

Survey and Analysis of Transportation Affordable Programs in California

January 2025

A Research Report from the National Center
for Sustainable Transportation

Brian Harold, University of California, Davis

Caroline Rodier, University of California, Davis

Jack Perrin, University of California, Davis



National Center
for Sustainable
Transportation

A USDOT University Transportation Center



UC DAVIS

Institute of Transportation Studies

TECHNICAL REPORT DOCUMENTATION PAGE

1. Report No. NCST-UCD-RR-25-01	2. Government Accession No. N/A	3. Recipient's Catalog No. N/A	
4. Title and Subtitle Survey and Analysis of Transportation Affordable Programs in California		5. Report Date January 2025	
		6. Performing Organization Code N/A	
7. Author(s) Brian Harold, M.B.A, https://orcid.org/0000-0001-6893-2267 Caroline Rodier, Ph.D., https://orcid.org/0000-0002-9107-5547 Jack Perrin, https://orcid.org/0009-0008-5407-7819		8. Performing Organization Report No. UCD-ITS-RR-24-95	
9. Performing Organization Name and Address University of California, Davis Institute of Transportation Studies 1605 Tilia Street, Suite 100 Davis, CA 95616		10. Work Unit No. N/A	
		11. Contract or Grant No. Caltrans 65A0696 Task Order 079 USDOT Grant 69A3551747114	
12. Sponsoring Agency Name and Address U.S. Department of Transportation Office of the Assistant Secretary for Research and Technology 1200 New Jersey Avenue, SE, Washington, DC 20590 California Department of Transportation Division of Research, Innovation and System Information, MS-83 1727 30th Street, Sacramento, CA 95816		13. Type of Report and Period Covered Final Research Report (May 2023 – December 2024)	
		14. Sponsoring Agency Code USDOT OST-R Caltrans DRISI	
15. Supplementary Notes DOI: https://doi.org/10.7922/G2794327 Dataset DOI: https://doi.org/10.5061/dryad.g4f4qrg16			
16. Abstract While the United States has long supported basic needs of residents through social welfare programs, policies supporting affordable transportation for lower income individuals have been much more limited. Federal support for transportation includes subsidies to transit agencies and requirements to offer discounted fares to certain groups such as seniors and riders with disabilities, but income-qualified discounts are not required. This study explores opportunities for improving access to transportation affordable programs by gathering insights from existing income-qualified transportation benefits. Researchers compare examples of these programs to design features of existing non-transportation benefits to characterize opportunities for increased coordination and standardization. Finally, as the U.S. has seen an increase in recent years of Universal Basic Mobility (UBM) pilots that provide flexible transportation funds, the study incorporates insights from UBM evaluations to understand how UBM design features may be useful to agencies who are pursuing transportation affordable discounts and subsidies. The results suggest that there is significant potential for income-qualified transportation program enrollment both for agencies that do not currently offer these benefits and for agencies that already offer them, and that inter-organizational coordination among stakeholders may be essential in implementing successful transportation affordable discounts or subsidies. Additionally, the structure of income-qualified transportation benefits may vary depending on agency resources. Finally, with transportation equity as growing priority for California and its transit agencies, program administrators may opt for programs with easy access and enrollment rather than those that create barriers to participation through strenuous application and verification procedures.			
17. Key Words Transit, fares, transportation equity, low-income programs, accessibility, affordability, discounts, Universal Basic Mobility, subsidies		18. Distribution Statement No restrictions.	
19. Security Classif. (of this report) Unclassified	20. Security Classif. (of this page) Unclassified	21. No. of Pages 58	22. Price N/A

About the National Center for Sustainable Transportation

The National Center for Sustainable Transportation is a consortium of leading universities committed to advancing an environmentally sustainable transportation system through cutting-edge research, direct policy engagement, and education of our future leaders. Consortium members include: the University of California, Davis; California State University, Long Beach; Georgia Institute of Technology; Texas Southern University; the University of California, Riverside; the University of Southern California; and the University of Vermont. More information can be found at: ncst.ucdavis.edu.

Disclaimer

The contents of this report reflect the views of the authors, who are responsible for the facts and the accuracy of the information presented herein. This document is disseminated in the interest of information exchange. The report is funded, partially or entirely, by a grant from the U.S. Department of Transportation's University Transportation Centers Program and, partially or entirely, by a grant from the State of California. However, the U.S. Government and the State of California assume no liability for the contents or use thereof. Nor does the content necessarily reflect the official views or policies of the U.S. Government or the State of California. This report does not constitute a standard, specification, or regulation. This report does not constitute an endorsement by the California Department of Transportation of any product described herein.

The U.S. Department of Transportation and the State of California require that all University Transportation Center reports be published publicly. To fulfill this requirement, the National Center for Sustainable Transportation publishes reports on the University of California open access publication repository, eScholarship. The authors may copyright any books, publications, or other copyrightable materials developed in the course of, or under, or as a result of the funding grant; however, the U.S. Department of Transportation reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use the work for government purposes.

Acknowledgments

This study was funded, partially or entirely, by a grant from the National Center for Sustainable Transportation (NCST), supported by the U.S. Department of Transportation (USDOT) and the California Department of Transportation (Caltrans) through the University Transportation Centers program. The authors would like to thank the NCST, the USDOT, and Caltrans for their support of university-based research in transportation, and especially for the funding provided in support of this project. The authors would like to thank the State of California for its support of university-based research, and especially for the funding received for this project. The authors would also like to thank the staff from Marin Transit, LA Metro, the Western Placer Consolidated Transportation Services Agency, and the Department of Social Services for their time and insights during the expert interviews that contributed to this work.

Survey and Analysis of Transportation Affordable Programs in California

A National Center for Sustainable Transportation Research Report

January 2025

Brian Harold, MBA, Policy Evaluation Specialist, Institute of Transportation Studies, University of California, Davis

Caroline Rodier, PhD, Researcher, Institute of Transportation Studies, University of California, Davis

Jack Perrin, Research Assistant, Institute of Transportation Studies, University of California, Davis

[page intentionally left blank]

TABLE OF CONTENTS

EXECUTIVE SUMMARY	iii
Method	iii
Results.....	iv
Lessons Learned from UBMs	vii
Conclusions	viii
Introduction	1
Literature Review.....	2
Method	4
Inventory and Analysis of Transit Fare Discount Programs	4
Comparison to Non-Transportation Entitlement Programs.....	5
Lessons Learned from UBMs	6
Results.....	6
Inventory and Analysis of Transit Fare Discount Programs	6
Summary of Identified Income-Qualified Transit Fare Programs.....	11
Agency Interviews and Focused Program Findings	16
Key Findings from Review of Income-Qualified Programs	24
Comparison to Non-Transportation Entitlement Programs.....	27
Lessons Learned from UBMs	33
Conclusions	38
References	42
Data Summary.....	44

List of Tables

Table 1. Overview of Reviewed California Metropolitan Area Transit Agencies	7
Table 2. Summary of California Transit Agency Discounts and Poverty Statistics	9
Table 3. Income-Qualified Transit Fare Discount Program Summary	14
Table 4. Summary of Selected Non-Transportation Entitlement Programs.....	30
Table 5. Summary of Universal Basic Mobility Programs (Rodier et al., 2024)	34

Survey and Analysis of Transportation Affordable Programs in California

EXECUTIVE SUMMARY

Since the early 20th century, the federal government and state governments have introduced and administered many programs and policies to improve and maintain the welfare of the population, including providing general relief, healthcare, food stamps, social security, and other support. Each of these benefits is targeted towards particular sectors of the population who may be resource disadvantaged in some way, such as seniors, children, individuals with disabilities, and individuals and households with lower incomes.

In the transportation sector, federal dollars subsidize transit providers to ensure that transit can be available as a public service without relying solely on fare revenue. Transit providers receiving funding from the Federal Transit Administration (FTA) are also required to offer reduced fares for fixed route transit for seniors and riders with disabilities (USDOT, 2024). Beyond the FTA fare discount requirements, some agencies have offered additional discounts or free fares to seniors or riders with disabilities, or have added reduced fare categories for youth riders, lower-income riders, veterans, or other groups. However, support for transportation affordability is less common than support for other basic services such as utilities, housing, and food.

This study seeks to explore opportunities for improving access to transportation affordable programs by gathering insights from existing income-qualified transportation benefits to inform the development of new initiatives and support improvements for transit fare discount pilots. Additionally, this study compares examples of these programs to the more prevalent and long-standing non-transportation benefits in terms of eligibility, funds distribution, scale of benefits, administration, and other details to characterize opportunities for increased coordination among transportation and non-transportation programs. Finally, as the U.S. has seen an increase in recent years of Universal Basic Mobility (UBM) pilots which are often income-based and provide flexible funds for transportation, this study incorporates insights from UBM evaluations to understand how UBMs and aspects of their program design may be useful to agencies who are pursuing transportation affordable discounts and subsidies.

