

RTD PASS PROGRAM WORKING GROUP - MEETING #3
June 20, 2017 - Summary

Meeting Objectives:

- Use prior discussions and this meeting to establish the benchmark for judging options, proposals and ideas - guiding principles, shared values, fundamental interests
 - Begin generating options and ideas for the future of pass programs
 - Hear from members of the public and from stakeholders not on the working group
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I. Input from Riders/Pass Holders/Members of the Public

Key points included that the fare level poses a barrier for students to get to school and that the working group should consider ways to improve access for people living with disabilities. Comments included the following:

- Concerned about costly transportation for students
- A low-cost or EcoPass-like pass for students to go to rec centers, get a job, travel for work is what I'd like to see
- Being able to take advantage of afterschool programs supports academic success and transportation makes it possible to stay for those programs
- For parents with students in different schools, having a transit pass for older students would be a great help; parents can't take all kids to school if at multiple schools; high school students more independent than younger students
- A safe ride home is important and part of why we like a transit option
- An EcoPass for everyone would allow young people to get to school, particularly in a district that has school choice
- Parents want to send their children to the best school, and that's not always the neighborhood school; transit important to provide the opportunity to access to the good schools
- Transit pass important to take kids to school
- DPS is paying attention to the needs of parents and students; DPS helps support students by providing breakfast to put kids on even field; and DPS has funding for school bus service and to make My Denver Card a transit pass
- My Denver Card provides access to recreation, art, activities, libraries; it should come with transit pass as well
- Reliable and affordable transportation for young people is essential
- Transportation allows us to participate in all of society
- It's difficult to earn enough money to pay for transit trips today if don't have an allowance or a job
- We put education at risk if transportation is too expensive; education is important to who want to be and can become
- RTD and DPS should make the DPS-funded (bond-issue funded) pass program happen
- Students should have access to the same program that businesses and their employees have
- Pass Programs leave out people who need passes, including people who are living with a disability but don't qualify for Access-a-Ride or not able to obtain Special Discount Card to receive discounted fare; they have worked hard and should have access to discount card
- Some don't understand Access-a-Ride or how to obtain Special Discount Card, don't know how to qualify, don't know what to do, and/or don't have appropriate documentation (e.g., SSI)
- RTD should coordinate with DHS to help people who are living with a disability access to Special Discount Card to show bus operator
- People need to know what the programs are; print the rules for these programs on the bus
- Some drivers don't understand disabilities and need more training to deal effectively with people who are living with disabilities

II. Envisioning the Future - What Are the Needs, Principles and Values that Revised/Renewed/Reimagined Pass Programs Should Advance for the Long-Term Success of Transit in the Region?

The pass program working group's discussion included the following:

- The list we have so far is long, and it will be difficult to use so many things to evaluate the options
- The list includes some competing interests and that will also make it difficult for us to prioritize and evaluate options; while the program may fail some of the values, it is ok but we need to know which ones
- Some of the values on the list will be hard to measure and evaluate; concerned about lack of data and transparency to evaluate proposals (i.e., black box)
- Brand loyalty - RTD is a big part of the community; this is about building confidence among customers that they can and should rely on RTD service
- 23 bullet points; all important but what is most important?
- Convenience also refers to customers - convenience for those using the services - and for program administration
- Simplicity is a common theme - making things easy (and convenient for customers) is important
- Many of these elements are about ridership
- The needs of the most vulnerable should be at the top of the list; how do we address their needs first
- In addition to cost-effectiveness, we need to consider cost itself - operating costs and RTD's ability to cover (and to live with) their costs; RTD needs to be able to deliver
- Certainty is important - understanding what the per-person cost is and having a fixed price for each rider that is known is important; fixed price gives incentive to program managers to promote the use of program, whereas price per boarding discourages promoting programs - with fixed prices, beat the average and get more for your money
- Access is a broad concept - access not only to employment, but to all that the region offers
- When we examine equity, we need to make sure we know who we are seeking to serve - who do we want to reach and how; each PPWG member may have different population segments trying to serve and equity may have different meanings for everyone; the big E for equity is low income and minority populations
- Costs - it isn't necessary that every individual pass or individual pass type is financially self-sufficient - it's about having a package of programs that are financially sustainable, and it's about RTD being financially sound across all products and ways of accessing transit; we don't have to apply the same financial test to every program and pass type so long as the whole system works
- Access is key, and the five elements of access are on our list; access should include access to opportunities, services, museums, and other offerings in the region
- Some of these ideas support one another - access, equity and ridership - we build these together; ridership itself should not be primary focus, if we have equity and fairness will help increase ridership by improving attractiveness
- Some have tradeoffs - increasing ridership comes with increased cost as you serve more riders
- Access - Ridership - Financial Sustainability - those three are at the top of this list
- Financial sustainability is essential, RTD cannot accommodate all requests - long-term finances, sustainability for each organization that participates in a pass program for each rider; important to realize that some pass programs are more economically sound and may be self-sustaining (e.g., low income transit dependent program) but RTD needs to be able to bear the financial cost to provide
- Fairness, serving people who are transit-dependent, and financial sustainability should be at the top
- Need to have the ability to adapt programs in the future as needs change

III. Options, Ideas and Possibilities - What Might be the Future of Pass Programs? How Might We Access Transit in the Future?

