experience, safety and security, and operations; and cost for both Metro and other agency participation. Prior to completing the comprehensive evaluation, staff will conduct focus groups with school administrators and students to obtain qualitative data on the GoPass program.

Efforts will continue 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. Staff recently participated in the YMCA Healthy Kids Day event at the LA Coliseum, which had 2,000 attendees. In summer, GoPass will launch a monthly prize drawing for registered cardholders, including tickets to various entertainment venues around LA County that can be accessed via transit, such as museums and amusement parks. A promotional campaign will be developed to get schools to register students, with prizes going to the top schools. As Year 2 begins in the Fall semester, the GoPass team will be partnering with schools to participate in back-to-school events to promote the program.

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.

State Funding Opportunities

Metro has aggressively advocated for state funding to support free fare programs in the State of California. The Metro Board of Directors signed a letter communicating the Golden Opportunity Package, a bold and innovative funding proposal for how the State should spend its historic surplus. In that proposal, the Board identified that the State should allocate a portion of the surplus to transit agencies to support free fare programs. The Legislature has begun initial hearings on the state budget, and Metro has communicated support for that funding with key members and staff.

The Legislature is expected to consider various legislative proposals to support free fare programs. As of the writing of this report there are two proposals to support reduced and free fares in Sacramento. Assembly Member Holden is advancing AB 1919 which could create a grant program to support reduce fares for persons under the age of 25. The final details of this legislation are still being discussed at this time. The Governor has also proposed to provide funding for transit agencies who offer free fares as an offset to both inflation and high gas prices. Assembly Member Holden's proposal is advancing through the regular legislative process and the Governor's proposal will be considered as a part of the overall State Budget. We will also be looking at the requirements in state law relative to farebox recovery. It is important that the State address this issue comprehensively as there are currently more than 165 State laws that govern transit fares and farebox recovery as a requirement for funding eligibility. Established Board policies allow us to support those measures as they are introduced. Metro staff will continue to push for legislation supporting these programs and keep the Board apprised of any new developments.

Federal Funding Opportunities

Consistent with our Board-approved Federal Legislative Program, Metro has been and remains a national leader in advocating for Congress and the White House to provide federal funding for reduced-fare and fare-free transit services. With the strong support of our Board of Directors and our

CEO - Metro effectively advocated for the 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 a measure that included a section that provided for federal funding for reduced-fare and fare-free transit services but 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 continues to work with California's two U.S. Senators to ensure that the House reconciliation language on reduced-fare and fare-free transit service grants be retained should the U.S. Senate consider their version of a Build Back Better reconciliation bill in the second session of the 117th Congress. Parallel to this effort, Metro is exploring funding made available through the Bipartisan Infrastructure Law that could be used to support a reduced-fare or fare-free transit initiative at our agency. In addition, last month Metro submitted earmark requests for our Fareless System Initiative (FSI) with members of the Los Angeles County Congressional Delegation to secure (for the first time) federal support for our FSI initiative.

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 and to seek waivers for farebox recovery mandates.

LIFE Program

Reducing the financial barrier posed by transit fares is a significant step in improving the equity of access to Metro's transit system. The expansion and enhancement of the LIFE program reduces transportation costs for low-income riders as well as further advances social and economic mobility for economically disadvantaged individuals while Metro continues to seek funding to implement FSI Phase 2 (low-income adults). Staff has continued to employ strategic and tactical actions that have streamlined and enhanced the LIFE program, increased enrollments, and furthered access to public transit for low-income riders.

Double Enrollment Goal

To meet Metro's double enrollment goal, staff has advanced efforts through a LIFE Program Strategic Double Enrollment Plan (Enrollment Plan) to double the number of LIFE program enrollees by the end of 2022. The comprehensive Enrollment Plan was presented to the Board in December 2021. As shown, the Enrollment Plan served as a framework for strategies, tactics, and activities to increase program enrollments. The Enrollment Plan is delivered in partnership with LIFE program administrators, FAME Assistance Corporation (FAME), and the International Institute of Los Angeles (IILA), a network of CBO partners, public agency social service providers, regional transit operators, and other internal and external partners of Metro.

Staff's coordinated efforts have focused on increasing LIFE program enrollments through tactics such as direct enrollment, co-enrollment, marketing, promotion, and referrals; and transformative approaches such as:

- A streamlined LIFE application process that enables on-the-spot enrollment and allows applicants

to self-certify;

- Online application enrollment;
- Deep discounts such as the three months of fareless transit to new enrollees upon fare resumption; and
- Other strategic and coordinated tactics.