Method

Inventory and Analysis of Transit Fare Discount Programs

We conducted an online review of fare structures and programs for a wide range of transit agencies and geographies in California to develop an inventory of existing income-qualified discounts and other fare discounts across the state. This involved a broad search of transit agency and local government programs including a sample of major metropolitan areas and urban, suburban, and rural areas including the Bay Area and Central Coast, Central and Northern California, and Southern California.

We recorded instances of fare discount programs, including income-qualified programs and other eligibility-based discounts and subsidies such as senior and student fares, fares and support for persons with disabilities, veteran discounts, and reduced fares for Medicare recipients. For agencies and areas with income-qualified programs, we conducted focused reviews of program materials to understand and compare factors such as eligibility criteria, eligibility verification, and discount or subsidy format and distribution.

We then reached out to agencies administering income-qualified programs to conduct interviews about the design, implementation, and outcomes of these programs. The interviews focused on gaining details insights into how the income-qualified fare offerings operate and how they have been used.

Comparison to Non-Transportation Entitlement Programs

We reviewed materials related to non-transportation financial support, entitlement, and discount programs to understand similarities and differences in components such as program eligibility, structure of entitlements, and dissemination of benefits as compared to income-qualified transit fare discount programs. This includes programs supporting benefits for food, utilities, housing, and general relief. We also conducted an interview with staff from the California Department of Social Services to further understand opportunities and challenges associated with the California Electronic Benefits Transfer card technology and administration, as well as coordinating transportation and non-transportation benefits offerings.

Lessons Learned from UBMs

UC Davis researchers have been involved in the evaluation of UBMs in Oakland, CA and Bakersfield, CA, and we previously completed a review and inventory of UBMs in the United States to highlight common characteristics, implementation considerations, and best practices for this type of transportation entitlement pilot. For this project, we revisited the inventory of UBM programs and updated our findings based on lessons learned from recent evaluations of pilots in Stockton and Los Angeles, as well as updates for other reviewed pilots in the U.S. as applicable. We used the results of the interviews, along with the information gathered during the broader inventory and analysis of existing programs, to develop key findings and themes to inform the development, standardization, improvement, and expansion of income-qualified transit fare discount and subsidy programs.

Results

Inventory and Analysis of Transit Fare Discount Programs

Key findings and themes from the review and analysis of discount and subsidy programs serving low-income riders in California are below, based on the program inventory and analysis as well as the results of agency interviews.

Funding

- **Mixed funding sources:** Transit operators often use a mix of sources to fund transit fare discount and subsidy programs, including local measures, state propositions, and other state or federal grants. Operators may also receive grants to fund particular activities associated with their programs, such as community outreach and engagement as with the Placer Bus Pass Subsidy Program.
- **Operational budgets:** Transit operators with long-term discount programs have built program costs into their operational budgets to support reliable benefits offerings from year to year. Operational budgets are generally supported by the mixed funding sources of local tax measures, state and federal taxes and grants, and fares. Large agencies such as LA Metro have submitted budget proposals to a board of directors and have conducted analyses of program budget impacts and outcomes to assess the need for program changes and expansion over time.
- **Cap-and-trade and grant funds:** California Climate Investments, the portfolio of grant and award programs funded by cap-and-trade auctions, funds a wide range of pilot projects including transit fare discount and subsidy programs such as the LA Mobility Wallet and the Clipper START Program on a limited term basis of one to three years.

Eligibility and Verification

- **Income limits:** The most common income threshold used by the reviewed income-qualified programs is a household income of 200% of the Federal Poverty Level (FPL), which is also a general income requirement for SNAP and CalFresh eligibility. A few programs used customized income limits to account for transportation-specific costs and cost of living factors.
- **Cross-program eligibility:** Most of the reviewed income-qualified programs, including those that have an income requirement, allow proof of enrollment in social benefits programs like CalFresh, CalWORKS, and Medi-Cal as a primary or alternative form of eligibility for transit discounts.
- **Additional eligibility requirements:** Income-qualified programs include a variety of additional eligibility requirements or restrictions depending on program goals and target populations. These include residence requirements and rules against participating in multiple similar discount programs. Finally, programs that rely on community-based organizations (CBOs) to distribute benefits allow CBOs to make their own determinations about eligibility, which may involve other requirements.
- **Verification:** As most programs accept enrollment in social benefits such as CalFresh or Medi-Cal as proof of eligibility, confirming evidence of these social benefits cards is a common and efficient method of verification. Applicants also commonly have the option of submitting income documents and other forms of proof of eligibility, which likely require more review time from program staff. Some programs such as LIFE have relied on CBOs to quickly enroll qualifying clients, while others such as Clipper START have considered implementing an automatic enrollment process to reduce administrative

costs. Beyond eligibility and verification requirements, we did not identify specific fraud prevention processes associated with transit agency programs, aside from the built-in fraud reporting process that exists for Electronic Benefits Transfer (EBT) programs.

Outreach and Enrollment

- **Coordinated outreach:** The reviewed programs engage in varying levels of coordination with CBOs and other state agencies to support outreach and enrollment for their discount programs. In all cases, program representatives acknowledged the alignment between other social services programs and organizations and the agency's transit programs in terms of eligibility and goals, which emphasizes the importance of cross-program and cross-organizational communication and collaboration.
- **Potential for increased enrollment:** Several of the reviewed income-qualified transportation programs are considered underutilized based on the number of eligible riders and available program budgets. Each of the reviewed programs is considering ideas for improving coordination with other agencies and programs to reduce barriers to program entry, such as developing automatic enrollment processes for EBT cardholders, improving program awareness, and automating discount renewals for participants.

Comparison to Non-Transportation Entitlement Programs

The review of non-transportation entitlement programs in California identified several similarities between these programs and the reviewed transit fare discounts, as well as important differences. As many income-qualified transit discounts allow possession of an EBT card as proof of eligibility, the overlap between requirements for these programs is prevalent. Programs such as utility support and housing use different income requirements, varying by utility provider and sometimes by county. Eligibility verification is typically more robust for non-transportation entitlement programs, and the scale and distribution of benefits varies widely depending on the type of benefit being provided. EBT cards appear to be the most similar to some transit discounts in terms of how benefits are distributed, in that they take the form of a payment card that participants can use as needed. Additionally, as many transit discounts already use participation in EBT as a form of eligibility, there is likely a significant overlap between income-qualified transit discount users and EBT users, further suggesting that there is an opportunity for additional coordination between these two forms of benefits.

EBT Opportunities

Based on the interview with the Department of Social Services (DSS), there are various cost and logistical barriers associated with the concept of incorporating transportation affordable benefits on to EBT cards. However, options to facilitate improved coordination include:

- **Adding QR codes to EBT cards:** DSS has considered adding QR codes to EBT cards in the past, which could potentially be linked to a transit fare discount or subsidy membership number or verification system to allow transit riders to scan the code to access discounted passes or have the code scanned when boarding a bus to access free transit

trips. This could involve coordination between DSS and transit agencies or local governments on a county-by-county basis, with transit fare discounts programs covering the added costs of including these codes on the cards.

- **Streamlined eligibility verification:** Transit agencies may be able to use the CalFresh Confirm system to verify that applicants are eligible for their transit discount programs. DSS has coordinated with other organizations to allow for verifying eligibility. The system allows organizations to look up an individual and determine whether they are currently enrolled in CalFresh. If transit fare discount or subsidy programs adopt CalFresh eligibility requirements, this would serve as a method of verifying eligibility.

Lessons Learned from UBMs

Below we highlight UBM program policy decisions that may affect program and research outcomes based on lessons learned from the initial review of UBMs as well as recent research evaluating Mobility Wallets in Los Angeles and Stockton. While these considerations are primarily applicable to incentives and subsidy programs, they may also inform the implementation of transit discount programs.

- **Importance of program familiarity and training:** To maximize enrollment and use of benefits, program administrators should consider providing training resources to applicants in the form of in-person events, online videos, or dedicated websites that applicants can or must access before receiving transportation subsidies. Additionally, clear and frequent communication with participants about newly eligible modes, changes in funding structure or program timelines, and other updates will help to reduce customer service issues and will help to maximize the benefit to end users.
- **Determining eligible modes:** The set of eligible modes varies widely across Mobility Wallet programs, with some programs focusing on transit and others allowing for a broad range of purchase types. Administrators should consider how mode eligibility will align with program goals, organizational restrictions, and available funding for subsidies, and the unmet transportation needs of the participant pool.
- **Pre-testing and quality assurance:** It is important for administrators to test the functionality of the benefits being offered before they reach the participant base to avoid user confusion, underutilization of benefits, and unplanned administrative costs. Administrators should also communicate with users regularly about any identified problems with purchases, card loads, and other details to keep users well-informed so that they do not encounter unforeseen transportation barriers when attempting to use their cards.
- **Program scalability:** Administrators should carefully consider the balance between program breadth and depth given the available resources, and policymakers should consider whether there is value in learning from successful pilots to plan for future and potentially longer-term and broader investments in these types of initiatives.