1. Every child under eighteen rides free
2. Community-wide passes funded through local governments
 - Local entities decide for themselves how much they want to buy-down the price of transit for everyone in their jurisdiction
 - The subsidy decision dictates the amount that the local jurisdiction transfers to RTD to pay for passes for every community member
 - Communities that don't use this program would have a low-income pass program available to them for their low-income residents
3. Opt-in programs replace the insurance-model programs
4. RTD creates four master EcoPass contracts
 - Business
 - Resident
 - Student
 - Non-Profit
5. Two Programs - one insurance model and one low-income program
 - Insurance model
 - Any 'community' can qualify - companies, neighborhoods, etc.
 - The discount in this program is linked to the reduction in administrative burden from having a group instead of individual riders and from the value of the pre-payment
 - This program can't draw down the subsidy from RTD that is reserved for the low-income program
 - The low-income price would be determined by the size of the RTD budget that is available for discounts
6. Eliminate all discounts so that RTD can make the cash fare as low as it can be (OK for customers to have some sort of pass (card, or mobile app, or some other media)
7. Eliminate all pass programs so that RTD can make the cash fare as low as it can be
8. Bulk purchase program for anyone; the discount is based on the volume
9. Mobile program (as the way to pay); it allows sponsors, not-for-profits, employers, etc. to buy transit service and provide the person with a discount
10. Pay-as-you-go with a daily cap, then anyone (employer, etc.) can load funds on to the card
11. Charge for parking at park-and-rides and use the funds for pass discounts
12. Make transit free for the rider (factor in the change in ridership and the savings from eliminating the fare-collection systems)
 - Raise \$3+/rider/month
 - Ask the 48 local jurisdictions in the RTD district to cover the fare box revenue
13. HBO-Model - start with a brief discount (20 rides?) to introduce customers to the service before removing the discount
14. Can we find a way to preserve employer contributions and preserve the pre-tax transportation benefit?
15. Eliminate the guaranteed ride home
16. Combinations of the list above
17. Create risk pools based on geography and density of service, then set prices for the pools so that neighborhoods can see their costs before embarking on trying to get a neighborhood pass program started

IV. Key Considerations in Evaluating Options

- We need an option that binds us together as a community - all of RTD is the community - unify by eliminating groups/affiliation as the basis for passes
- If truly value RTD service, need to invest in it and not put it all on RTD backs to support pass programs; funding strategies in Boulder may provide ideas to fund programs (e.g., sales tax, property tax, head tax, parking fees, business improvement districts, etc.); elimination of guaranteed ride home also potential funding source although cost savings would be minimal
- We need to get away from the focus on discount, which can result in race to the bottom
- We need to look at pass programs from a different angle and rebuild from foundation; who are we trying to serve, how should we serve them, how should we prioritize who we serve, what works, what doesn't, how should we reconstruct programs a cohesive collection of pass programs
- Limiting program to few will constrain success
- Loss of convenience to rider, especially for riders who receive pass from employer
- Retaining riders if eliminate or change existing program
- Retaining revenue (including employer contributions and pre-tax transit benefits) if eliminate or change existing program
- Shifting of who pays from employer to employee
- Lack of pricing certainty
- Incentive for employers to promote the programs is reduced if we go to pay per boarding; insurance programs give incentives to program manager to beat the average
- Increasing ridership may require increasing service levels and consequently operating costs; all boardings subsidized
- Not all programs will be self-sustaining and need for cross-subsidization
- RTD needs to be able to sustain service and offset revenue loss with new revenue
- Equity and fairness; exclusivity and limiting to affiliation with participating organization
- Barrier to entry and ability to participate in program
- Lack of community sponsor to promote and organize program
- Administration costs
- Coverage by multiple programs and potential cannibalization by other programs
- Meeting federal mandate to provide half fares for seniors, people living with a disability, and Medicare recipients

Next steps in evaluating options include:

1. Develop list of who trying to serve through pass programs and how to prioritize them
2. Develop matrix of ideas generated and identify fatal flaws
3. Evaluate the proposals identified and look elsewhere - to locations that have implemented (or tried to implement) the things on this list - pay/boarding, low-income pass, fare cap technology, passes for young people... Peer review not to focus on what they did but lessons learned that will help in developing options and recommendations for this study
 - Tri-Met/Portland
 - Bay Area
 - Seattle
 - Oklahoma City
 - Boston
 - Minneapolis
4. Identify how much unmet needs for RTD's Nonprofit Program; how much has been funded and how many are on the wait list
5. Evaluate rider behavior with changes to programs; what assumptions should we make and should a range of assumptions be used to understand potential impacts

6. Share results of parking study to increase parking fees at park-and-ride and rail stations
7. Evaluate cost savings from no fare collection

V. Consultant Help in Evaluating, Refining, Rejecting and Selecting Options

Laura Wolfgram from Four Nines Tech introduced her team to the working group and talked about evaluating the ideas from today's meeting and working with the group to move toward its recommendation

VI. Next Steps

Laura and Mike will meet right away to talk about what part of the evaluation of the early options can be accomplished by the July meeting and how to sequence the agendas for July, August, September, etc.

Send data questions to Mike; he will review them with Laura and will circulate them to the working group.

VII. Next Meeting - Tuesday, July 25th

1:00 - 4:00

Adams County Western Service Center
12200 Pecos Street, Suite 100
Westminster, CO 80234

Guiding Principles from Adopted Operating Protocol:

- ✓ Cost-effectiveness
- ✓ Equitable access
- ✓ Convenience
- ✓ Increased ridership
- ✓ Meeting strategic budget plan targets
- ✓ Brand loyalty
- ✓ Revenue certainty
- ✓ Simplifying rider-operator interactions