The Enrollment Plan is centered on the core themes of informing, identifying and enrolling low income people throughout Los Angeles County in a manner that meets people where they are in life, and the plan is centered around the core strategies:

- **Identify:** Employ wide-ranging efforts to identify qualifying program participants.
- **Inform:** Leverage Metro's coordinated, proactive outreach and engagement plan to inform low-income riders, people, and households about the enhanced LIFE program and discounted transit benefits to support program enrollment.
- **Enroll:** Mobilize LIFE program community partners, public agencies, and Metro staff to facilitate networked resources to create a seamless and streamlined process for people to apply to self-certify.

As a result of staff's coordinated efforts, including 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 182,172 by the end of 2022.

As of May 6th, there are 49,117 new LIFE participants, representing 53.9% of the double enrollment goal and bringing the total LIFE program participants to 128,218. 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:

- 56% of new enrollments submitted through the new online application/portal
- 39% of applications submitted self certified; and
- 51% of new applicants requested and were issued a TAP card.
- Average enrollments are up 65% from pre-Covid

Average Enrollments Per Week



The measurable outcomes are also attributed to an increase focus on customer engagement and customer experience. The program improvements and demonstrated outcomes as of the reporting period are also attributed to Metro Customer Centers which as of August 2021 all five Customer Centers were designated as LIFE application intake locations which increased overall accessibility to the program and ease for new applicants to submit an application and receive program information.

- Customer Centers intake approximately 200 LIFE applications weekly
- Approximately 4,700 LIFE applications have been submitted via Metro Customer Centers as of the reporting period.

Measurable Changes in Access to Passes

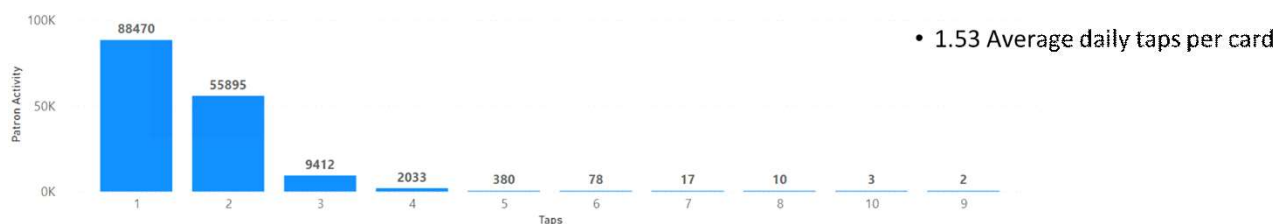
Key Findings (Attachment C)

- The 90-day LIFE pass and discounted passes encourage riders to buy more Metro 7-day and 30-day passes
- Stored value is the most popular choice among LIFE riders(used for inter agency transfer)
- Many riders transition from the 90-day free pass to the discounted 30-day pass

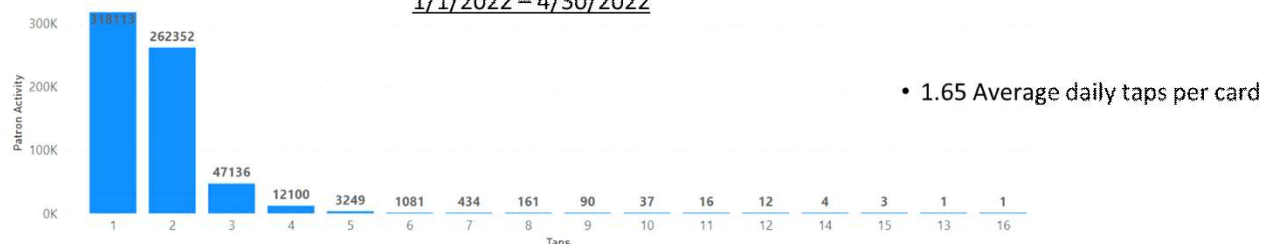
Measurable Ridership Outcomes

In addition to the steady increase in LIFE program enrollments measurable ridership outcomes continue to be demonstrated.

9/1/2019 – 12/31/2019



1/1/2022 – 4/30/2022



- LIFE participant ridership is up 6% from ridership prior to the impacts of the Coronavirus (COVID-19);
- LIFE riders travel 8% more per day
- Average peak LIFE participant transactions more than tripled from the 114,922 to 401,680 from 2019 (pre COVID-19) and early 2022 (post COVID-19)

Additional findings are included in Attachment C.