Conclusions

These conclusions and associated recommendations are intended to inform the development and improvement of existing and new transportation affordable programs, and point to opportunities for further agency and community coordination.

There is significant potential for income-qualified transportation programs

Consistent with past literature, a majority of the sampled and reviewed transit providers in California do not offer income-qualified discounts or subsidies and small transit agencies appear unlikely to offer them on their own as these discounts are not federally required and are associated with potentially prohibitive administrative costs and fare impacts. Given the many metropolitan areas with these programs, there is a large potential to better support lower income riders in many regions of California, such as through external funding from a statewide source.

Agency interviews identified a wide range of opportunities to potentially improve enrollment and program reach, such as conducting additional program outreach, reducing application and eligibility barriers, and improving the delivery of benefits such as through the implementation of Mobility Wallets or enhanced transit card technology. These results suggest that barriers to access for income-qualified discounts exist both upstream at the transit provider level, as well as downstream at the rider level, but that solutions may emerge in the near term as administering agencies improve their pilots and develop models for successful program design.

CBO coordination is highly valuable in program reach and administration

Agencies considering implementing an income-qualified transit fare discount program may benefit from working with CBOs to determine what scope and level of program support would be most beneficial to both the agency and the community organization. During the planning stages of a program, CBOs may also be able to provide insights into community needs, transportation barriers, and opportunities for program design elements that would be most effective for the target population.

EBT presents a near-term opportunity for streamlining benefits

While there are organizational and technological challenges associated with incorporating transportation benefits into the EBT platform, there are opportunities for further exploration and coordination between the Department of Social Services and state agencies such as Caltrans or local transit agencies and governments. It may be possible to add QR codes to EBT cards that could be scanned by transit operators to provide free transit rides or passes in eligible areas, or that could be linked to a rider's transit or Mobility Wallet account.

From an outreach and engagement perspective, there is also an opportunity to centralize information about available income-qualified programs. Some CBOs work with their constituents to inform them of the range of programs relevant to them, but enhancing these processes by including BenefitsCal links on transit agency or local government websites that promote transportation programs, and vice versa, may improve access to available

opportunities. A further step would be to develop a cross-program application system that automatically referred or enrolled individuals in programs that they would qualify for; this is done to an extent in some areas but could be improved with additional multi-agency coordination.

Administrators must balance eligibility and verification with program access

Given the existing rigorous verification processes of non-transportation entitlement programs and the close alignment between transportation and non-transportation program eligibility requirements, rigorous verification processes for income-qualified transportation subsidies may result in duplicative efforts that serve as a barrier to participation. Using the proof-of-enrollment model with an alternative option of self-attestation and possible randomized document requests would allow programs to reach their intended audience without placing an additional burden on riders, and without adding unnecessary administrative costs associated with application processing.

Strategies to reduce barriers to farebox recovery may be needed for some agencies

Reduced farebox recovery as a result of income-qualified discounts is a significant concern that may limit agency interest in launching a discount program or limit the level of discount that agencies are willing to offer. Solutions to this issue include using external subsidies like Mobility Wallets that allow riders to purchase travel, thereby maintaining farebox revenue; using MPO, local government, or grant funds to purchase passes from transit agencies and distribute them to CBOs; or implementing a larger-scale change to current FTA requirements that adds exceptions or farebox credits for income-qualified discounted fares. In the absence of high-level policy changes, smaller transit agencies that do not have the revenue and ridership of larger metropolitan areas may need to rely on external grant funding or cross-organizational funding arrangements to support the implementation of income-qualified transportation programs.

Agencies vary in access to funding and whether programs can be offered as pilots or long-term benefits

Although some long-term income-qualified transit fare discounts have been implemented as permanent programs, agencies seeking to launch a new affordable transportation program may benefit from doing so on a pilot basis with funding obtained through a state or federal transportation or equity grant. Following the pilot period, program administrators can take lessons learned from the initial funding period to develop additional program phases or longer-standing programs and may be able to justify the use of operational funds for these purposes if additional grant availability is limited.

Introduction

Since the early 20th century, the federal government and U.S. states have introduced and administered many programs and policies to improve and maintain the welfare of the population, including providing general relief, healthcare, food stamps, social security, and other support. Each of these benefits is targeted towards particular sectors of the population who may be resource disadvantaged in some way, such as seniors, children, individuals with disabilities, and individuals and households with lower incomes.

Federal legislation surrounding social welfare programs has directly and indirectly guided state and local policies, with state and local agencies being responsible for administering federal funds for some benefits, while creating their own programs and funding structure for others.¹ For example, the California Department of Social Security (DSS) administers CalFresh, which is the State's implementation of federal Supplemental Nutrition Assistance Program (SNAP) food stamp funds. Beyond this, DSS also administers California's own initiatives such as the California Cash Assistance Program for Immigrants (CAPI), which is a fully state-developed and funded program, and the jointly federal, state, and county-funded CalWORKS cash assistance program.²

In the transportation sector, federal dollars subsidize transit providers to ensure that transit can be available as a public service without relying solely on fare revenue. Transit providers receiving funding from the Federal Transit Administration (FTA) are also required to offer reduced fares for fixed route transit for seniors and riders with disabilities (USDOT, 2024). Beyond the FTA fare discount requirements, some agencies have offered additional discounts or free fares to seniors or riders with disabilities, or have added reduced fare categories for youth riders, lower-income riders, veterans, or other groups. However, support for transportation affordability is less common than support for other basic services such as utilities, housing, and food.

This study seeks to explore opportunities for improving access to transportation affordable programs by gathering insights from existing income-qualified transportation benefits to inform the development of new initiatives and support improvements for transit fare discount pilots. Additionally, this study compares examples of these programs to the more prevalent and long-standing non-transportation benefits in terms of eligibility, funds distribution, scale of benefits, administration, and other details to characterize opportunities for increased coordination among transportation and non-transportation programs. Finally, as the U.S. has seen an increase in recent years of Universal Basic Mobility (UBM) pilots which are often income-based and provide flexible funds for transportation, this study incorporates insights from UBM evaluations to understand how UBMs and aspects of their program design may be useful to agencies who are pursuing transportation affordable discounts and subsidies.

¹ United States Social Security Administration, Historical Development: <https://www.ssa.gov/history/pdf/histdev.pdf>

² California Department of Social Services, Benefits and Services: <https://www.cdss.ca.gov/benefits-services>

Literature Review

Reduced fares allow agencies to encourage the use of transit through increased affordability compared to other modes, and support agency or local mode shift and equity goals (Saphores et al., 2020). While evidence of mode shifts and other outcomes resulting from affordable transit is limited, reduced and fare-free transit trials have been found to be effective in increasing transit use (Ofosu-Kwabe et al., 2024), and a randomized controlled trial conducted in Santiago, Chile by Bull et al. (2020) found that fare-free transit resulted in an increase in overall travel of 12%. Specific to income-qualified transit affordability, Brough et al. (2022) conducted a randomized controlled trial for a fare-free pilot for lower income riders in Washington state and found that participants significantly increased transit use during the period in which the subsidy was offered. This study also posed the idea that some of the increased transit travel may be due to providing participants with easy-to-use fare media, in the form of a free fare transit pass card.

Despite these potential benefits, most transit agencies in both the U.S. and specifically in California do not offer an income-qualified discounted fare (Saphores et al., 2020; Rebel Group, 2023). Agencies that do offer income-qualified transit discounts tend to be larger agencies with greater revenue, as smaller agencies may have challenges implementing these programs due to administrative costs (Darling et al., 2021). Transit agencies must also consider farebox recovery rates and requirements when developing discount and promotional programs, and for income-based discounts this presents a trade-off between agency revenues and equity for lower-income riders (Harmony, 2018). Farebox recovery concerns can limit agency interest in and ability to implement free and reduced-fare transit programs beyond what is federally required (Saphores et al., 2020). This issue may also hinder agencies from offering tiered fares that provide greater discounts to individuals with the lowest incomes, and a static discount rate, most commonly 50%, may still not represent affordable transit for some riders (Darling et al., 2021). There are examples of agencies implementing fare-free transit for all riders as part of an effort to improve mobility for disadvantaged groups such as lower-income riders, but these are not specifically income-qualified fares, are primarily located outside of California, and agencies may face significant farebox recovery barriers when considering a fare-free model for all riders (National Academies of Sciences, Engineering, and Medicine, 2023).

