



Board Report

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Agenda Number: 42.

REGULAR BOARD MEETING JUNE 27, 2024

SUBJECT: MOTION 22 RESPONSE: BRIDGE TO FARELESS TRANSIT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE an update on the Low Income Fare is Easy (LIFE) Program in response to Board Motion 22 Bridge to Fareless Transit (Attachment A).

ISSUE

On April 25, 2024, the Board passed Motion 22 by Directors Bass, Butts, Dutra, Dupont-Walker, Mitchell, and Solis which made the GoPass Program permanent and required staff to report back in June 2024 on opportunities to expand the Low-Income-Fare-is-Easy program enrollment and utilization.

BACKGROUND

In September 2020, Metro convened the Fareless System Initiative (FSI) Task Force to study the feasibility of removing fares for the most vulnerable riders. On May 27, 2021, the Board passed Motion 45 by Directors Garcetti, Mitchell, Krekorian, Hahn, Bonin, and Solis (Attachment B) on implementation strategies for FSI. The motion directed the Chief Executive Officer to implement the FSI, subject to a final funding plan, while pursuing cost-sharing agreements, and reporting to the Board on the development, launch, and performance of FSI.

On September 23, 2021, the Board approved a staff recommendation to launch Phase 1 of the FSI for K-14 students (GoPass) on October 1, 2021, as a two-year pilot, with the understanding that future Board approval would be required to launch Phase 2 for non-student, low-income adults once available funding had been identified. At the same meeting, the Board approved Motion 40 by Directors Mitchell, Solis, Garcetti, Sandoval, and Bonin to streamline the LIFE Program and increase enrollment. On April 23, 2023, the Board approved a one-year extension of the GoPass Pilot Program to add Year 3 through June 30, 2024.

On April 25, 2024, the Board passed Motion 22 - Bridge to Fareless Transit . This motion made the GoPass Program permanent and required staff to “report back by June 2024 on opportunities to expand the Low-Income-Fare-is-Easy program enrollment and utilization, including but not limited to:

1. Creating a cost-benefit analysis to provide unlimited free rides for all who qualify for the LIFE Program;
2. Identifying revenue impacts;
3. Identifying permanent sources of replacement revenues;
4. Feasibility of enabling the TAP app to accept applications;
5. Allowing program recipients to utilize the TAP app instead of the physical card to allow for direct program access to those receiving/signing up for Aid to Families with Dependent Children, or cash assistance and other benefits through the Los Angeles County Department of Public Social Services;
6. Coordination with open loop upgrades on the TAP system so qualified individuals can use other social benefit cards instead of Metro fare media; and
7. Outreach and engagement efforts led by Community-Based Organizations that include active and direct engagement with customers.”

The motion also directed Metro to conduct outreach with local cities and Councils of Government within Los Angeles County to express the importance of subsidized transit and provide examples of how a local fare subsidy program could be instituted to support their respective constituents; describe how we are including our municipal and local operators; describe how Metro will preserve existing transit service; and describe any impact a broader fareless system could have on Access paratransit services.

DISCUSSION

Program Analysis

The Low-Income Fare is Easy (LIFE) Program has proven to be essential to LA County’s most vulnerable transit riders. The free 20-Regional Ride option has greatly benefited LIFE participants by offering free 20-trips every month. The free 90-day pass is offered to new LIFE participants as an incentive to join the program and both options are still in use.

A. LIFE Enrollment and Program Enhancements

As a result of Motion 40, the LIFE program introduced various improvements beginning in October 2021, including self-certification. In July 2023, Metro launched fare capping to highlight the benefits of using TAP to receive fare discounts. Metro staff collected ridership data during the first 6 months of fare capping to analyze the effects on the LIFE program.

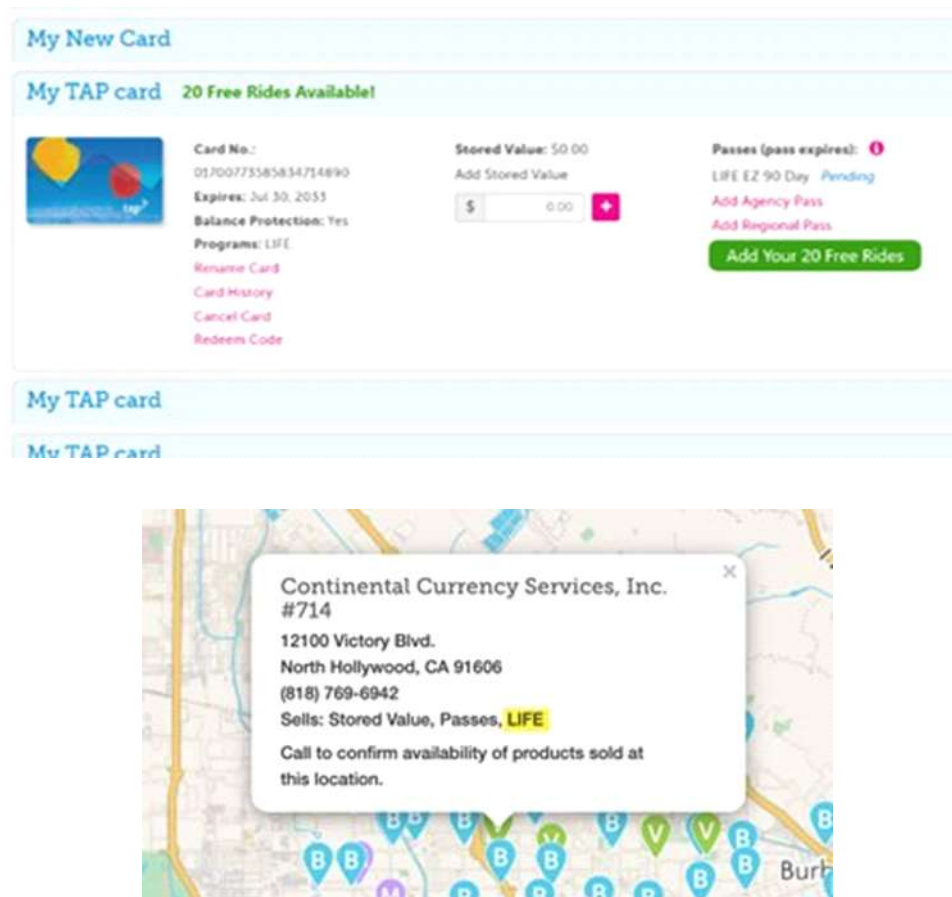
The LIFE program has over 335,000 participants currently enrolled in the program and the program has an annual cost of \$33.5 million. This is triple the number of participants since 2021, when the Board requested a plan to double the number of LIFE Program enrollees. While enrollment efforts have been successful, the number of active users remains low, with a 16% utilization rate. In a 2023 survey of LIFE participants (Attachment C), 72% of respondents said they ride more frequently when they receive free fares, and 55% of those who answered said they ride multiple times a day. Staff has also heard from riders that there have been challenges loading the Free 20-Regional trip pass monthly. Currently, LIFE riders must load and activate the free trips each month, which is cited as a

barrier for riders. TAP Plus upgrades will eliminate this barrier, by allowing for automatic loading of the passes after enrollment. Other improvements being made to address these issues are listed below.

The following improvements have been delivered:

- Improved LIFE Program enrollment details to customer card profile accounts on taptogo.net website and TAP app.
- In January 2024, LIFE identifier was added to TAP vendor profiles that accept LIFE products.
- Since April 2024, Metro has launched an monthly email campaign has been initiated to remind LIFE participants to load their free LIFE 20-ride passes. This will be an ongoing effort.
- In May 2024, TAP began hosting TAP Vendor Pop up events with the LIFE program to inform customers where to load Free 20-ride or discounted passes in their neighborhood.

Figure 1:



The following improvement efforts are ongoing:

- Increasing the number of TAP vendors in communities where LIFE riders live, enabling them

to load passes locally, and incorporating a LIFE designation to vendor listings.

- The LIFE administrator, IILA, will be able to load LIFE 20-ride passes at their office and at events for customers who are already enrolled in the program. This will improve the customer experience as well as awareness of monthly program benefits.
- Adding the 20-ride pass to be loaded on a LIFE TAP card at Ticket Vending Machines

B. Free 90-day pass

The free 90-day pass is offered to new enrollees to incentivize ridership. The use of this pass is a strong indicator of ridership behavior, as participants have unlimited rides over 90 days. Data shows that:

- Participants tap on average 19.2 times per month
- 78% tap <30 times per month

C. Free 20-Regional Trips every month

- The free 20-Regional Trips are offered to participants every month, and need to be loaded by the participant by calling TAP customer service, or at a participating retailer. A TAP card can hold up to eight active passes, so unused trips from each 20-ride pass are available until they are used up and riders can continue to load new monthly 20-ride passes (or other pass types) until all eight slots are full, meaning unused taps can be used in subsequent months if there is still space on the card.

The use of this pass shows how LIFE participants travel on the Metro system. Data shows that:

- Participants tap on average 13.3 times per month
- 85% tap <20 times per month

E. LIFE Unlimited Free Rides

The estimated cost to provide unlimited free rides for all who qualify ranges from \$64 million to \$123 million, annually. See details in Figure 1 below.

Figure 2:

Cost of LIFE unlimited FREE		
	<i>Increase of Active users</i>	<i>All who qualify</i>
Enrollment	335,820	335,820
Active Users	167,910	335,820
# of Annual trips (based on avg 19 trips per month)	38,283,480	76,566,960
Estimated Costs	\$64.0 million	\$123.3 million

Note 1: This is defined as all currently enrolled LIFE riders. Costs would increase if additional riders were enrolled. Based on LIFE TAP data, the majority of the 20-Regional Ride users don't utilize all the free rides available, and utilization of the FREE 90-day pass indicated that, on average, the pass was used 19.2 times a month.

LIFE is a regional program and impacts transit operators throughout the county and will require consensus from all participating operators. Unlimited free rides will negatively impact fare revenues that every transit operator relies on to support their operations. With significant program cost increases (estimated from \$30.5M to \$89.8M annually, see Figure 2 below) and no dedicated funding, LIFE may not be able to continue, unless cuts in operating budgets are made by Metro and transit operators to sustain the program. These cost estimates are only based on projected ridership estimates and do not include additional operating costs that may be needed to meet demand.

