**RTD PASS PROGRAM WORKING GROUP**

**January 16, 2017 – Summary**

**Meeting Objectives:**

* **Complete a Package of Pass Programs that Can Achieve the Guiding Principles**
* **Tentative Agreement Among the Working Group**
* **Identify Areas for Exploration Between January 16 and First February Meeting that can Improve the Package**
1. **Purpose**

The Pass Program Working Group will make recommendations to RTD-Denver staff on revisions to all RTD pass programs. The working group will seek consensus recommendations to the RTD-Denver staff. The Pass Program Working Group will:

* + Revisit and refine goals for each pass program,
	+ Refine pricing and administration of each pass program,
	+ Recommend pass program policy revisions, and
	+ Recommend criteria for RTD to use in evaluating future proposals for new pass programs
1. **Input from Riders/Pass Holders/Members of the Public**
* Thanks for your work – this is difficult
* Clarity is important – understanding the outward-facing logic – customers understanding the game
* Understanding how my fare works in conjunction with others
* Fairness for those similarly situated
* Right-pricing – careful when increasing too much
* Trust the solution – don’t fear the little red arrows
* Engage new customers
* Get close
* Excited by the possibility of a youth pass – increased ridership and an investment in RTD
* Letter from student – high school choices limited by the cost of transportation
* DPS is looking out for kids and there are transportation challenges for many students
* My Denver Card – parks, libraries, rec centers – let’s include transit
* Access for kids takes care of the guiding principles
* The CEO of DaVita shouldn’t pay less than a DPS student
* Student letter – reducing cost matters – it allows us access to opportunities lied to our success
* Income-based pass is important
* Current effort in the legislature on vendor fee – please support it
* RTD should invest in its riders – keep low-income riders in mind
* Access to jobs and school
* Funds for passes – vendor fee could be the way to fund it
* Tax money invests in RTD
* 5000 families at DSST – transit is a barrier to school choice
* Barriers for youth are serious
* Youth bus pass – getting kids a scholarship depends on their activities and the pass provides access to those activities
* 70,000 charter students – many qualify for free and reduced lunch – kids need access to great schools
* Low-income students… it would change lives – easy access that doesn’t burden the schools will make all the difference – to be able go to a local store and get a pass with their student ID is ideal
* School choice – give students the opportunity to have valuable experiences – to get to the art museum to jobs, to internships – beyond their neighborhoods
* Students have to get to doctor’s appointments – impact across generations
* Colorado Cross Disability Coalition – passes can enable people to get to work
* Not all disabled people can qualify for the federal discount
* Transportation is second only to shelter in % of household budget
* Title VI has to factor into the recommendation
* Make an affordable fare system
* Our state has little appetite for taxes, so we need to grow ridership
* Ridership – for low-income families – that’s the key to increasing ridership
* There are people in our community who need the support of not-for-profit programs – including people living with HIV; Ryan White Care Act money is diverted to pay for passes and the not-for-profit program cap hurts clients
* Access to medical care, access to services is essential
* Add HIV status to the disability determination – not protected status under the current requirements
* High school students need the youth pass
1. **Recap of Modeling Work Initiated by the Discussion in the December Meeting**
2. No-SLA-Option
	* High dropout among low-cost employers
	* Testing suggests that this is not the right answer
	* Growth in employers in high-transit-service area not enough to cover the revenue loss from the big discount for those riders
	* SLAs serve a purpose and there is enough diversity in levels of service that it doesn’t make sense to eliminate them
	* Discussion
		+ This option could be viable because it focuses on increasing the number of businesses in the high-transit areas
		+ If the riders get the pass as a benefit, they don’t see the price, so the price change doesn’t trigger a behavior change
		+ $14M in lost revenue will be hard to find
		+ A large number of employers do pass some cost along
		+ Q: If we keep company size and eliminate geography – what happens? A: Contract minimums would likely remain
3. Option Z
	* SLA Fix – Need to revise because of recent and near-term future line openings – R isn’t factored into the existing SLA, for example
	* Need to have SLA proposal by the next meeting
	* Low-Income Program – As tested in this Option
		+ At launch – limited to stored value products since passes not available on MyRide – it’s the only viable way to ensure that only qualified individuals are getting the discount
		+ Electronic enforcement – Minneapolis and other new low-income programs are launching on a stored-value card
		+ Reducing the discount provided can still provide value to the participant but at a lower revenue loss
		+ Launch of low income program unlikely to occur in 2019 due preparation necessary to launch a low-income program (e.g., contracts with means testing organizations, modifications to smart card)
		+ Note – the elements of the low-income program listed above were those tested in the model run; the working group has not agreed to any details of a recommended low-income program
4. **Optimized Option**
* Option Z, modified to meet SBP revenue target
* Reductions in the level of discount and changes to the different pass programs
* Changes from Z were spread across all groups
	+ EcoPass surcharge retained
	+ Reduction in % discount for low-income program
	+ Limiting non-profit program to single rides and day passes in order to get non-profits to move those they serve into a low-income pass
	+ Reduction in the % discount for youth and elimination of free for 12-and-under
	+ Limiting base fare from increasing more than would already be part of the 2019 fare review
* The discussion gave the working group members the opportunity to advocate for restoring higher levels of discount in some programs and to indicate those programs that would bear the burden
* Ultimately, the discussion centered on what each task member would most want to have and what they would give up to have it
* Among the possibilities are:
	+ Allowing the base fare to increase
		- Some would use this approach to preserve higher discounts or prevent any surcharge
		- Others would work to keep the base fare low to address the needs of riders who are not covered by any of the pass programs and to keep all program prices as low as possible, because each discount is calculated as a percentage reduction from the base fare
	+ Allowing EcoPass prices to rise
		- Some would use this approach to provide the higher discounts for young people and low-income riders
		- Others worry that increasing EcoPass prices through the surcharge would harm program participation significantly
	+ Reduce the level of the youth discount to the same level as the other programs
		- Having all of the discounts (youth, low-income, senior/disables) at 50% strikes some as a fair way to construct a recommendation
		- Others would preserve a 70% discount, allowing the base fare or other programs to make up the difference
		- Some would eliminate the 12-and-under-free in order to preserve the 70% discount
	+ Set the low-income program at the optimized option level
		- Many are interested in keeping the low-income program at a 50% discount for those at or below 185% of the federal poverty level
		- Others would reduce the discount to enhance other pass programs or keep the base fare as low as possible
	+ Other Possibilities
		- Eliminate the stored value discount
		- While limited MyRide adoption since launch last summer, the revenue loss associated with a stored value discount will grow over time as market penetration increases
		- After making a recommendation that achieves the SBP fare revenue target, offer the Senior Leadership Team our view of opportunities for revenue from other sources
* Next Steps to Allow the Group to Move to a Consensus Recommendation:
	+ RTD will conclude their internal SLA revision
	+ Four Nines will model the programs with the SLA revisions, working to manage the competing priorities and advance the guiding principles
	+ Modeling results – distributed before the February 6 meeting
1. **Schedule – Final Meetings**

 February 6th 1:00-4:00 – Civic Center – 19th Floor

* Final Agreement on Core Elements of the Package
* Implementation – Considering Technological, Administrative, and Policy Requirements

 February 27th 1:00-4:00 – Final Meeting

* Finalize Agreement on Implementation Details