Although most transit agencies do not offer their own income-based fare discounts, there is growing transportation support for lower-income populations through externally funded and operated initiatives. Transportation access and affordability for low-income and disadvantaged groups has become a high-priority topic within the California policy landscape over the last two decades, resulting in various statewide and local legislation and programs aiming to improve transportation equity for underserved populations. The California cap-and-trade program California Climate Investments has funded over \$3.6 billion in projects through its Low Carbon Transportation program since 2014, at least 35% of which is required to benefit low-income and disadvantaged communities and households per Senate Bill 535 (2012) and Assembly Bill 1550 (2016). California Climate Investments programs such as the Sustainable Transportation Equity Project (STEP), Clean Mobility Options (CMO), and Affordable Housing and Sustainable Communities (AHSC) have worked with underserved communities to conduct needs

assessments and implement mobility solutions that are designed to both reduce personal vehicle miles traveled (VMT) and improve transportation access and equity. These projects have implemented a variety of strategies to meet these goals, including launching new shared mobility services, improving access to transit information and payment systems, and directly incentivizing transit use with subsidies, discounts, and free passes (Rodier et al., 2022).

One approach that is gaining popularity is the use of a Mobility Wallet, where program participants receive a set amount of funds that they can use for their choice of transit or other eligible transportation services. Mobility Wallet pilots have been implemented in several U.S. states and a growing number of them have been launched in California, including in Oakland, Bakersfield, Stockton, and Los Angeles (Rodier et al., 2024). While the specific subsidy amounts, eligible purchases, and method of administration varies among current Mobility Wallet pilots, most of them either provide funds through a prepaid debit card or use stored value on existing fare media, each of which is associated with certain administrative challenges and limitations. Decisions about the method of distributing benefits to participants can depend on available fare media technologies, such as the status of open loop payment capabilities, the level of resources available to administer programs, the types of services being incentivized or subsidized, and other organizational and regional characteristics that must be considered (Rodier et al., 2024).

In addition to benefits distribution, program administrators must determine many other design characteristics including eligibility and verification requirements, outreach and enrollment procedures, benefits scale and duration, and overall administrative structure (Rebel Group, 2023). There are also multiple models for income-qualified program governance, and the role that transit providers, Metropolitan Planning Organizations (MPOs), local governments, community-based organizations (CBOs), and other entities play can have significant effects on how programs are funded, implemented, and monitored (Turner, 2024). Program administrator decisions about how to structure their subsidy programs have led to discussions about best practices and lessons learned from other existing income-qualified benefits, including both transportation and non-transportation entitlement programs, pointing to a need for additional understanding of program successes and opportunities.

Unlike federally mandated transit discounts for seniors and riders with disabilities, and state implementations of federal for benefits such as food assistance, there is not currently a widely accepted standard for income-qualified transit discounts, subsidies, Mobility Wallets, or similar programs (Rodier et al., 2024; Darling et al., 2021). A review of existing transportation entitlement programs provides an opportunity to identify common practices for income-qualified subsidies and discounts to inform the development of new income-qualified programs and improve upon existing programs that aim to increase transit access and equity. Additionally, there are likely opportunities for increased coordination between public benefits programs to improve accessibility and take advantage of technological advancements to streamline offerings (Headrick et al., 2022). An exploration of longstanding non-transportation entitlement programs is needed to identify opportunities to leverage existing resources and

processes to potentially standardize and simplify the way that lower income individuals access all of the benefits to which they are entitled.

Method

Inventory and Analysis of Transit Fare Discount Programs

Materials and Metrics for Existing Programs

We conducted an online review of fare structures and programs for a wide range of transit agencies and geographies in California to develop an inventory of existing income-qualified discounts and other fare discounts across the state. This involved a broad search of transit agency and local government programs across major metropolitan areas and urban, suburban, and rural areas including:

- Bay Area and Central Coast: San Francisco, Oakland, Santa Rosa, San Jose, Santa Cruz, Monterey
- Central and Northern California: Bakersfield, Fresno, Stockton, Modesto, Sacramento, Sierras
- Southern California: Los Angeles, Riverside, San Diego, Santa Barbara

For each of these regions, we conducted an online search to identify agencies with publicly available details about the types of fares and discounts offered. While there are more than 100 transit agencies in California, many areas have a single larger agency dedicated to a major metropolitan area and a number of other agencies that serve a smaller geographic area in the region. We focused on reviewing large agencies as well as sampling at least one smaller agency per region to capture fare information for a variety of agency sizes and locations. We recorded instances of fare discount programs, including income-qualified programs and other eligibility-based discounts and subsidies such as senior and student fares, fares and support for persons with disabilities, veteran discounts, and reduced fares for Medicare recipients. We also used National Transit Database (NTD) data and U.S. Census data to summarize agency service population and estimate the number of residents in each service area who are living in poverty and may therefore qualify for and benefit from an income-qualified program. For agencies and areas with income-qualified programs, we conducted focused reviews of program materials to understand and compare factors such as eligibility criteria, eligibility verification, and discount or subsidy format and distribution. We used this information to provide context and develop questions for interviews with representatives of income-qualified transit fare discount programs.

In-depth Agency Interviews

Upon identifying the regions and agencies that have income-qualified transit fares, we reached out to agency representatives to conduct interviews about the design, implementation, and outcomes of these programs. The interviews focused on gaining details insights into how the

income-qualified fare offerings operate and how they have been used, with interview questions addressing the following topics:

- Eligibility criteria,
- Means and frequency of demonstrating eligibility to understand ease of enrollment,
- Discount (total regular fare, percentage discount, total discount),
- Fare media (and how the discount is made available and used to pay for service),
- Whether fare media limits access to eligible recipients (e.g., smartphone and data plan, bank account, and credit card) and, if yes, how or if this challenge is addressed,
- Utilization (e.g., number of program participants) and total cost,
- Total number of people qualified to use the program given the program's criteria,
- Source(s) and types of funding (i.e., specific fund type and short or long term),
- Administration (e.g., by agency or externally through a CTSA or other type of organization),
- Methods of engagement to enroll participants.
- Lessons learned

We conducted interviews virtually and recorded them for transcription purposes. We used the results of the interviews, along with the information gathered during the broader inventory and analysis of existing programs, to develop key findings and themes to inform the development, standardization, improvement, and expansion of income-qualified transit fare discount and subsidy programs.

Based on the programs identified in the inventory and analysis effort, we reached out to program representatives from LA Metro, Marin Transit, San Francisco Bay Area MTC, and WPCTSA in Placer to request interviews about their income-qualified discount and subsidy programs. The agency interviews included questions about program background and objectives, eligibility and verification, enrollment levels, funding and cost considerations, technology options, and lessons learned that may inform future programs.

We were able to schedule and conduct interviews with the income-qualified program directors or managers for each of these agencies other than MTC; in place of an interview with MTC, we conducted a review of the Clipper START two-year pilot evaluation report, conducted in 2023, to capture lessons learned and recommendations.³

Comparison to Non-Transportation Entitlement Programs

We reviewed materials related to non-transportation financial support, entitlement, and discount programs to understand similarities and differences in components such as program eligibility, structure of entitlements, and dissemination of benefits as compared to income-

³ Metropolitan Transit Commission, MTC Regional Means-Based Transit Fare Pilot Program (Clipper START): Technical Memo of First Two Years of the Pilot (July 2020 – July 2022): https://mtc.ca.gov/sites/default/files/documents/2023-06/Draft_Clipper_Start_Evaluation_Technical_Memo_July_2020_July_2022.pdf

qualified transit fare discount programs. Reviewed non-transportation entitlement programs include:

- Food: CalFresh, Supplemental Nutrition Assistance Program (SNAP)
- Utilities: Pacific Gas and Electric (PG&E) CARE, Sacramento Municipal Utility District (SMUD) low-income assistance, Low Income Home Energy Assistance Program (LIHEAP)
- Housing: Section 8 housing program
- General relief: General Assistance or General Relief Program, CalWORKS

We also conducted an interview with staff from the California Department of Social Services representing the Electronic Benefit Transfer (EBT) card and CalFresh and CalWORKs benefits services to further understand opportunities and challenges associated with EBT technology and administration, as well as coordinating transportation and non-transportation benefits offerings.

Lessons Learned from UBMs

UC Davis researchers have been involved in the evaluation of UBMs in Oakland, CA and Bakersfield, CA, and we previously completed a review and inventory of UBMs in the United States to highlight common characteristics, implementation considerations, and best practices for this type of transportation entitlement pilot. Since creating this inventory, we have worked closely with administrators of Universal Basic Mobility (UBM) pilots in the implementation and evaluation of Mobility Wallet programs in Stockton, CA and Los Angeles, CA, both of which began offering Mobility Wallet pilots in 2023. As part of the current effort to characterize and compare transportation entitlement programs in California, we revisited the inventory of UBM programs and updated our findings to reflect recent developments and lessons learned from the Stockton and Los Angeles pilots, as well as updates for other reviewed pilots in the U.S. as applicable. We used insights from this review and our pilot evaluations to develop a list of key considerations for UBM program design, which may inform future mobility wallets and other forms of income-qualified transit fare discounts.