The primary risk is that cuts in the operating budget will negatively impact the quality and frequency of service and unintentionally limit mobility options for those that need it the most. These budget shortfalls can affect transit access and opportunities to all including underserved, overburdened, and disadvantaged communities undermining the main purpose of the LIFE Program. Figure 2 below highlights key points of the Cost-Benefit Analysis.

Figure 3:

	LIFE program	LIFE Unlimited Free
Free Trips	20 trips each month	Unlimited
Who benefits	87% of enrolled riders	100% of enrolled riders
Cost	\$33.5 million	\$64 million -123.3 million
Benefit	- Allows for investments in service that can better serve low-income communities - Ensures that many riders receive assistance	- Eliminate cost barriers - Improve access to opportunity
Risks	- Moderately less investments in service	- Invests in free fares over current service and future service improvements - Discontinue program if funding not available - Potential misuse of system - Without funding, tradeoffs will need to be made to continue program
Risk mitigation efforts	Targeted and moderate subsidies help to ensure: - Sustainability of the program - Many riders have assistance	Identify and secure long-term funding

Based on the performance of other free fare programs, such as GoPass, which had a 51% increase

in boardings between calendar years 2022 and 2023, with the shift of the LIFE Program to unlimited free rides, usage is expected to increase significantly. In addition, there are potential risks, which could include user abuse (TAP card sharing, enrollment fraud, to sell or share) and misuse of the system. Even under the current LIFE Program, the Department of Public Social Services (DPSS) has enrolled 23,696 new participants since September 2021 (3,222 or 13.6% were found to be duplicate enrollees). Results from a random audit of self-certified participants conducted in April 2024 showed an 18% response rate when trying to reach participants to review their program eligibility documents. The auditors believed the response rate was low because many of the participants selected were unhoused and were unreachable after several attempts. After learning and understanding this challenge, auditors chose a different sample group and are conducting a second audit that began in late May. Auditors will provide recommendations after this second audit has been completed. Metro staff will continue to ensure that safeguards are in place to maintain the integrity of the program and that the program responsibly provides individual benefits only to riders who qualify for the program. These safeguards will also ensure that the LIFE Program budget will continue to offer subsidies to the greatest number of people who are eligible for the discounts.

Access to affordable transportation is essential to increasing access to opportunity. Vast disparities among neighborhoods and individuals in LA County limit this access, making opportunities harder to reach for some, whether it's jobs, housing, education, health care, safe environments or other essential tenets of thriving, vibrant communities. Providing unlimited free rides to all LIFE participants could affect service since funding sources could need to be reallocated from service budgets to fund the added expense of free trips.

Permanent Source of Replacement Revenues

The Deloitte Report on Potential Funding Sources (Attachment D) identified a variety of federal, state and local funding sources. Metro has supported legislation for additional funding, at both the state and federal level. Metro has been successful in attaining short-term grants under the state's Transformative Climate Communities (TCC) grant program for projects in South LA and Pomona for a total of \$7 million over 5 years for LIFE and GoPass and were recently awarded \$4 million to partially offset the cost of GoPass for 5 years under the federal Reconnecting Communities grant program. However, these are small amounts compared to the annual cost of these programs and only provide short-term funding. Acquiring additional Federal and state funding will be challenging and will not offer long-term solutions as they may not be consistently available year after year. In addition, seeking state and federal funding place transit needs in competition with each other and other vital public services like education or healthcare.

Local Return

Proposition A, Proposition C, Measure R and Measure M are funded by four 1/2 cent sales tax measures approved by Los Angeles County voters. Each fund source has a Local Return apportionment of 25%, 20%, 15% and 17% respectively. Proposition A, Proposition C, and Measure M are evergreen taxes. While Measure R has a sunset date of June 30, 2039, Measure M apportionment will increase from 17% to 20% of a full cent sales tax vs a half cent sales tax on July 1, 2039. As "no sunset" taxes, this fund source can be a permanent source of replacement revenues for this initiative.

The Local Return component goes directly to the cities and Los Angeles County unincorporated areas, based on population, as posted annually by the Department of Finance (DOF). All Local Return is for use in developing and/or improving public transit, paratransit, and the related transportation infrastructure. Proposition A is restricted for direct transit use. Proposition C expands the transit use for in-direct use, such as streets and roads. Measure R and Measure M expand their allowable use not only for transit use, but for transportation use as well. Each of these sources are eligible for transit subsidies to fund free fares for low-income riders.

Figure 4:

Local Return	FY2022 ⁽¹⁾	FY2023 ⁽¹⁾	FY2024 ⁽²⁾	FY2023 Audited Fund Balance ⁽³⁾
Proposition A	\$ 256,897,694	\$ 264,015,496	\$ 285,000,000	\$ 540,577,330
Proposition C	213,091,328	218,993,336	236,400,000	449,310,284
Measure R	159,792,459	164,197,666	177,300,000	312,581,822
Measure M	164,197,666	185,742,688	200,940,000	404,146,791
Total	\$ 793,979,147	\$ 832,949,186	\$ 899,640,000	\$ 1,706,616,227

Notes: Local Return funding is based on sales tax revenues and vary each year; however, they are steadily increasing.

1. Actual Local Return funds received by jurisdictions.
2. Adopted budgeted Local Return funds allocated to jurisdictions.
3. Unspent funding that cities must expend in 4-5 years per Local Return Guidelines. This includes \$31.2 million in Board approved Local Return Capital Reserve

Cities and jurisdictions can contribute a portion of their local return dollars for free low-income fares. Free fares for low-income riders through the LIFE program is estimated to cost \$123.3 million. Contributions of 10% of their local return dollars could cover the cost of offering free unlimited rides for the LIFE program. If this usage is approved by the Board, staff will conduct outreach with local cities and Councils of Government within Los Angeles County to express the importance of using these dollars to subsidize transit.

The Deloitte Report cited above also identified a variety of alternative revenue options, such as future congestion pricing revenues, implementing a voluntary ExpressLanes toll round-up, or adding fees to Metro contracts (see complete list in Attachment D).

TAP App for LIFE Application

Currently, staff is working on an update to the TAP app that will allow customers to apply for both the Reduced Fare and LIFE program that would roll out by the end of 2024. This update will allow customers to conveniently apply for a Reduced Fare card and LIFE subsidies should they be eligible.

All this is being done on the TAP app and on one single, streamlined application that will automatically determine what subsidies the customer is eligible for. LIFE has received customer feedback that the application process has been challenging. In response, Metro has worked hard to streamline the application process, including adding self-certification of qualifying income. In addition, about 13% of LIFE participants drop off after their first 90-days free ride pass expires. This new update will create a better user experience for LIFE patrons as they will be able to apply for and use their LIFE benefits all on the TAP app, in place of a separate application and reloading a plastic card.

Department of Public Social Services (DPSS)

In September 2022, LA Metro launched a partnership with the Department of Public Social Services. A dedicated online enrollment portal was created for DPSS agents 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. Since then, the program has onboarded 14 additional DPSS offices bringing the total number to 18. Office locations and enrollments are :

DPSS Office	Enrollments
Metro Family (Los Angeles)	8884
Rancho Park (East Los Angeles)	4394
Metro Special (South Los Angeles)	3094
Belvedere District (East Los Angeles)	2375
Lancaster	1587
Metro East (East LA/Boyle Heights)	1205
Glendale District #02	1022
Florence (South Los Angeles)	832
San Fernando	445
Metro North (Central Los Angeles)	301
Lancaster General Relief	209
Santa Clarita Sub-Office	199
Norwalk	86
El Monte	82
Lincoln Heights	72
South Special (Compton)	5
South Family (Compton)	Onboarded
East San Fernando Valley	Onboarded

Metro staff will continue to work with DPSS to provide administrative support and onboard the remaining 7 DPSS offices to further expand program enrollments throughout LA County.

DPSS Enrollments and TAP Cards

Since September 2022, DPSS offices have enrolled 20,343 customers into the LIFE Program. Enrollments are conducted by DPSS Customer Service Assistants (CSAs) who submit applications on behalf of the customers. As with all LIFE applications, LIFE Administrators review and approve all DPSS applications within 7-10 business days. If a TAP card needs to be mailed to a customer, then processing time may take longer due to mail and receipt of card at a DPSS office or address provided. Of those enrolled, 697 (3%) customers had their own TAP cards, which were reloaded with the discounted fare, while 19,646 (97%) customers requested a new TAP card to be mailed to them and are now using the benefit on their new card. If a LIFE TAP card is reported lost, it can easily be replaced, and a new card will be mailed out. Over 300 TAP cards have been returned undeliverable. In Spring 2023, Metro staff requested DPSS approval for CSAs to administer TAP cards provided by Metro to reduce customer wait time, but the offer was declined due to insufficient DPSS staff resources and the inability to safely store TAP cards in offices.

Open Loop Upgrades

Under the TAP Plus proposal, if approved, will introduce open payments and an account-based system. This means that the Metro system will be able to accept any debit and credit card, be they plastic or virtual, so long as the card is a contactless EMV (Europay, Mastercard, Visa) card. To enable customers to utilize their existing social benefit cards, each social benefit program must upgrade to contactless EMV cards. Currently, staff is not aware of any social benefit program using contactless EMV cards, but there is an effort underway to move in that direction.

For customers to use their credit/debit cards to receive reduced fare for transit, they must first enroll in the reduced fare program or a discount program like LIFE with that credit/debit card. Another option is that Metro can connect to an entity like EBT to automatically enroll customers. The latter option highly depends on what can be negotiated with each specific social benefits program, in terms of any connections and integrations. Furthermore, there will be some cases where additional minimal engineering work may be required due to legislation changes.

Outreach and Engagement Efforts

Community Based Organizations (CBOs) have played a pivotal role in providing transportation assistance to those most in need throughout Los Angeles County. Since the 1992 Los Angeles Uprising, CBOs like First African Methodist Episcopal (FAME) Assistance Corporation, partnered with Metro's predecessor, Los Angeles County Transportation Commission (LACTC), to launch Operation Food Basket. This provided \$7 dollar taxi coupons to residents in hard hit areas. In 1993, the program was renamed the "Immediate Needs Transportation" program to expand services to include bus tokens. To ensure residents received tokens, FAME Assistance Corporation partnered with several hundred non-profit organizations to distribute them throughout Los Angeles. For more than a decade, the program was a success, and in 2019, LA Metro merged the Immediate Needs Transportation program with its discounted fare program, "Rider Relief Transportation" program, and renamed it "Low Income Fare is Easy" (LIFE). The LIFE program contracted two CBOs, FAME Assistance Corporation and International Institute of Los Angeles (IILA), to administer LIFE program enrollments, outreach, and the taxi voucher program.