Regional and Community Based Partnerships

Staff continues to collaborate with partner agencies to identify solutions to identify, inform, and co-enroll eligible low-income clients in the LIFE program. Metro is collaborating with community-based organizations, including County and City of Los Angeles agencies, to assist with mass program promotion, outreach, and referral. Metro is pursuing high-touch opportunities to facilitate co-enrollment for low-income clients of County public agency service providers. Recognizing the social, equity, health, and economic benefits for low-income individuals and households to gain access to public transit through the deep discounts afforded by the LIFE program,

In accordance with the Board Motion, Metro has partnered with community-based organizations (CBO's) to support grass-root outreach and referral services for the LIFE program. Metro's CBO

partners include the Korean American Federation LA (KAFLA), YMCA Greater Los Angeles, and Pacoima Beautiful. In addition to the primary partnerships, through the partnership with KAFLA, additional outreach services are being provided through a network of CBO sub-partners such as: Koreatown Youth & Community Center, Homies Unidos, Hwarang Youth Foundation, Partnership for Growth LA, and Anti-Recidivism Coalition (ARC).

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 CBs assist qualifying riders with enrollment applications and support the overall public engagement campaign. Since February 2022, Metro's CBO partners have:

- Held more than 60 in-person outreach events at Metro transit stops and stations
- Distributed more than 6,000 flyers and brochures in English, Spanish, Korean and Chinese to potential enrollees
- Distributed electronic LIFE information via email and text message to more than 100,000 people.

Metro staff will continue to work with CBO partners to expand their reach. 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. The information will be utilized to adjust and better focus outreach efforts as well as identify new strategies over the summer. Staff will focus on engaging the LIFE program administrators and the CBO partners to review and evaluate the outreach efforts' effectiveness, devise new outreach strategies, and review the program's overall effectiveness. The evaluation will be performed in accordance with the Motion and will commence within the next 30 days.

Marketing and Media Efforts

Metro continues to ensure robust outreach, engagement, and promotion tactics that have furthered the LIFE program improvements and increased enrollments in support of the double enrollment goal. As a result of focused tactics, the LIFE media campaign has delivered 15.5 million trackable impressions and 39,000 clicks resulting in 5,500 trackable online applications as a result of focused tactics. This simply means that on average every \$8.50 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, and paid social, including bus benches, fast food screens, laundromat banners, billboards, and other paid media platforms. Staff will continue to implement inclusive and innovative outreach, promotion, marketing, and media tactics.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on the safety of our customers and employees. Metro is committed to delivering service that is safe and reliable for our customers.

FINANCIAL IMPACT

The estimated revenue loss of Phase 1 of the Fareless System Initiative is \$49.9 million dollars. Funds from the school district cost-sharing and the Federal American Recovery Plan Act (ARPA) will be used to cover the program's revenue loss.

Impact to Budget

The funding source for the FSI Phase 1 is Enterprise Fund operating revenues from district cost-sharing and ARPA. The source of funds for this action, operating revenues, is eligible to fund bus and rail operating expenditures.

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.

For students, access to transit increases the probability of students becoming long-term transit riders, improves school attendance and academic performance, and increases participation in extracurricular activities and employment. Increased transit ridership adds social and environmental benefits to the LA region. Further, even non-transit riders depend on frontline workers' essential services and skills. Reducing barriers to both transit and access to essential workplaces for these workers can further bolster regional recovery from the COVID-19 pandemic. Transportation is a basic need for the Los Angeles region, Phase 1 of the FSI pilot makes Metro more accessible while providing some financial relief from transportation costs on students.

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 simultaneously promote participation in the Low Income Fare is Easy (LIFE) program for other family members.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports 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 work toward providing accessible and inclusive services for the residents of Los Angeles County.

NEXT STEPS

Staff will continue 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 - File # 2021-0372 May 2021 Board Motion 45 on FSI

Attachment B - Board Motion 40

Attachment C - LIFE Data

Prepared by: Devon Deming, Deputy Executive Officer, FSI (213) 922-7957

Armineh Saint, Director, Budget, Local Programming, (213) 922-2369

Michael Turner, Deputy Executive Officer, Government Relations, (213) 922-2122

Raffi Haig Hamparian, Sr. Director., Federal Affairs / Government Relations, (213) 922-3769

Koreyne Clarke, Senior Manager - Budget, OMB, (213) 922-2801

Shalonda Baldwin, Executive Officer, Administration, (213) 418-3265

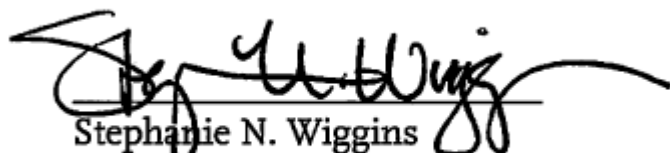
Anthony Crump, Deputy Executive Officer, Community Relations (213) 418-3292

Reviewed by:

Elba Higueros, Deputy Chief of Staff, (213) 922-6820

Nicole Englund, Chief of Staff, (213) 922-7950

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



Stephanie N. Wiggins
Chief Executive Officer