Results

Inventory and Analysis of Transit Fare Discount Programs

Our review of transit fare discounts in California included agencies in the metropolitan areas of Bakersfield, Fresno, Los Angeles and Orange County, Monterey and Santa Cruz, Oxnard and Santa Barbara, Riverside and San Bernardino, Sacramento, San Diego, the Sierras, San Francisco and Oakland, San Jose, Santa Rosa, and Stockton and Modesto. We first reviewed the transit agencies in these areas to summarize their available modes, ridership, and service area population size as reported in NTD data to provide context for the review of discount programs. Table 1 summarizes these characteristics for each reviewed transit agency.⁴

⁴ Federal Transit Administration, National Transit Database: <https://www.transit.dot.gov/ntd/ntd-data>

Table 1. Overview of Reviewed California Metropolitan Area Transit Agencies

Metro Area	Agency Name	Modes	Service Area Population	Unlinked Passenger Trips (2022)	Service Area Square Miles
Bakersfield	Golden Empire TD	Bus	500,977	3,293,593	111
	Kern Regional Transit	Bus	155,249	176,745	906
Fresno	Fresno FAX	Bus	1,015,190	7,707,600	154
Los Angeles - Orange Counties	LA Metro	Bus, Rail	10,347,626	276,302,447	4,629
	Orange County TA	Bus	2,956,802	32,674,688	436
Monterey-Santa Cruz	Monterey-Salinas Transit	Bus	432,858	2,144,772	161
	Santa Cruz Metro	Bus	270,861	3,350,026	445
Oxnard-Santa Barbara	Gold Coast Transit District	Bus	374,827	3,043,329	77
	Santa Barbara MTD	Bus	199,668	4,534,476	52
	Metrolink	Rail	8,341,002	3,703,404	2,291
Riverside-San Bernardino	Omnitrans	Bus	1,556,579	6,101,602	466
	Riverside TA	Bus	1,907,166	5,246,457	2,500
	SunLine TA	Bus	474,031	2,689,531	1,120
Sacramento	Sacramento RTD	Bus, Rail	1,360,100	14,349,668	291
	UC-Davis Unitrans	Bus	70,827	3,028,186	11
San Diego	North County TD	Bus, Rail	1,043,734	7,132,419	340
	San Diego Metropolitan Transit	Bus, Rail	2,269,953	68,511,363	902
San Francisco-Oakland	AC Transit	Bus	1,586,454	35,190,057	364
	Caltrain	Rail	2,900,000	183,666	425
	Central Contra Costa TA	Bus	627,597	2,538,112	274
	Golden Gate Transit	Bus, Ferry	834,066	2,476,565	124
	Livermore-Amador Valley TA	Bus	236,690	1,145,515	40
	San Francisco BART	Bus, Rail	867,725	50,764,402	80
	San Francisco Muni	Bus, Rail	842,754	3,564,710	49
	San Mateo County TD	Bus	764,442	8,773,845	97
	Tri-Delta Transit	Bus	333,000	1,211,883	225
	Marin Transit	Bus	262,321	2,694,428	520
San Jose	Santa Clara VTA	Bus, Rail	1,894,783	23,853,939	346
Santa Rosa	Santa Rosa CityBus	Bus	174,523	1,319,746	51
Stockton-Modesto	Stanislaus Regional TA	Bus	550,660	2,434,940	1,515
	San Joaquin RTD	Bus	793,229	2,301,789	1,426

We then reviewed agency websites and promotional materials to identify the types of discount fares offered. We also accessed U.S. Census with 5-year American Community Survey data (2019-2023) on the percentage of households below the poverty level in each county or city to

estimate the number of residents in each service area who are living in poverty.⁵ For agencies whose service area crosses the boundaries of multiple counties, we used the broader regional metropolitan area poverty level as an estimate. The search and review of fare discounts in California yielded a wide range of discount categories, discount rates, and eligibility and verification requirements across the regions and agencies reviewed. Table 2 displays a summary of the reduced fare program types offered by transit agency and region, along with the poverty population estimates. We calculated these estimates by applying the estimated percentage of residents living in poverty for each city or county to the size of each transit agency's service population. Because there is likely some variation between the geographic service area defined by the NTD and the geographic area represented in the Census data, these are general estimates to provide a sense of scale for each transit provider.

⁵ United States Census, Poverty Data Tools: <https://www.census.gov/topics/income-poverty/poverty/data/data-tools.html>

Table 2. Summary of California Transit Agency Discounts and Poverty Statistics

Metro Area	Agency Name	% of Residents below Poverty Level (County or Region)	Estimated Service Area Residents Below Poverty Level	Reduced fare category		
				Students / Youth	Veterans / Military	Low Income
Bakersfield	Golden Empire TD	19%	95,186	✓		
	Kern Regional Transit	19%	29,497	✓		
Fresno	Fresno FAX	21%	213,190	✓	✓	
Los Angeles - Orange Counties	LA Metro	14%	1,438,320	✓		✓
	Orange County TA	10%	295,680	✓		
Monterey-Santa Cruz	Monterey-Salinas Transit	12%	51,943	✓	✓	
	Santa Cruz Metro	19%	51,464	✓		
Oxnard-Santa Barbara	Gold Coast Transit District	9%	33,734	✓	✓	
	Santa Barbara MTD	14%	27,954	✓	✓	
	Metrolink	12%	1,000,920	✓	✓	✓
Riverside-San Bernardino	Omnitrans	13%	202,355	✓	✓	
	Riverside TA	11%	209,788	✓	✓	
	SunLine TA	11%	52,143	✓		
Sacramento	Sacramento RTD	15%	204,015	✓		
	UC-Davis Unitrans	26%	18,415	✓		
San Diego	North County TD	11%	114,811	✓		
	San Diego Metropolitan Transit	11%	249,695	✓		
San Francisco-Oakland*	AC Transit	9%	142,781	✓		✓
	Caltrain	13%	377,000	✓		✓
	Central Contra Costa TA	9%	56,484	✓		✓
	Golden Gate Transit	10%	83,407	✓		✓
	Livermore-Amador Valley TA	7%	16,568	✓		✓
	San Francisco BART	12%	104,127	✓		✓
	San Francisco Muni	10%	84,275	✓		✓
	San Mateo County TD	6%	45,867	✓		✓
	Tri-Delta Transit	9%	29,970	✓		✓
	Marin Transit	8%	20,199	✓		✓
San Jose	Santa Clara VTA	8%	142,109	✓		
Santa Rosa	Santa Rosa CityBus	10%	17,452	✓		
Stockton-Modesto	Stanislaus Regional TA	14%	77,092	✓	✓	
	San Joaquin RTD	13%	103,120	✓	✓	

*All listed San Francisco Bay Area agencies use the Clipper card, which offers the income-qualified Clipper START Program.

Discounts for Seniors, Individuals with Disabilities, and Medicare Card Holders

All reviewed transit agencies offer reduced fares for seniors and individuals with disabilities, including Medicare card holders; this is required of any federally subsidized transit operator under the Federal Transit Act.⁶ In some cases, these are percentage discounts (e.g., 50% off the standard fare), and in others, eligible individuals can ride transit free of charge (e.g., Fresno FAX, Gold Coast Transit District). Agencies commonly use possession of a Medicare card as proof of eligibility for senior and disability discounts, and generally accept disabled veteran ID cards as proof of disability as well.

Discounts for Students and Youth

All listed agencies also offer some form of reduced or free fare for students or youths under the age of 18. The format and scale of student and youth discounts varies widely among agencies, with many agencies offering a percentage discount (e.g., 50%) on fares for K-12 students, and some agencies such as LA Metro and North County TD offering special youth passes that allow K-12 and/or college students to ride for free. Some youth discounts include usage restrictions, such as SunLine Transit Agency which allows students, staff, and faculty of California State University San Bernardino (CSUSB) to ride the 10 Commuter Link line from Coachella Valley to San Bernardino and the CSUSB campus for free but does not apply to the agency's other lines and services. Another example of a restriction is with the San Mateo County Transit District (SamTrans) reduced youth fare, which is only available to students who are Socioeconomically Disadvantaged (SED) per Department of Education guidelines.

Discounts for Veterans and Military

While a disabled veterans ID is often accepted as proof of eligibility to qualify for a disability fare discount, some agencies also offer fare discounts to all veterans or active military riders. Rather than existing as a separate discount fare or program, these discounts are typically bundled into the eligibility criteria for other discounts such as senior or disability discounts, such that a rider providing proof of veteran or active military status receives the same discount as a senior or individual with disabilities. Aside from this, some agencies offer free transit rides to veterans or active military members on a limited-term basis, such as in May in honor of Memorial Day, or in November in honor of Veteran's Day (e.g., Golden Empire Transit, Omnitrans, SacRT).