Since 2019, the LIFE program has partnered with 414 active CBOs to assist with enrollments, outreach, and the taxi voucher program. These CBOs are provided with an online enrollment portal, brochures and TAP cards to streamline the enrollment process and get benefits into riders' hands faster.

From July 2019 through April 2024, these CBO partnerships have directly supported:

- 61,000 Enrollments
- Distributed 70,000 brochures annually
- Provided over 30,000 TAP cards annually

Metro's CBO partners have also been deployed countywide to provide multilingual outreach and support to hard-to-reach populations, such as low-income and cash-paying riders, at Metro stations, community events, food banks, and other locations. From February 2022 through November 2023, 15 CBO partners were contracted to disseminate LIFE brochures, assist qualifying riders with applications for enrollment and support the overall public engagement campaign. Metro's CBO partners have included the Korean American Federation LA (KAFLA), LA Metro Churches, Legacy LA, Pacoima Beautiful, Eastmont Community Center, Pico Union Corporation, In the Making, Little Tokyo Community Council, Little Tokyo Service Center, and Mundo Maya. In addition to the primary partnerships, through the partnership with KAFLA, additional outreach services were 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).

From February 2022 through November 2023, collectively, these CBOS provided:

- 568 Outreach events
- 371,855 In person interactions
- 93,072 materials distributed.
- 732,525 Social media impressions and engagement

CBOs also support our LIFE Limited program that provides taxi vouchers to individuals with short term/immediate need transit services who are otherwise unable to use fixed route transit. This may include individuals who have been discharged from the hospital, have been released from incarceration, or are a domestic violence survivor. Taxi vouchers and their required reimbursements to taxi providers are managed by program administrators and distributed to the rider, through approved CBOs and agencies such as hospitals and shelters, to provide trips categorized by mobility or health limitations, urgency, or safety.

Metro staff will continue to work with CBO partners to expand the program even further; 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 for program growth.

Impact on Other Transit Agencies

Staff hold biweekly Ad Hoc Committee meetings to collaborate with the transit agencies participating

in GoPass. Most of these agencies also participate in LIFE. In 2021, transit operators agreed to pilot the GoPass program as Phase 1 of FSI using available American Recovery Plan Act (ARPA) funding, with the understanding that additional funding would need to be identified prior to the Board approving Phase 2 of FSI for low-income adults. Due to GoPass, participating agencies have seen higher ridership that results in higher costs for providing increased transit service, more vehicles, additional cleaning and maintenance, and increased security. Expanding the LIFE Program will increase ridership and costs. Participating agencies have expressed concerns about being reimbursed for these programs at a rate that is lower than their regular fare rate, while their costs continue to increase. While they support the overall goal of GoPass and LIFE programs, agencies they are requesting to be fully reimbursed for boardings that are free to riders in order to cover their own costs.

Impact on Access Paratransit Services

Section 37.131(c) of the Code of Federal Regulations states: *The fare for a trip charged to an ADA paratransit eligible user of the complementary paratransit service shall not exceed twice the fare that would be charged to an individual paying full fare (i.e., without regard to discounts) for a trip of similar length, at a similar time of day, on the entity's fixed route system.*

The regulations limit paratransit fares to no more than twice the full, non-discounted fixed-route base fare. A subsequent amendment in the 2015 Fixing America's Surface Transportation (FAST) Act tied Access' fares to the Metro base fare of \$1.75 for purposes of calculating a maximum paratransit fare amount.

Access charges a fare of \$2.75 each way for a trip up to 19.9 miles and a fare of \$3.50 for a trip of 20 miles or more in the Los Angeles basin. For fares in the Santa Clarita and Antelope Valleys, Access charges \$2 each way due to the lower base fares of the fixed-route systems in those areas. Access Services projects to collect \$11.1 million in fare revenues for FY25, an increase of 25.7 percent or \$2.3 million from FY24.

Fare Programs staff has consulted with County Council on this regulation, and they agree that the LIFE program fare does not constitute Metro's base fare, rather, it is a discounted fare only for eligible participants. However, a completely fareless system will have a larger impact on Access paratransit services, because Access would be required to be fareless as well.

EQUITY PLATFORM

At its core, the goal of free and reduced fare programs is to achieve greater equity by reducing barriers and improving access to transit and opportunity for all communities. The LIFE Program has tripled its enrollment over the past three years, based on the improvements already implemented. Additional improvements to the program will allow more low-income residents of LA County to benefit from increased transportation affordability. Depending on the long-term funding options and tradeoffs for expanded free and reduced fare programs, potential service impacts could impact riders' access to opportunities.

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 to collaborate with social benefits programs and other transit agencies throughout LA County to expand LIFE program participation in ways that also preserve service and reliability.

Additionally, staff will work to unify the qualifying senior age across the region to simplify and expand transit access for older adults. We will also continue to analyze lowering the enrollment requirement from full-time to part-time for college and vocational students to increase eligibility and potentially ridership. These efforts aim to enhance equitable access to affordable transit for all community members.

If approved, staff will conduct outreach with local cities and Councils of Government within Los Angeles County to express the importance of using Local Return and other dollars to subsidize transit.

ATTACHMENTS

Attachment A - Motion 22

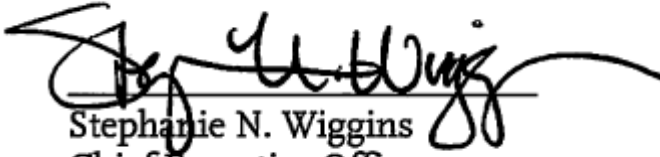
Attachment B - Motion 40

Attachment C - LIFE Survey Results

Attachment D - Potential Funding Sources

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Stephanie N. Wiggins
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**Metro****Board Report****File #:** 2024-0258, **File Type:** Motion / Motion Response**Agenda Number:** 22.**REVISED**
EXECUTIVE MANAGEMENT COMMITTEE
APRIL 18, 2024**Motion by:****DIRECTORS BASS, BUTTS, DUTRA, DUPONT-WALKER, MITCHELL, AND SOLIS****Bridge To Farelessness**

Los Angeles County public transit users are primarily low-income people of color who are disproportionately and negatively impacted by the high cost of housing and transportation associated with living in our region. The 2022 Metro Customer Survey revealed that 43% of bus riders report household incomes under \$15,000, 89% earn less than \$50,000 annually, and 63% and 15% identify as Latino/a and Black, respectively. For comparison, that year's US Census found Los Angeles's median household income as \$83,411, and 47% and 8.3% identified as Latino/a and Black, respectively.

Removing transit fares for those in need will make public transportation accessible and ensure that low-income individuals and families can afford public transit, promoting social equity. A reliable, frequent, and accessible public transit system improves access to economic and education opportunities, enhances social connections, and reduces isolation, especially for those who may face mobility challenges.

As of February 2024, Metro has seen ridership increase to approximately 80% of pre-pandemic levels, marking the 15th consecutive month of year-over-year ridership growth. To continue this upward trend, Metro must maintain these ridership gains and increase ridership throughout the system. Cost is often a barrier to using public transportation, and removing this barrier can encourage more people to choose sustainable and efficient modes of transit. Increased ridership can have positive economic effects by boosting local businesses around transit hubs.

Encouraging more people to use public transportation instead of driving single-occupancy private vehicles contributes to reducing traffic congestion, leading to smoother traffic flow, minimizing the need for extensive road infrastructure, and reducing carbon emissions. This aligns with environmental sustainability goals and will help Metro and the region's efforts to address climate change concerns. Metro has several targeted fareless initiatives that provide the most dependent transit riders with free and reduced fares to eliminate cost burdens and create a bridge to a fully fareless system.

Metro's Low-Income-Fare-is-Easy (LIFE) Program provides free and reduced fares to Metro's most dependent riders. In December 2023, the program recruited nearly 8,000 new participants and hosted 33 rail line pop-ups and special events in the same month. In 2023, the LIFE program reached a total of 300,000 participant enrollees. Metro could explore additional opportunities to expand initiatives that provide fareless transit access. Examples include but are not limited to exploring opportunities for local municipalities to fund transit fare subsidies for the residents within their jurisdiction, similar to a fareless transit program implemented through the collaboration of the City of Boston and the Massachusetts Bay Transportation Authority.

In September 2020, Metro's Fareless System Initiative (FSI) Task Force embarked on an intensive process of studying and identifying facts, challenges, and opportunities for eliminating fares on Metro buses and trains.

After studying and evaluating ways to implement a fareless system internally and externally, the FSI Task Force developed several strategic recommendations for the Metro Board of Directors to consider in May 2021. The leading concept included fareless transit for adult riders. In September 2021, the Board unanimously approved staff recommendations for implementing a pilot initiative known as the GoPass Fareless Pilot Program and approved a funding plan.

SUBJECT: BRIDGE TO FARELESSNESS MOTION

RECOMMENDATION

APPROVE Motion by Directors Bass, Butts, Dutra, Dupont-Walker, Mitchell, and Solis that the Board direct the Chief Executive Officer to:

- A. Make the GoPass Fareless Pilot Program permanent and provide a report back to the Board annually at the September Board Meeting, beginning September 2024, on program implementation, including but not limited to:
1. An analysis reflecting the prior 12 months of data;
 2. Identifying additional funding sources to help offset the program's cost to the Agency, including philanthropic and commercial partnerships;
 3. Identifying barriers to cost sharing that educational institutions, particularly those in or serving Equity-Focused Communities, face in implementing the program;
 4. The Program's impact on Metro ridership and other outcomes for students; and
 5. Report on the feasibility of enhancements to the program.
- B. Report back by June 2024 on opportunities to expand the Low-Income-Fare-is-Easy program enrollment and utilization, including but not limited to:
1. Creating a cost-benefit analysis to provide unlimited free rides for all who qualify for the

program

2. Identifying revenue impacts;
 3. Identifying permanent sources of replacement revenues;
 4. Feasibility of enabling the TAP app to accept applications;
 5. Allowing program recipients to utilize the TAP app in lieu of the physical card to allow for direct program access to those receiving/signing up for Aid to Families with Dependent Children, or cash assistance and other benefits through the Los Angeles County Department of Public Social Services;
 6. Coordination with open loop upgrades on the TAP system so qualified individuals can use other social benefit cards in lieu of Metro fare media; and
 7. Outreach and engagement efforts led by Community-Based Organizations that include active and direct engagement with customers
- C. Direct Metro to conduct outreach with local cities and Councils of Government within Los Angeles County to express the importance of subsidized transit and provide examples of how a local fare subsidy program could be instituted to support their respective constituents.

HAHN AMENDMENT: report back to include:

- A. how we are including our municipal and local operators;
- B. how we will preserve existing transit service; and
- C. any impact a broader fareless system could have on ACCESS paratransit services.



Metro

Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2021-0627, **File Type:** Motion / Motion Response

Agenda Number: 40.

**REGULAR BOARD MEETING
SEPTEMBER 23, 2021**

Motion by:

DIRECTORS MITCHELL, SOLIS, GARCETTI, SANDOVAL, AND BONIN

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, and Bonin 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.

Executive Summary – LIFE Survey

Background

In February 2023, LA Metro conducted an online LIFE participant survey. The purpose of the survey was to help develop an advocacy plan for the fare program, specifically around free fares. The survey allowed LA Metro to collect qualitative information about the people who use the free fare program and visualize the impact of the program.

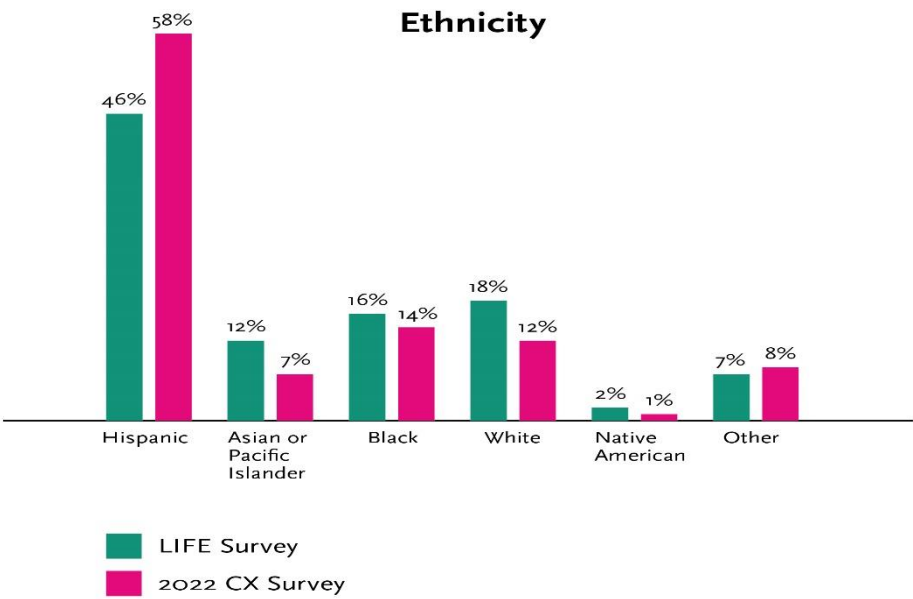
Methodology

TAP sent out an online survey to 28.04k LIFE program participants who were eligible/are using 90 days of free fares. The survey was available in English and Spanish and was live for 10 days in February 2023. 1661 LIFE surveys were collected with a 41% response rate.

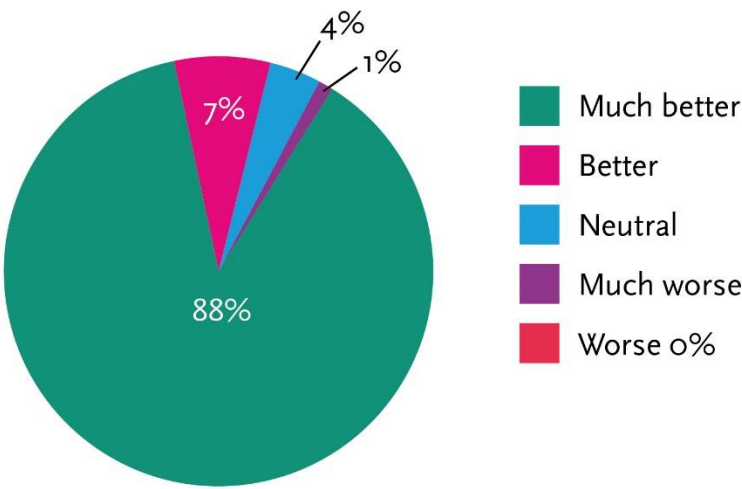
Key Findings

- 50% of LIFE survey participants are female compared to systemwide 46%, *Customer Experience Survey 2022*
- 55% of LIFE survey participants are riding Metro multiple times a day.
- 72% rode Metro more frequently when using the free fares.
- More than 50% of LIFE survey participants have had to choose between spending money to ride LA Metro or spending it on other important needs.
 - When having to choose between spending money to ride LA Metro or spending it on other important needs, 29% of survey respondents used their money to pay the fare.
- When receiving free fares, LIFE survey participants spent the money they saved on food, housing cost, and home items.
- 95% of LIFE survey participants feel better or much better after receiving free fares.
 - The top three reasons why survey respondents felt better were because they worried less about money, felt less stressed, and were able to plan their day more easily.

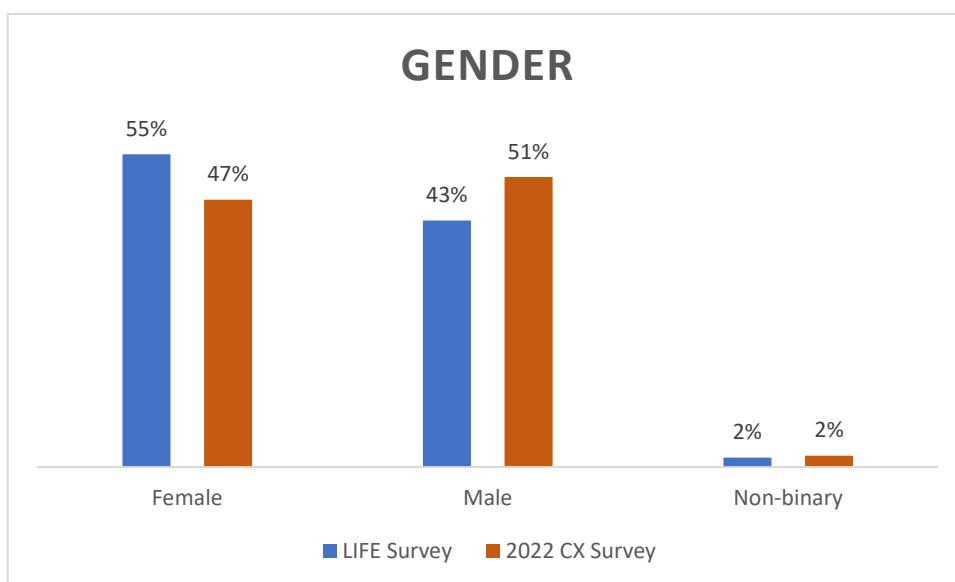
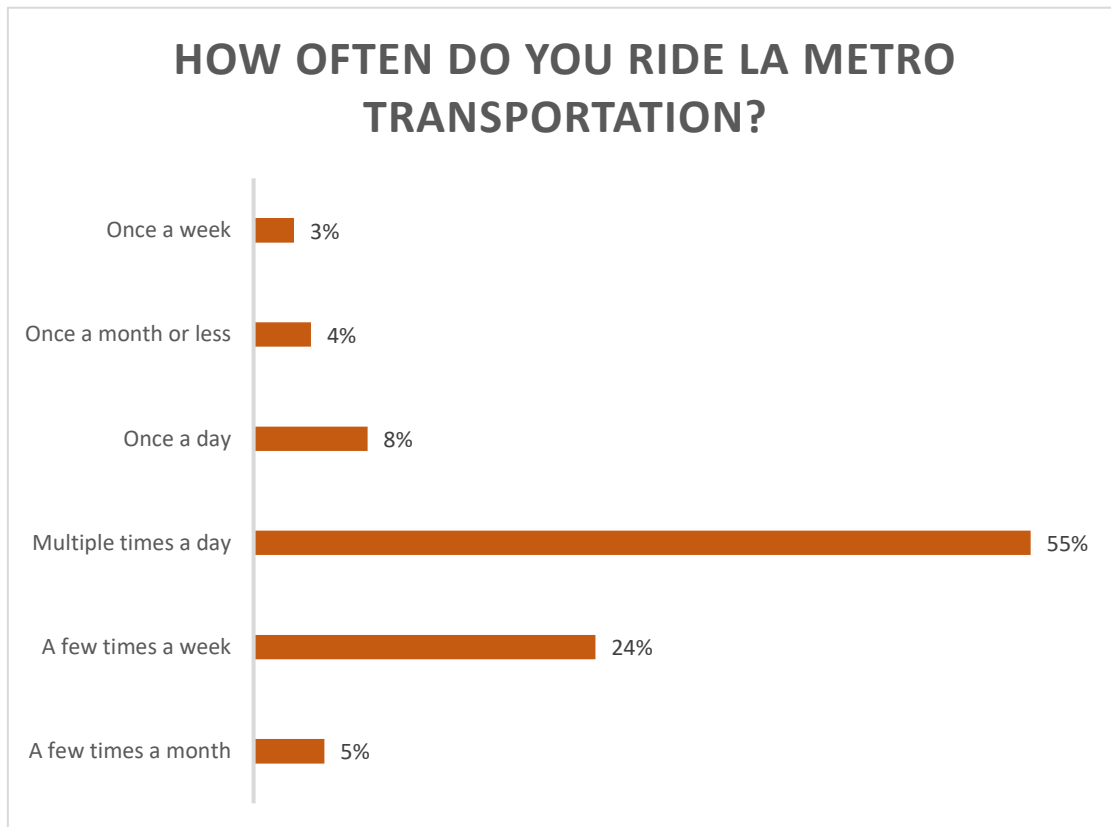
LIFE Survey Summary