Discounts for Low-Income Riders

We identified few instances of discounted fare programs for low-income riders among the reviewed transit agencies. The two largest programs are the Low Income Fare is Easy (LIFE) Program administered by LA Metro in Los Angeles, and the Clipper START Program administered by the Metropolitan Transportation Commission for San Francisco Bay Area transit services. The San Francisco Bay Area also includes the income-qualified San Francisco

⁶ Federal Transit Administration: <https://www.transit.dot.gov/are-transit-providers-required-offer-reduced-transit-fares-seniors-people-disabilities-or-medicare>

Metropolitan Transit Agency (SFMTA) Lifeline Pass for monthly Muni rides, and the Marin Access Fare Assistance ride subsidy and free passes for low-income riders. In Southern California, the regional rail system Metrolink offers income-qualified discounts to riders with EBT cards in its operating areas of Ventura, Los Angeles, San Bernardino, and San Diego.

In addition to programs offering discounted fare categories or special passes for low-income riders, we also found that some areas such as the San Joaquin Valley and Placer County have coordinated with local community-based organizations (CBOs) to provide free or discounted transit passes to members of the community. Rather than being a customer-facing program between the rider and transit agency, these arrangements are between the transit or planning agency and the CBO, who then conducts outreach and pass distribution.

Summary of Identified Income-Qualified Transit Fare Programs

The following sections provide more details on each discount or subsidy program for low-income riders identified in the inventory and analysis activity, followed by overall findings and themes from this review and from interviews with transit agency and program representatives.

San Francisco Bay Area Clipper START Program

The Clipper START Program is a pilot that offers 50% single-ride discounts to income-qualified riders for all Bay Area transit operators (such as Bay Area Rapid Transit, San Francisco Muni, Alameda-Contra Costa Transit, Sonoma-Marín Area Rail Transit, and other regional operators, 22 services in total).⁷ Clipper START is administered by the Metropolitan Transportation Commission (MTC). To qualify, riders must be between the ages of 19 and 64 years old, be a resident of the San Francisco Bay Area, and have a household income equal to or less than 200% of the federal poverty level. Riders also cannot participate in both Clipper START and the Regional Transit Connection (RTC) Clipper card program, which is a discount program created for passengers with disabilities. Enrolled members receive a customized Clipper START card in the mail, which stores their benefits and can be used for transit travel on all eligible services. Applicants are required to provide proof of identity in the form of a driver license, passport, or other publicly issued ID card, and must also provide proof of income to qualify for benefits. Eligible proof of income materials include CalFresh/EBT cards, Medi-Cal cards, tax documents, and other materials at Clipper START's discretion. As of 2023, about 19,000 riders were enrolled in the Clipper START pilot program.⁸

SFMTA Lifeline Pass

The Lifeline pass offers a 50% discount on monthly SFMTA Muni passes to income-qualified riders. To be eligible recipients must have an annual household income (before taxes) at or below 200% of the Federal Poverty level. Applicants must provide proof of income in the form of a Medi-Cal card; SNAP or EBT card; Women, Infants & Children (WIC) Supplemental Nutrition

⁷ Metropolitan Transportation Commission, Clipper START: <https://www.clipperstartcard.com/s/>

⁸ The Bay Link (2023). Clipper START pilot extended through June 30, 2024.

<https://blog.bayareametro.gov/posts/clipperr-start-pilot-extended-through-june-30-2025>

Program account, or San Francisco Department of Homelessness and Supportive Housing (HSH) eligibility letter. Approved applicants receive a Lifeline ID card that must be affixed with a valid monthly sticker and must be presented to a station agent or transit vehicle operator to use the Metro system.⁹ As the Lifeline program is exclusively for monthly passes, SFMTA promotes the Clipper START program individual ride discounts as an alternative to Lifeline for riders who do not require a monthly pass.

LA Metro LIFE Program

The Los Angeles County Metropolitan Transportation Authority (LA Metro) Low Income Fare is Easy (LIFE) Program has offered free and discounted transit trips to riders since 2019. LIFE provides members with free transit rides for 90 days, followed by 20 free rides every month on LA Metro transit, or a discounted pass for rides with one of 14 partnered transit agencies in the region. Members must live in LA County and have a household income equal to or less than 50% of the area median income (AMI) for their household size, based on current LA County income limits. Applicants must provide a photo ID and can choose to provide proof of income, such as proof of other public income-qualified benefits like CalFresh, or self-certify their eligibility with the understanding that LIFE may request income verification at a later time. LIFE members must also have or request an LA Metro TAP card to use their free rides or discounts, as the TAP card stores the LIFE benefits and allows riders to add stored value to their cards to pay for rides beyond the 20 free rides per month.¹⁰

Marin Access Fare Assistance

The Marin Access Fare Assistance (MAFA) program is an initiative to aid low-income transit takers with paying fares. MAFA is a subprogram within the larger Marin Access program, which is available to riders age 65 and over, or riders who can be professionally verified as having disabilities that would make them eligible for paratransit services. Applicants must be participants of Marin Access and must demonstrate eligibility for Medi-Cal or demonstrate a household income at or below the Elder Economic Index, a measurement of the income level needed by older adults to meet all of their costs, to qualify for MAFA.¹¹ MAFA provides \$75 of credit per quarter to use for trips on paratransit and Marin access shuttles. Recipients who qualify for this can also opt in to receive a free bus pass.¹²

Western Placer Consolidated Transportation Services Agency Bus Pass Subsidy Program

The Western Placer Transportation Services Agency Bus Pass Subsidy is a program designed to allow qualified Non-Profit CBOs to receive reimbursements for transit passes they purchase and provide to their constituents. The goal of this program is to allow the people served by the CBOs to receive a discounted transit card. CBOs can apply online and are able to determine the

⁹ San Francisco Municipal Transportation Agency, Lifeline Pass: <https://www.sfmta.com/fares/lifeline-pass>

¹⁰ LA Metro, Low Income Fare is Easy (LIFE): <https://www.metro.net/riding/fares/life/>

¹¹ Elder Economic Index: <https://elderindex.org/>

¹² Marin Transit, Marin Access Fare Assistance: <https://marintransit.org/mafa>

specific eligibility requirements for distributing passes to clients, though the intent is that recipients are eligible for California benefits programs such as CalFresh, CalWORKs, or Medi-Cal. CBOs are able to receive up to a 75% reimbursement for purchased passes.¹³

San Joaquin RTD 501(c)(3) Non-profit Bulk Pass Program

This Program offers a 50% discount to all 501(c)(3) non-profit organizations in San Joaquin County when they buy 50 bus passes or more.¹⁴ The goal of this program is to allow those served by the non-profits to receive discounted transit cards. This allows the same discount level for low-income riders as is already in place for seniors and those with disabilities, to increase transit access and use.

Metrolink Mobility-4-All

The Metrolink commuter rail system serves multiple counties in Southern California including Los Angeles, San Diego, and Riverside. Metrolink Mobility-4-All offers income-qualified riders a discount of 50% on any Metrolink ticket or pass. Eligibility is determined by whether the participant has a valid California Electronic Benefit Transfer (EBT) Card. Eligible recipients can purchase the discounted passes at any Metrolink Station Ticket Machine. This program was initiated to expand transit services to a larger number of riders who may not be able to normally use Metrolink due to affordability concerns.¹⁵

Table 3 outlines key characteristics for each of these subsidy and discount programs, including eligibility requirements, eligibility verification, and the scale and distribution of benefits.