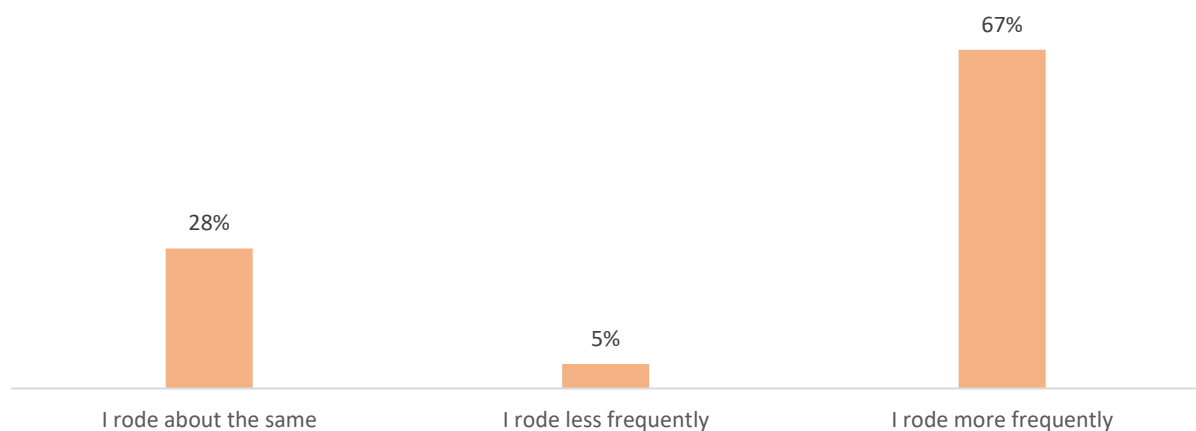
After receiving free fares, how did you feel?



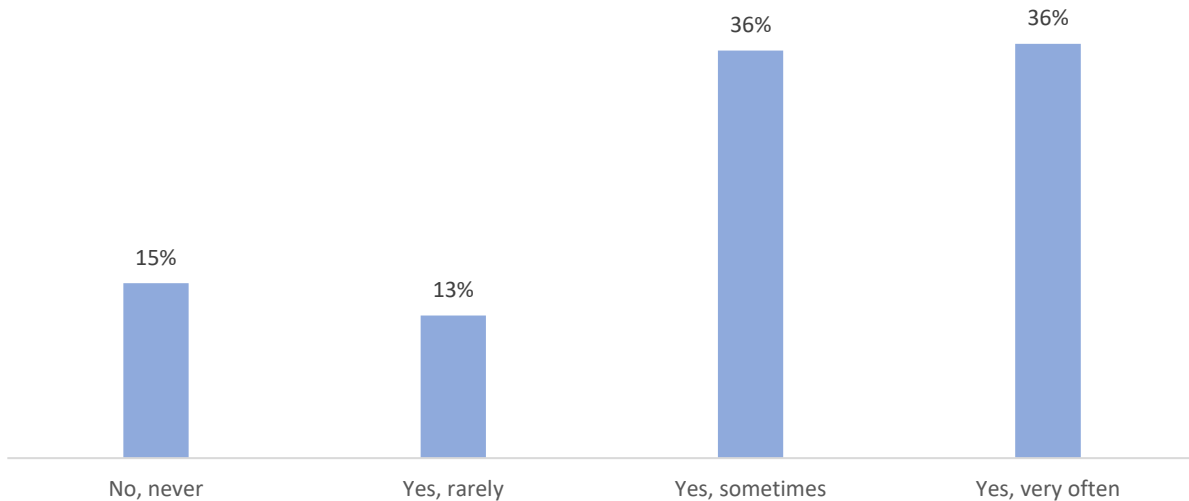
Unformatted Graphics



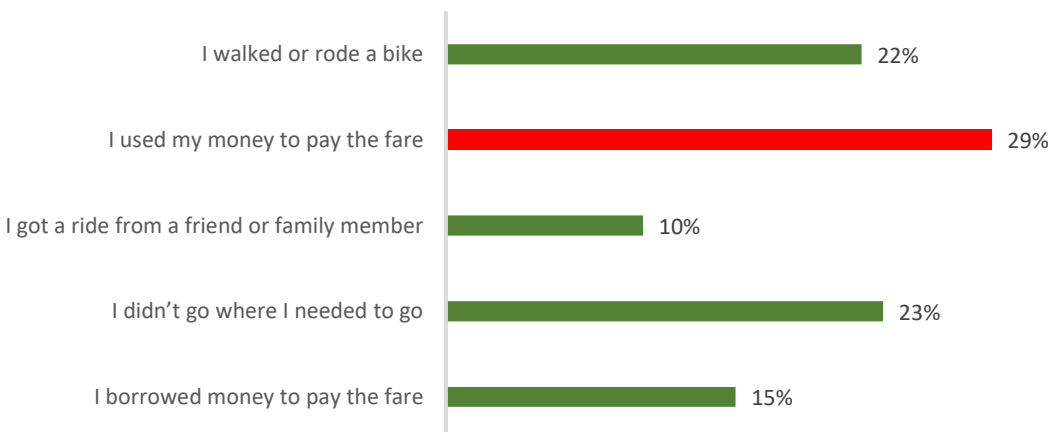
**PLEASE THINK ABOUT THE TIMES WHEN YOU
HAVE RECEIVED FREE FARES, AND DID NOT
HAVE TO PAY TO RIDE LA METRO
TRANSPORTATION. DID THAT AFFECT HOW
FREQUENTLY YOU RODE LA METRO
TRANSPORTATION?**



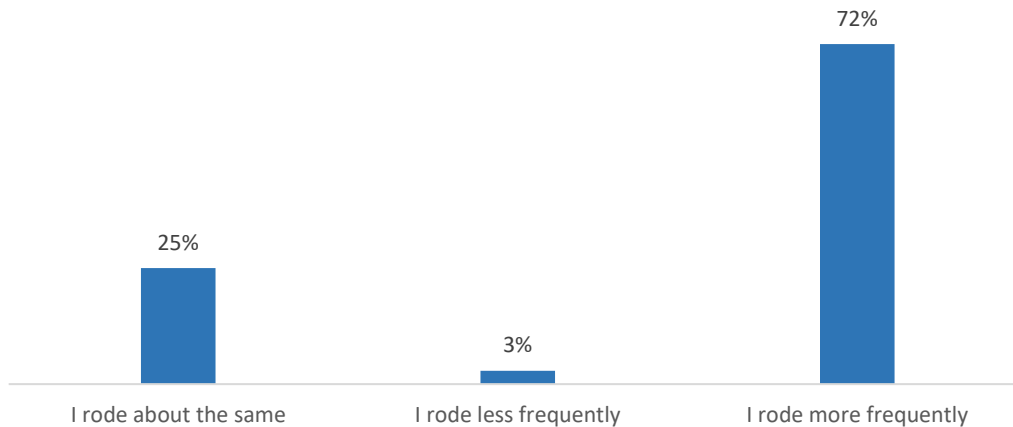
**HAVE YOU EVER HAD TO CHOOSE BETWEEN
SPENDING YOUR MONEY TO RIDE LA METRO
OR SPENDING IT ON OTHER IMPORTANT
NEEDS (LIKE FOOD, RENT, CHILDCARE, HEALTH
SERVICES, ETC.)?**



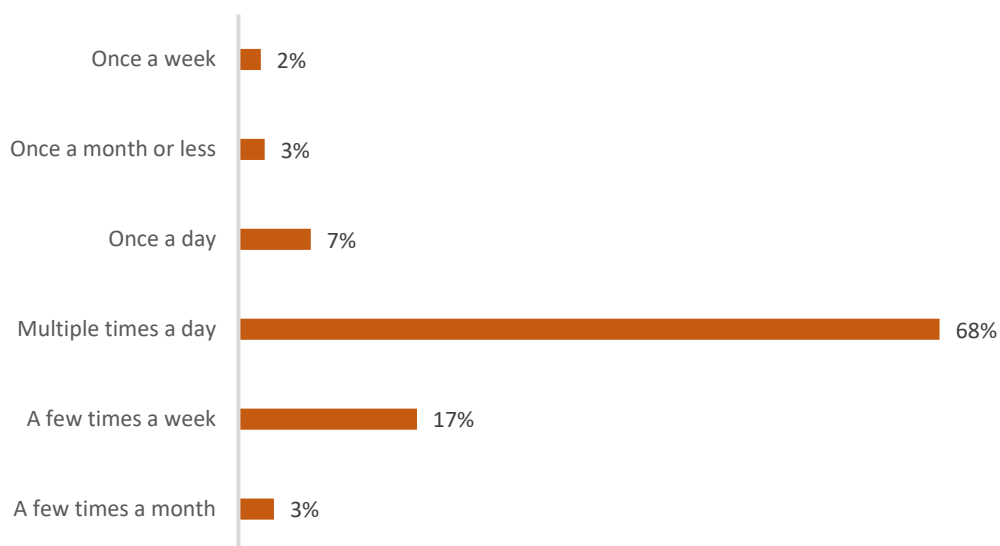
**WHEN YOU HAD TO CHOOSE BETWEEN
SPENDING MONEY TO RIDE LA METRO OR
SPENDING IT ON OTHER IMPORTANT
NEEDS, WHICH STATEMENT BEST
DESCRIBES YOUR DECISION?**



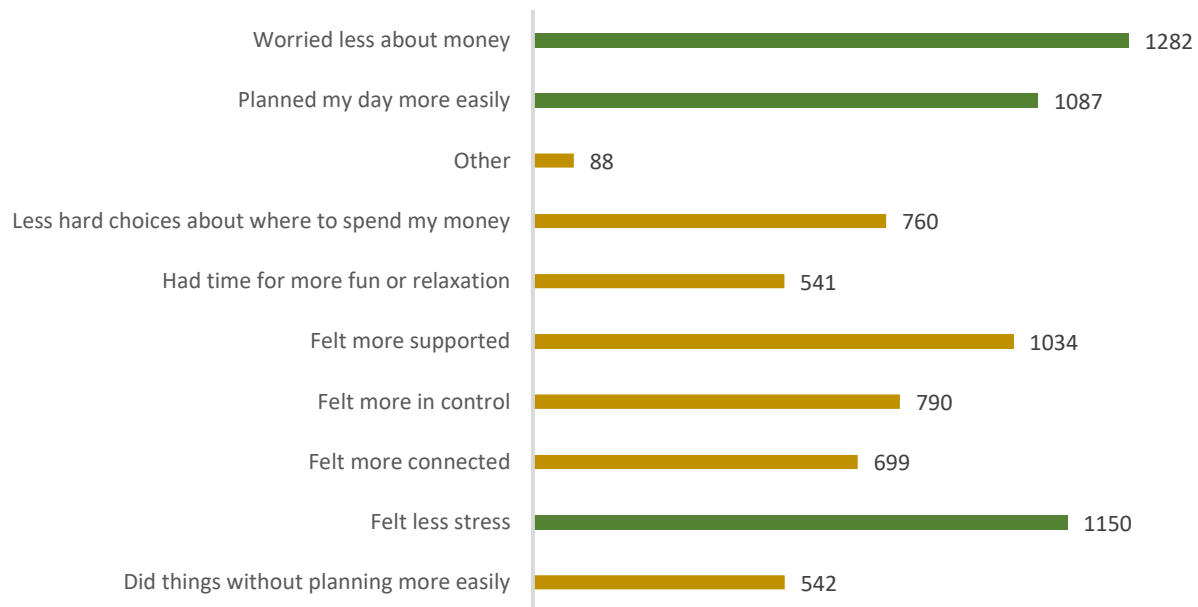
PLEASE THINK ABOUT THE TIMES WHEN YOU RECEIVED FREE FARES, SUCH AS THE 90-DAY PROMOTIONAL PASS YOU RECEIVED WHEN YOU ENROLLED IN THE LIFE PROGRAM. DID THAT AFFECT HOW FREQUENTLY YOU RODE LA METRO TRANSPORTATION?



HOW OFTEN DID YOU RIDE LA METRO TRANSPORTATION WHEN YOU RECEIVED FREE FARES?



**YOU MENTIONED YOU FELT BETTER WITH
FREE FARES. *PLEASE SELECT ALL THE WAYS
THAT YOU FELT BETTER***



**WHEN YOU RECEIVED FREE FARES, WHERE DID
YOU SPEND THE MONEY YOU SAVED? *PLEASE
SELECT ALL THAT APPLY***



Attachment D - Potential Funding Sources

Multiple Funding Sources for FSI Phase 2 and Key Fund Options

FEDERAL (69 sources evaluated)	STATE (16 sources evaluated)	LOCAL GOVERNMENT (7 measures & propositions in addition to 26 alternative revenue sources evaluated)	NGO, PHILANTHOPY and OTHERS (46 local organizations evaluated)
<ul style="list-style-type: none"> Investment & Jobs Act (IIJA) Inflation Reduction Act (IRA) American Rescue Plan Act (ARPA) Department of Transportation (DOT) Infrastructure Housing & Urban Development (HUD) 	<ul style="list-style-type: none"> California Climate Investments (CCI) Road Repair and Accountability Act (SB 1) California Clean Energy Jobs Act (Prop 39) Greenhouse Gas Reduction Fund (GGRF) 	<p>LA Metro:</p> <ul style="list-style-type: none"> Measure M Measure R Proposition A Proposition C Alternative revenue options <p>LA County:*</p> <ul style="list-style-type: none"> Measure H Measure HHH Measure J 	<ul style="list-style-type: none"> Philanthropic organizations Private corporations and foundations Non-profit organizations Cost sharing with healthcare industry leaders, incl. Medi-Cal Expanded employer fare-subsidy programs Expanded advertising policy

*These funding sources presents budget limitations and is dependent on partnering with service providers and/or receiving discretionary funding from elected officials.

FSI Phase 2 Federal Fund Options

FSI Phase 2 Federal and State Funding Evaluation Criteria

High	Programs with clear or direct correlation to Equity, Expanded Access, or other FSI goals
Medium	Programs aligned less directly or somewhat connected to Safety Improvements, Climate/Sustainability, Employee Training, or other Capital Projects
Low	Programs with no direct connection to FSI, or require LA Metro to establish new revenue-sharing connections or alter existing funding agreements

FSI Phase 2 Federal Funding Sources

Legislation or Agency	Preliminary Findings	National Funding	Impact for LA Metro
Infrastructure Investment & Jobs Act (IIJA)	56 Programs Evaluated 3 High Alignment 29 Medium Alignment 24 Low Alignment	High: \$10 B Med: \$34 B ¹	<ul style="list-style-type: none"> Apply for funding to offset capital expenditures Request waivers to use the funding for operational expenditures
Department of Transportation (DOT)	7 Programs Evaluated 7 Medium Alignment	Med: \$70 M	<ul style="list-style-type: none"> Apply for funding to offset capital expenditures Request waivers to use the funding for operational expenditures

¹ National funding amounts for FY22 - 26

Housing and Urban Development (HUD)	4 Programs Evaluated 2 Medium Alignment	Med: \$6 M ²	<ul style="list-style-type: none"> LA Metro must partner with a public housing authority to receive funds
American Rescue Plan Act (ARPA)	\$27 Billion to California \$3.3 Billion to LA Area Counties \$2.8 Billion to LA Area Municipalities Medium Alignment	N/A	<ul style="list-style-type: none"> Money must be allocated by Dec 2024 Inquire about remaining ARPA funds in LA area
Inflation Reduction Act (IRA)	Program data not yet fully released Low Alignment	Climate & Energy: \$137 B ³	<ul style="list-style-type: none"> Possible alignments: Lowering consumer costs Lowering emissions & greenhouse gases

Represents an overall list of multiple fund sources researched.

Federal Funding Sources Overall Matrix

#	Alignment	Program Name	Agency
1	High	Local and Regional Project Assistance Grants (RAISE)*	DOT
2	High	Pilot Program for Transit Oriented Development	DOT – FTA
3	High	Research, Development, Demonstration and Deployment Projects	DOT – FTA
4	Medium	Advanced Transportation Technologies & Innovative Mobility Deployment (ATTIMD)	DOT – FHWA
5	Medium	All Stations Accessibility Program*	DOT – FTA
6	Medium	Bridge Investment Program*	DOT – FHWA
7	Medium	Bus and Bus Facilities Competitive Grants*	DOT – FTA
8	Medium	Capital Investment Grants*	DOT – FTA
9	Medium	Charging and Fueling Infrastructure Grants (Corridor Charging)*	DOT – FHWA
10	Medium	Commercial Motor Vehicle Operators Grant Program	DOT – FMCSA
11	Medium	Congestion Relief Program*	DOT – FHWA
12	Medium	Consolidated Rail Infrastructure and Safety Improvement Grants*	DOT – FRA
13	Medium	Enhanced Mobility of Seniors and Individuals with Disabilities*	DOT – FTA
14	Medium	Federal - State Partnership for Intercity Passenger Rail Grants*	DOT – FRA
15	Medium	Metropolitan Planning*	DOT – FHWA
16	Medium	Metropolitan Transportation Planning Program*	DOT – FTA
17	Medium	National Infrastructure Project Assistance (Megaprojects)*	DOT
18	Medium	Nationally Significant Freight and Highway Projects (INFRA)*	DOT
19	Medium	Pilot Program for Enhanced Mobility	DOT – FTA
20	Medium	Pollution Prevention Grants	EPA
21	Medium	Prioritization Process Pilot Program	DOT – FHWA
22	Medium	Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)- Discretionary	DOT – FHWA
23	Medium	Rail Vehicle Replacement Grants*	DOT – FTA
24	Medium	Railroad Crossing Elimination Grants*	DOT – FRA
25	Medium	Reconnecting Communities Pilot Program*	DOT – FHWA
26	Medium	Restoration & Enhancement Grant Program	DOT – FRA
27	Medium	Safe Streets and Roads for All	DOT
28	Medium	State Incentives Pilot Program (Set-aside within Nationally Significant Freight and Highway Projects- INFRA)	DOT
29	Medium	Statewide Transportation Planning	DOT – FTA
30	Medium	Strategic Innovation for Revenue Collection (Set -aside)	DOT – FHWA
31	Medium	Strengthening Mobility and Revolutionizing Transportation (SMART) Grants	DOT
32	Medium	Transportation Infrastructure Finance and Innovation Act*	DOT
33	Medium	Thriving Communities Technical Assistance	HUD
34	Medium	Authority to Accept Unsolicited Proposals for Research Partnerships	HUD
35	Medium	Areas of Persistent Poverty	DOT – FTA

² National funding amounts for FY22 – 23

³ National funding amounts for a 10-year period

#	Alignment	Program Name	Agency
37	Medium	Enhancing Mobility Innovation	DOT - FTA
38	Medium	Innovative Coordinated Access & Mobility Grants	DOT - FTA
39	Medium	Integrated Mobility Innovation	DOT - FTA
40	Medium	Public Transportation Innovation	DOT - FTA
41	Medium	Safety Research & Demonstration Program	DOT - FTA
42	Medium	California State Funding	ARPA
43	Low	Accelerated Implementation and Deployment of Advanced Digital Construction Management Systems (Set aside)	DOT - FHWA
44	Low	Bridge Formula Program*	DOT - FHWA
45	Low	Bus and Bus Facilities Formula Grants*	DOT - FTA
46	Low	Carbon Reduction Program	DOT - FHWA
47	Low	Commercial Driver's License Implementation Program	DOT - FMCSA
48	Low	Congestion Mitigation and Air Quality Improvement Program	DOT - FHWA
49	Low	Grants for Planning, Feasibility Analysis, and Revenue Forecasting (Bridge Investment Program Set - aside)*	DOT - FHWA
50	Low	Growing State Apportionments*	DOT - FTA
51	Low	Growing States and High-Density States Formula*	DOT - FTA
52	Low	High Priority Activities Program*	DOT - FMCSA
53	Low	Highway Safety Improvement Program*	DOT - FHWA
54	Low	Highway Safety Programs*	DOT - NHTSA
55	Low	Intelligent Transportation Systems Program*	DOT - FHWA
56	Low	Low or No Emission (Bus) Grants*	DOT - FTA
57	Low	National Culvert Removal, Replacement, & Restoration Grant*	DOT
58	Low	National Priority Safety Programs*	DOT - NHTSA
59	Low	On-the-Job Training Program	DOT - FHWA
60	Low	Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)- Formula	DOT - FHWA
61	Low	Public Transportation Technical Assistance and Workforce Development*	DOT - FTA
62	Low	Railway-Highway Crossings Program*	DOT - FHWA
63	Low	State of Good Repair Formula Grants*	DOT - FTA
64	Low	Surface Transportation Block Grant Program*	DOT - FHWA
65	Low	Technology & Innovation Deployment Program	DOT - FHWA
66	Low	Urbanized Area Formula Grants*	DOT - FTA
67	Low	Choice Neighborhoods Planning Grants	HUD
68	Low	Jobs Plus	HUD
69	Low	Neighborhood Access & Equity Grants	DOT - FHA

*Indicates 35 Federal capital programs. Note that competition with Federal capital program will be hard since FSI may not be the top priority, however the agency may leverage existing efforts for future changes in legislation that tie to fare free language in capital funding application.