¹³ Placer County Transportation Planning Agency, Western Placer Consolidated Transportation Services Agency: <https://www.pctpa.net/western-placer-consolidated-transportation-services-agency-wpctsa>

¹⁴ San Joaquin RTD, 501(c)(3) Program: <https://sanjoaquinrtd.com/501c3/>

¹⁵ Metrolink Mobility-4-All: <https://metrolinktrains.com/ticketsOverview/discounts/mobility4all/>

1 **Table 3. Income-Qualified Transit Fare Discount Program Summary**

Program	Residence Requirement	Income Requirement	Eligibility verification	Application process	How benefits are distributed	Scale of Benefits
Clipper START	Yes	Household income at or below 200% of Federal poverty level OR Enrolled in Medi-Cal, EBT, or similar program	Proof of income OR Proof of qualified program enrollment	Website application	Applied to transit card	50% of all Muni single fare rides and discounts on other Bay Area transit providers
LA Metro LIFE	Yes	Income less than 50% of AMI OR Enrolled in program such as EBT, Medi-Cal, reduced lunch, Social Security, and others	Proof of income OR Self-attestation	Website application, Telephone call, OR In-person signup at event	Applied to transit card	20 free rides per month & discounted rate based on associated agency and type of pass
Marin Access Fare Assistance	No	Enrolled in Medi-Cal OR Meet Elder Economic Index Criteria	Proof of income OR Proof of qualified program enrollment	Website application	Applied to transit card, AND Free bus passes	\$75 per quarter credit for local paratransit trips or Marin access shuttles. Participants can request a pass to use local bus service at no cost
San Francisco Lifeline Pass	No	Household income at or below 200% of Federal poverty level OR Enrolled in Medi-Cal, EBT, or WIC	Proof of income OR Proof of qualified program enrollment	Website Application, Mail-in Application OR In-person Application drop-off	Applied to transit card	50% discount on Muni fares

Program	Residence Requirement	Income Requirement	Eligibility verification	Application process	How benefits are distributed	Scale of Benefits
Western Placer Consolidated Transportation Services Agency Bus Pass Subsidy Program	No	Enrolled in one of many programs including EBT, Medi-Cal, County Medical Services Programs, and others	Determined by each non-profit	Determined by each non-profit	Free/discounted transit passes	Non-profits are reimbursed 75% of the cost when buying bulk transit passes
San Joaquin RTD Non-profit Bulk Pass Program	No	Determined by each non-profit	Determined by each non-profit	Determined by each non-profit	Free/discounted transit passes	Non-profits receive 50% discount when buying bulk transit passes
MetroLink Mobility 4 All	No	Enrolled in EBT	Proof of qualified program enrollment (Using an EBT card at a ticketing station)	Purchase a discounted ticket at a machine	Discounted transit passes	50% discount on MetroLink tickets

1

Agency Interviews and Focused Program Findings

This section presents the key findings from the interview and evaluation report review activities for the programs administered by LA Metro, Marin Transit, WPCTSA, and San Francisco Bay Area MTC.

LA Metro Low Income Fare is Easy (LIFE)

Background and Outreach

Prior to LIFE, LA Metro had two subsidy programs that involved coordinating with local CBOs to provide taxi vouchers and fare discounts to individuals in need of transportation assistance. The format of having the transportation authority pass subsidies through CBOs allowed these benefits to reach individuals who had already demonstrated a need for assistance through their local CBO, without having to apply directly to an LA Metro program.

LA Metro leveraged these relationships with local organizations when launching LIFE by asking CBOs to help promote LIFE and enroll people into the program. Currently two CBOs, FAME Assistance Corporation (FAME) and International Institute of Los Angeles (IILA) are responsible for administering LIFE in this way, and these two organizations oversee more than 300 other CBOs in the region who provide outreach and enrollment assistance. CBOs distribute approximately 30,000 TAP cards to the community each year and enroll eligible clients. The CBOs have their own portal to access LIFE for enrollment purposes, and Metro estimates that CBOs have enrolled over 60,000 new LIFE members since 2019.

LIFE also coordinates with local DPSS offices to provide a streamlined program enrollment process. DPSS conducts outreach in communities and also works with individuals who are already connected to DPSS for services such as cash and food assistance (CalFresh), Medi-Cal, or disability or homelessness services to automatically enroll them in LIFE without requiring an application or identification. If the client does not already have a TAP card, LIFE will send them one, and they will be able to access LIFE benefits within 7 to 10 days. As of October 2024, 19 of 26 DPSS offices in the county were assisting with LIFE enrollment, and Metro estimates that DPSS has enrolled over 28,000 people into LIFE since this partnership began in September of 2022.

Funding

Funding for LIFE primarily comes from the LA Metro operations budget, with about \$33 million allocated to LIFE for the 2024 fiscal year. The operations budget is funded by local and state policies including Measure M (40%), Proposition C for bus and rail operational and capital expenses (40%), and the Americans with Disabilities Act (2%), among others. LIFE also receives funds from state and federal grants to cover costs such as marketing and outreach expenses.

Enrollment and Barriers

In 2024, combined enrollment in LIFE and LIFE Limited was about 375,000 individuals, which is considered underutilization based on the size of the rider base and funds available for the program. Among the total enrolled members, an average of about 65,000 actively use their LIFE

benefits on a monthly basis. Most active users use all 20 of their free rides per month. The LIFE program team is currently focused on increasing enrollment, which according to LIFE has already more than tripled in the past few years.

LIFE is in the process of administering a customer experience survey to assess barriers to use. Prior to this survey, initial feedback from riders suggested that there may be barriers to accessing LIFE benefits, as riders must either call a customer center line, activate LIFE in the TAP mobile app, or visit the program website to activate their rides for a given month. Riders may forget to activate, may not know how to use the app, or may not understand that a continual renewal process is required. LIFE is considering implementing an auto-load feature to overcome this issue depending on the results of the customer experience survey, though the current backend technology has a limit to how many free rides it can store and track per month and an automated process may require a technology upgrade.

Ridership Effects

Metro has not conducted analyses to estimate the ridership effects of the LIFE Program, or whether the program is primarily supporting transit travel that riders would have made without the discount, or causing riders to use transit more than they otherwise would without the discount. It is expected that the program is having both of these effects, but the degree to which it results in mode shifts, improved mobility, or purely increased affordability is not known.

LIFE Limited

LIFE also offers a subprogram known as LIFE Limited, which partners with local community-based organizations (CBOs) who are able to provide \$11 taxi vouchers to individuals who are especially in need of specific essential trips, such as individuals who are unhoused, or were recently incarcerated, and may not have identification or otherwise be able to enroll in the general LIFE program. Enrollment in LIFE Limited is at the discretion of partner CBOs based on factors such as individual urgency and benefits availability.¹⁶

Based on feedback from CBOs who indicate that the taxi vouchers are a valuable benefit but that some individuals are more familiar with and comfortable using app-based ridehailing services, LIFE is planning a pilot to partner with Uber and Lyft to include them as a transportation option for LIFE members. The details of this pilot are still being determined, but the goal is to complement the transit benefits offered by LIFE with ridehailing subsidies to allow members to travel to where they need to go.

Technology Options

LIFE is coordinating with DPSS to assess the possibility of integrating LIFE and EBT cards. Through a county motion passed in July of 2024, LA Metro has been directed to pursue a

¹⁶ LA Metro, LIFE Overview: https://www.iilosangeles.org/wp-content/uploads/2018/04/LIFE_Doc.pdf

technology integration that would allow EBT cards to function as TAP cards at Metro stations.¹⁷ This would most likely involve adding a chip to the EBT cards that would allow DPSS clients to activate and access LIFE benefits by tapping cards at Metro TAP machines. The goal is to allow EBT users to access both their EBT benefits and LIFE benefits through a single form of media, reducing barriers to LIFE use and providing a simple user experience. The LIFE team and DPSS have had several initial discussions about how this process would work, and expect that the integration may be completed in 2024 or early 2025. However, integration of TAP into EBT requires substantial agency coordination, and Metro and DPSS are still determining details related to data access and security, technical specifications, and related processes.

TAP Plus Upgrade

Metro is planning a large-scale change to its TAP system and user experience in preparation for several major upcoming events including the FIFA World Cup in 2026, Superbowl in 2027, and Paralympic Games and Olympic Games in 2028. These events are expected to attract millions of visitors to Los Angeles, and Metro is making preparations to reduce negative impacts on the transit system and to provide as much of an integrated and streamlined travel experience as is possible. One of the planned innovations is the launch of the TAP Plus program, which will include open payment capabilities allowing riders to use contactless credit and debit cards for Metro services rather than needing a TAP card. This will also allow riders to manage their transit accounts online without having to visit Metro stations or TAP machines. Additionally, Metro is planning to integrate transit with event ticketing for these major events by including transit fare options with purchased event tickets to incentivize transit travel to and from event venues. TAP Plus will also involve upgrades to the transit payment system including ticket validators with barcode scanners for rail stations and buses.¹⁸ Metro estimates that the cost of the entire TAP Plus upgrade is about \$66 million, with the potential to save \$5-10 million over time due to a decreased need for TAP vending machines as riders transition to the open payment process.

Farebox Recovery and Fare-Free Transit

The “equity-revenue trade-off problem” creates a challenge for transit agencies who want to offer income-qualified discounts but who are also subject to farebox recovery requirements and associated FTA penalties (Harmony, 2018). In relation to this issue, Metro has explored the concept of offering fully fare-free transit to LIFE members rather than the current structure of free rides for 90 days followed by 20 free rides per month. A Metro analysis of the resulting farebox effects of this change suggested that the budget for LIFE would need to more than triple, increasing from about \$33 million to over \$100 million annually. This suggests that the current LIFE budget is sufficient to subsidize about one-third of transit travel for the estimated number of annual users; Metro determined that the fare-free approach would overly impact

¹⁷ County of Los Angeles, Supervisor Board Motion: Expanding Metro LIFE Program Through Cross-Agency Collaboration (2024): <https://file.lacounty.gov/SDSInter/bos/supdocs/193941.pdf>

¹⁸ LA Metro, TAP Plus Board Report (2024): <https://boardagendas.metro.net/board-report/2023-0617/>

the resources available for operations and program services, and decided not to move forward with this option at the current time.