Overview of High-Alignment Federal Funding Programs

Federal Program	Program High-Level Information	Funding Value	Potential Next Steps
IIJA – DOT RAISE Program	<ul style="list-style-type: none"> Program invests in surface transportation that will have a significant local or regional impact. Eligible projects include projects the Secretary considers to be necessary to advance the goals of the program. Strong focus on Community Connectivity, Justice 40, Quality of Life, and Sustainability 	FY23: \$5-25 M Per Award IIJA Total: \$7.5 B	Apply for FSI Funding <u>FY 2023 NOFO</u> Applications due: 2/28/2023
IIJA – FTA Enhanced Mobility of Seniors & Individuals w/ Disabilities	<ul style="list-style-type: none"> Grants to assist in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services FTA's program goal for grants is to identify and test promising, innovative, coordinated mobility strategies other communities can replicate. 	IIJA Total: \$2.2 B	Monitor FTA and Grants.gov for FY 23 NOFO Release
IIJA – FTA Research Development, Demonstration, and Deployment Projects	<ul style="list-style-type: none"> Provides funding to assist innovative projects and activities that advance and sustain safe, efficient, equitable, climate-friendly public transportation. Eligible research and demonstrations under this program explore novel approaches to improve public transportation service, especially for transit-dependent individuals Data to be used to enhance insights and help transit agencies undertake activities that help meet equity, safety, climate change, and transformation goals for a safer, environmentally cleaner, socially just and connected public transportation system. 	IIJA Total: \$132 M	Monitor FTA and Grants.gov for NOFO Release

FSI Phase 2 State Fund Options

FSI Phase 2 Federal and State Funding Evaluation Criteria

High	Programs with clear or direct correlation to Equity, Expanded Access, or other FSI goals
Medium	Programs aligned less directly or somewhat connected to Safety Improvements, Climate/Sustainability, Employee Training, or other Capital Projects
Low	Programs with no direct connection to FSI, or require LA Metro to establish new revenue-sharing connections or alter existing funding agreements

16 programs were identified to have high and medium alignment with FSI Phase 2.

FSI State Funding Sources

Agency or Legislation	Preliminary Findings	CA Funding	Impact for LA Metro
Air Resource Board	5 Programs Evaluated 1 High Alignment 2 Medium Alignment 2 Low Alignment	\$164 M	May fund programs that: <ul style="list-style-type: none"> Prioritize Transportation Equity and Mobility Needs Assessment targeting CBOs Fleet electrification Truck Loan Assistance Program
California Transportation Commission	4 programs 3 Medium Alignment 1 Low Alignment	\$3.57 B	<ul style="list-style-type: none"> Metro is currently receiving funds for Active Transportation Program and State Transportation Improvement Program
Caltrans	2 programs 1 High Alignment 1 Medium Alignment	\$224 M	<ul style="list-style-type: none"> Metro is currently receiving funds for LCTOP May fund wide range of mobility programs
California State Transportation Agency	1 Medium Alignment	\$800 M	<ul style="list-style-type: none"> Fund capital projects
California Strategic Growth Council	1 Medium Alignment	\$350 M	<ul style="list-style-type: none"> Metro is currently receiving funds from Transit and Intercity Rail Capital Program
Strategic Growth Council and Department of Conservation	1 Medium Alignment	\$105 M	<ul style="list-style-type: none"> Metro currently receiving funds for Neighborhood-level transformative climate community plans
California Natural Resources Agency	1 Low Alignment	\$50 M	<ul style="list-style-type: none"> Expand access Meet sustainability goals
California Workforce Development Board	1 Low Alignment	\$90.25 M	<ul style="list-style-type: none"> Develop a workforce development partnership

Overview of High-Alignment State Funding Programs

State Program	Program Information	Funding Value	Potential Next Steps
Air Resource Board	<ul style="list-style-type: none"> Transportation equity pilot that aims to address community residents' transportation needs, increase access to key 	\$35 million proposed	California Air Resource Board (CARB) is currently planning upcoming solicitations

State Program	Program Information	Funding Value	Potential Next Steps
Sustainable Transportation Equity Project (STEP)	<ul style="list-style-type: none"> destinations, and reduce greenhouse gas emissions by funding planning, clean transportation, and supporting projects. STEP's overarching purpose is to increase transportation equity in disadvantaged and low-income communities throughout California via two types of grants: Planning and Capacity Building Grants and Implementation Grants LADOT was awarded \$7m for its South Los Angeles Universal Basic Mobility Pilot Program 	for FY22-23	for \$35 million of Fiscal Year 2022-23 Planning and Capacity Building, Clean Mobility in Schools, and STEP funds.
Caltrans Low Carbon Transit Operations Program (LCTOP)*	<ul style="list-style-type: none"> The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services to expand intermodal transit facilities and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. 	\$140 million (2020)	Caltrans posts LCTOP guidelines in early 2023 Transit agencies submit final allocation requests to Caltrans in Q1 2023

Overall list of multiple fund sources researched and contains information on program alignment, name, and lead agency.

#	Alignment	Program Name	Agency
1	High	Sustainable Transportation Equity Project (STEP)	Air Resource Board
2	High	Low Carbon Transit Operations Program (LCTOP)*	Caltrans
3	Medium	Clean Mobility Options (California Climate Investments)	Air Resource Board
4	Medium	Clean Truck and Bus Vouchers (HVIP)	Air Resource Board
5	Medium	Transit and Intercity Rail Capital Program*	California State Transportation Agency
6	Medium	Affordable Housing and Sustainable Communities	California Strategic Growth Council
7	Medium	Local Partnership Program	California Transportation Commission
8	Medium	Active Transportation Program	California Transportation Commission
9	Medium	State Transportation Improvement Program	California Transportation Commission
10	Medium	Sustainable Transportation Planning Grants	Caltrans
11	Medium	Transformative Climate Communities	Strategic Growth Council and Department of Conservation
12	Low	Air Quality Improvement Program (AQIP)	Air Resource Board
13	Low	Community Air Protection Program	Air Resource Board
14	Low	Urban Greening	California Natural Resources Agency
15	Low	Solutions for Congested Corridors	California Transportation Commission
16	Low	Resilient Workforce Fund (RWF) Program	California Workforce Development Board

- Considered that the two high alignment funding options are not impacted by Article XIX. Low and medium alignments indicate there might be some restrictions and challenges for funding application.













Local Funding Summary – Government Organizations

Overview of High Alignment Local Funding Programs

Local Source	Program high level Information	Funding Value	Potential Next Steps
Measure M	<ul style="list-style-type: none"> No sunset half-cent sales tax measure approved by voters in 2016 Rate of this tax will increase to one percent on July 1, 2039, following the expiration of Measure R Consists of four sub-funds: Transit Operating and Maintenance; Transit, First/Last Mile (Capital); Highway, Active Transportation, Complete Streets (Capital); Local Return/Regional Rail 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$20.3 million for 2% rider discount allocation)</p>	Explore local return as a viable fund source.
Measure R	<ul style="list-style-type: none"> 30-year, half-cent sales tax approved by voters in 2008 Consists of four sub funds: Transit Capital (40%); Highway Capital (20%); Operations (25%); Local Return (15%) LA Metro has used Operations sub fund to freeze fare increases for Student, Senior, Disabled, and Medicare riders from 2009-2013 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$254.1 million for 25% Operations allocation)</p>	
Prop A	<ul style="list-style-type: none"> No sunset, half-cent sales tax approved by voters in 1980 Consist of three sub funds: Local Return (25%); Rail Development (35%); Discretionary (40%) Currently, the "Discretionary" bucket is being used solely for Bus Transit operations and part of FAP with municipal operators 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$392.1 million for 40% Discretionary allocation)</p>	
Prop C	<ul style="list-style-type: none"> No sunset, half-cent sales tax approved by voters in 1990 Consists of five sub funds: Local Return (20%); Rail and Bus Security (5%); Commuter Rail, Transit Centers and Park & Ride (10%); Transit-related Highway Improvements (25%); Discretionary (40%) The City of Commerce received \$766K in FY 21 for its zero-fare service from Proposition C 40% discretionary funds. 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$406.5 million for 40% Discretionary allocation)</p>	

Alternative Revenue Options and Non-Government & Philanthropic Partnerships







Alternative Revenue Options

Funding Alternative	Description	Type ⁴
Ads & Sponsorship Management Program	Expand advertisement & sponsorship policy, including working with the private sector Other transit agency examples: Washington (DC) – WMATA(expanded digital ad network in partnership with OUTFRONT), Tokyo (created in-house Metro Ad Agency)	 
Asset Recycling/Real Estate Transactions	Sale or lease of underutilized public assets, including joint development agreements Other transit agency example: New South Wales - Sydney Metro	 
Battery Storage	Lease excess storage capacity from EV fleets to utilities.	
Carbon Offsets Credit	Sell credits to corporations for GHG reduction achieved from transitioning from vehicle use to transit options.	
Charge Fee on Contracts with LA Metro	Charge % of billings that would be paid back to the FSI program on contracts	
Congestion Pricing	Congestion pricing on toll lanes and in urbanized areas ⁵ Other transit agencies examples: Orange County – Orange County Transportation Authority (OCTA)	
Cost Sharing with Health Insurance Companies	Insurance will cover the cost of trips to/from health care appointments.	
Philanthropic: create an LA Metro 501(c)(3) or Partner with existing 501(c)(3)	Encourage/solicit donations/hold fundraising events to raise money for the 501(c)(3) Other transit agencies examples: New York - MTA	 
Density Bonuses	Monetize permitting developers to build more density, height, or floor area than is allowed as of-right Other transit agency examples: New York; Atlanta; Baltimore; Washington (DC); Denver; San Diego (air rights lease)	 

⁴  Policy or legislation efforts may be required  Implemented by other transit agency (agencies mentioned in appendix)

⁵ [91 Express Lanes - Toll Policies](#)

Funding Alternative	Description	Type ⁴
Digital Billboards	Expand digital billboards on LA Metro facilities Other transit agency examples: Washington (DC) - WMATA; New York	
Distance-Based fare option	Charge transit fees based on distance and/or time of day Other transit agency examples: Washington (DC)	 
Electricity Generation	Utilize available space to install power generation equipment such as solar panels. Other transit agency examples: Atlanta - MARTA	 
Employer Certification Program	Develop a "Transit Friendly Employer" program that requires a % of fare purchases to be donated to FSI Other transit agency example: Vancouver, BC	 
Grocery Rewards Points or Similar Program	Use grocery points towards fare credits, shoppers can donate points to fund FSI	
Leverage Central Maintenance Facility	Sell maintenance capacity and power swaps by leveraging LA Metro infrastructure to support transit partners.	
Network Partnership (Wi-Fi & Broadband)	Privatize management of Wi-Fi or broadband/dark fiber Other transit agency example: New York - MTA (expanded Wi-Fi and cell service across the entire subway network in partnership with Transit Wireless)	
Parking & EV Charging Fee Structure	Establish a paid fee structure for parking and EV charging Other transit agency examples: Paid parking – Chicago; Washington (DC); Denver	 
Partnership Program – Pay-it-forward	Partners/investors pay for rides. Other transit agency examples: Boston, MBTA (partners: MIT, Target, large retail shopping mall, City agencies, others)	
Privatization of Managed Lanes	Managed lanes privatization to gather sustainable funds for fareless initiative Other transit agency examples: Texas, California, Colorado, Minnesota, and Florida	 
Refund Existing Transit Bonds or Issue Toll Revenue Bonds	Evaluate existing and future bonds.	

Funding Alternative	Description	Type ⁴
Retailer rewards	Retailers provide fare credit when shoppers spend more than \$x	
Site/License Fees	Charge royalties anytime LA Metro assets are used in movie production Other transit agency example: Chicago - CTA	
Start Transit Certification Program	Similar to LEED, transit authorities pay fee to certify their environmental and social commitments.	
TNC Rideshare Fee	Charge flat per trip fee for TNC, taxi, and limo trips Other transit agency examples; Boston - MBTA; State of CA	 
Toll Round-Up	Institute a toll “round up” feature to allow Express Lane drivers to round up their tolls	
Value Capture Towards TOD	Earmark property tax revenue from increased property values for TOD Other transit agency examples: Impact Fees - Broward County (FL); Portland (OR); San Francisco Special Tax Districts - Washington (DC); Los Angeles; Denver	 



Bridge to Fareless Board Report MOTION 22 – REPORT BACK

June 2024

Background

- > September 2020: Fareless System Initiative (FSI) Task Force created to study the feasibility of removing fares for our most vulnerable riders.
- > May 2021: Motion 45 directed CEO to implement FSI, subject to a final funding plan, while pursuing cost-sharing agreements, and reporting to the Board on the development, launch, and performance.
- > September 2021: Motion 40 directed staff to double LIFE enrollment, while streamlining and improving the program
- > April 2024: Motion 22 requested staff to report back in June 2024 on opportunities to expand LIFE program enrollment and utilization.
- > This report is an update in response to Motion 22.



Program Improvements

- ✓ Simplified and streamlined the loading of LIFE 20 free rides LIFE customer profile on taptogo.net.
- ✓ TAP Vendor locator map updated to include "LIFE" in TAP vendor details for vendors that offer LIFE passes.
- ✓ Beginning in April 2024, an email campaign was initiated to remind LIFE participants to load their free LIFE 20-ride passes. This will be an ongoing effort.
- ✓ In April, TAP began hosting TAP Vendor Pop-up events with the LIFE program to inform customers where to load discounted passes in their neighborhood.
- ✓ TAP has begun recruiting new TAP vendors in Equity focused communities
- ✓ LIFE Program administrator can now load LIFE 20-ride passes at their office and at events for customers who are already enrolled in the program to improve the customer experience as well as awareness of monthly program benefits.
- ✓ Future: Adding the 20-ride pass to be loaded on a LIFE TAP card at Ticket Vending Machines

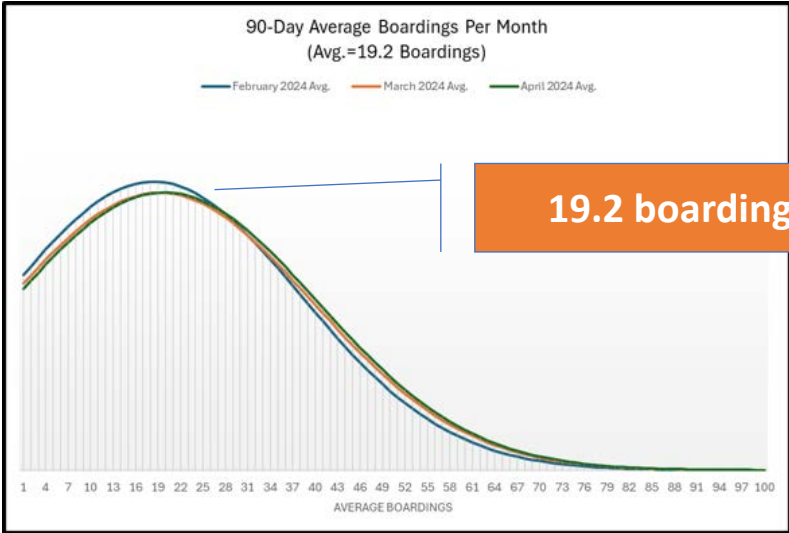
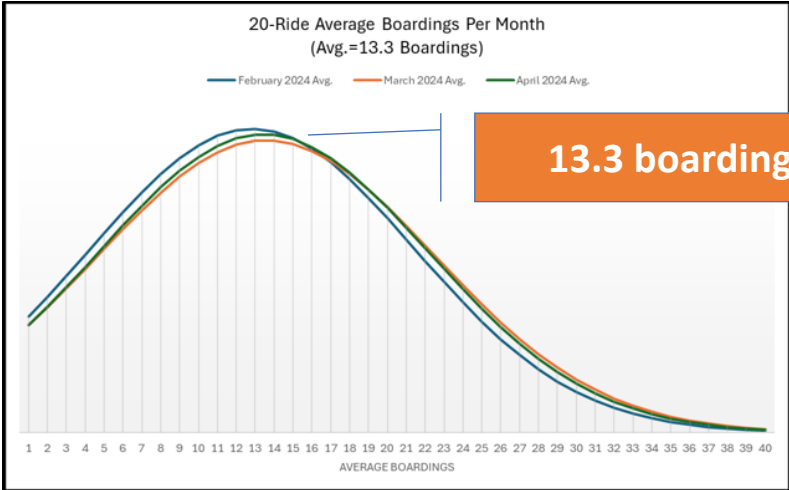
Average
Weekly
Enrollments:
2000

Total LIFE
Enrollments:
335,000+



- Dedicated DPSS/LIFE Enrollment Portal
- Volunteer DPSS/LIFE Enrollment Agents at 18 DPSS Offices

PROGRAM ANALYSIS



Save on fares
with LIFE.

LIFE Program	Increase of Active Users	All Who Qualify
Enrollment	335,820	335,820
Active Users	167,910	335,820
Estimated # Annual Trips (based on avg. of 19 trips per month)	38 million	77 million
Estimated Costs	\$64.0 Million	\$123.3 Million

- ▶ All who Qualify: All currently enrolled in LIFE (335,820)
- ▶ Active users increased usage (half and total)
- ▶ Costs would increase if additional participants enroll in LIFE



PROGRAM ANALYSIS

	LIFE Program	LIFE Unlimited FREE
FREE Trips	20 trips each month	Unlimited
Who Benefits	87% of enrolled riders	100% of enrolled riders
Benefits	<ul style="list-style-type: none">Allows for investments in service that can better serve low-income communitiesEnsures that many riders receive assistance	<ul style="list-style-type: none">Eliminate cost barriersImproves access to opportunity
Cost	\$33.5 Million	\$64 Million - \$123.3 Million
Risks	<ul style="list-style-type: none">Moderately less investments in service	<ul style="list-style-type: none">Invests in free fares over current service and future service improvementsDiscontinue program if funding not availablePotential misuse of systemWithout funding, tradeoffs will need to be made to continue program
Risk Mitigation Efforts	<ul style="list-style-type: none">Targeted and moderate subsidies help to ensure sustainability of the program & many riders have assistance	<ul style="list-style-type: none">Identify and secure long-term funding



CHALLENGES



LIFE is a regional program

Impacts transit operators throughout LA County (CONSENSUS)



Unlimited FREE rides will negatively impact fare revenues for all transit operators



Significant cost increases (est. \$30.5M- \$89.8M annually)

No dedicated funding, LIFE program may not be sustainable



Cuts in operating budget

Negatively impact the quality & frequency of service

Unintentionally limit mobility options for those that need it the most



Budget shortfalls can impact transit access and opportunities undermining the main purpose of the LIFE Program

REPLACEMENT REVENUES



Local Return

- Eligible for transit fare subsidies
- No sunset sales tax
- Potential: \$90 million annually (10% of Local Return)



Deloitte Report

- Future congestion pricing
- Voluntary Express Lanes toll round-up
- Fees to Metro contracts



Federal & State Funding

- Challenging
- Does not offer long-term solutions – May not be consistently available every year
- Compete with other transit needs and other vital public services (i.e. education and healthcare)

Next Steps

- ✓ Staff will continue to collaborate with social benefits programs and other transit agencies throughout LA County to expand LIFE program participation in ways that also preserve service and reliability.
- ✓ Additionally, staff will work to unify the qualifying senior age across the region to simplify and expand transit access for older adults. We will also continue to analyze lowering the enrollment requirement from full-time to part-time for college and vocational students to increase eligibility and potentially ridership. These efforts aim to enhance equitable access to affordable transit for all community members.
- ✓ Staff will conduct outreach with local cities and Councils of Government within Los Angeles County to express the importance of using Local Return and other dollars to subsidize transit.