Application Improvements

To further streamline access to benefits, Metro is planning to launch a universal benefits application that riders can use to apply for reduced fares. The application will collect an applicant's demographics information such as income, age, and disability status, to determine which Metro programs they qualify for and enroll them in all applicable programs rather than asking them to fill out a separate application for each discount. This type of bundled application is similar to the current process of applying for statewide non-transportation benefits such as CalFresh, CalWORKs, and Medi-Cal, all of which can be accessed through a single CalBenefits enrollment portal where applicants select which benefits they would like to receive.

Western Placer Consolidated Transportation Services Agency Bus Pass Subsidy Program

Background

WPCTSA is a joint powers authority whose role is to support social services related to transportation in western Placer County, including support for the elderly and riders with disabilities. WPCTSA is administered by the Placer County Transportation Planning Agency (PCTPA), which also serves as its board of directors.¹⁹ WPCTSA created the Bus Pass Subsidy program to support mobility for lower income residents who are working with local social services CBOs. In addition to the Bus Pass Subsidy Program, WPCTSA offers the Placer Rides Program, which supports on-demand transportation for seniors, lower income individuals, and individuals with disabilities; as well as the Transit Training Program, which provides Mobility Trainers to individuals who need assistance with understanding available fixed-route and on-demand transit services in the area.

Funding

The Bus Pass Subsidy program is supported by funds provided through the Transportation Development Act (TDA), which includes funding from the State Transit Assistance fund and Local Transportation Fund. These funds are incorporated into PCTPA's operating budget and allocate an annual budget to the subsidy program, serving as a stable funding source.

Enrollment

The Placer Bus Pass Subsidy program is currently underutilized, and currently has no active CBOs regularly seeking reimbursement for purchased passes. The reasons for this lack of program activity are unclear, but may be due to limitations in program awareness or CBOs having access to alternative funding sources for client travel support. WPCTPA is currently considering modifications to the program that may increase interest, such as switching to a

¹⁹ Western Placer Consolidated Transportation Services Agency: <https://www.pctpa.net/western-placer-consolidated-transportation-services-agency-wpctsa>

direct fare discount program for eligible riders or directly distributing transit passes to riders. However, each of these options is associated with certain challenges and costs that must be considered. Two of the major factors involved in potential changes to the current program structure relate to effects on farebox recovery, and technology capabilities that may require an open loop payment structure.

Farebox recovery

The Placer Bus Pass subsidy program uses a reimbursement structure, where community-based organizations purchase passes and then apply for reimbursement through WPCTSA. This allows transit agencies to receive the revenue for purchased passes. Depending on the format of a broader EBT-based program that included transportation benefits, there could be considerations related to whether transit operators can continue to claim the fare recovery associated with rides that are paid for with the subsidy or discount card. For example, if the State of California were to offer a card that entitled income-qualified participants to free transit, this could reduce the fare revenue for local operators unless the card allowed participants to purchase passes from operators using subsidy funds. Aside from concerns related to reduced revenue in itself, operators need to meet certain fare recovery ratios to avoid State penalties under the Transportation Development Act (TDA). A Mobility Wallet format that allows participants to purchase passes using program funds would be preferable in this sense to a fare entitlement program that entitles participants to a certain number of free rides per month, for example. Alternatively, another option could be for programs to allow transit operators to track the number of rides taken with fare entitlement cards and then submit a ride log to their planning agency or to the State for reimbursement that would be credited to fare recovery. For any large-scale transportation entitlement program involving a payment or membership card, it would be important to ensure that there is agreement and understanding among relevant transit operators in terms of whether and how any farebox recovery claims and calculations would be affected.

Open loop payment

The ability of transit operators to integrate a standardized transit fare discount or subsidy program into their operations depends somewhat on the capabilities of their payment infrastructure. With the California Integrated Travel Project (Cal-ITP) working across California to bring open loop payment systems to transit providers, there is growing potential for a standardized card or program that could function across different transit networks. PCTPA discussed this development, and noted that their current Connect Card is a closed loop electronic fare system but that through the leadership of Sacramento Regional Transit (SacRT) they are in the process of transitioning to open loop payment and may begin to have some open loop capacity by Spring of 2025. With an open loop payment system in place, riders could use chipped debit cards to tap into bus fare boxes. Without this technology, it may be necessary to rely on a “flash pass” approach where riders show passes to bus drivers and the drivers enter the fare into their systems.

Marin Transit Marin Access Fare Assistance Program

Background and Eligibility

Marin Transit created the Marin Access program to support transportation services for Marin County's growing population of older adults and people with disabilities. Marin Access is available to individuals aged 65 and older or who have a disability that prevents them from independently using traditional bus service. Marin Access includes a host of services for these individuals, including travel training, paratransit services, and a volunteer driver program. Marin Access also launched the Catch-A-Ride pilot program in 2023 to provide up to 30 taxi, Uber, and Lyft trips per quarter at a discounted rate of \$5 as a base fare. The Marin Access Fare Assistance (MAFA) Program was created to further support income-qualified riders who are already part of Marin Access, by removing the \$5 base fare from Catch-A-Ride trips and providing \$75 of credit per quarter for paratransit and shuttle service, as well as free passes for fixed-route bus service. MAFA uses the Elder Economic Security Standard Index (Elder Index) as a determinant of eligibility, which incorporates costs of housing, health care, transportation, food, and other essentials in its calculation of an individual's income status.²⁰

Outreach and Enrollment

As of October 2024, Marin Access has about 4,400 enrolled riders, 866 of whom are enrolled in MAFA. Of the 4,400 Marin Access participants, about 1,600 are active riders with Marin Transit, meaning that the MAFA participant base represents about 50% of active Marin Access ridership. Once enrolled, riders are asked to participate in an annual renewal process to demonstrate that they remain eligible for Marin Access services. Marin Transit has made efforts to streamline the renewal process, but anticipates that the process may serve as a barrier to continuing in the program for some riders.

Marin Transit coordinates with CBOs across the county to promote Marin Access and MAFA within their client bases and to the community in general. Rather than assisting with eligibility verification and enrollment, CBO roles are currently limited to program outreach and referring people to Marin Transit to enroll in available programs. Marin Transit has a team of in-house Travel Navigators whose role is to assist riders with understanding the services available to them, to conduct eligibility verification, and to provide support with questions and issues that may arise.

Potential Mobility Wallet

Marin Transit is considering developing a Mobility Wallet pilot which would augment or replace the MAFA Program and provide participants with greater flexibility in choosing the type and frequency of transportation that suits their needs. The specific subsidy and delivery structure is still to be determined, but would likely involve a prepaid debit card and allow for a variety of transportation purchases such as transit, ridehailing, taxis, bikeshare, and other services. In alignment with the objectives of Marin Access, the Mobility Wallet would likely target

²⁰ Elder Index Tool: <https://elderindex.org/>

individuals aged 65 and older and those with disabilities, rather than being available to the broader lower income population.

Funding

The Marin Access program is primarily funded by operating funds and specifically local Measure B, which imposes a \$10 fee on vehicle registrations and provides about 30% of these proceeds to the transit agency. For the potential Mobility Wallet, rather than pursuing a pilot grant, Marin Transit is considering building the program into its operating budget as well, meaning that the program would be supported by Marin County’s half-cent sales tax and the Measure B vehicle registration fee policies.

Potential Partnerships

As part of its current coordination with local CBOs, Marin Transit Travel Navigators refer riders to other programs that may be available to them, such as countywide aging and adult services. Marin Transit has had discussions with the county about potentially developing a single application that individuals could use to apply for Marin Access, county services, and potentially other age- or income-based programs in the area. There are certain organizational challenges associated with data sharing and administration that would need to be addressed, but Marin Transit is considering collaboration opportunities as part of its Mobility Wallet discussions and continued monitoring of Marin Access outcomes. While Marin Transit accepts the Clipper card and Clipper START participants can use their cards for Marin Transit trips, Marin Transit has not coordinated with MTC or Clipper START for outreach and enrollment purposes. There may be opportunities for further coordination if the Mobility Wallet moves forward, depending on the fare media, eligible services, and geographic reach of the program.

Clipper START

While we were unable to reach representatives of Clipper START or MTC for this project, we reviewed the evaluation of the first two years of the pilot, July 2020 through July 2022, to understand key findings and recommendations that may inform the development or improvement of income-qualified discount programs.²¹

Background and partnerships

Clipper START was created after a three-year assessment conducted by MTC to determine the feasibility of an income-qualified transit fare program. The goals of Clipper START are to improve the affordability of transit for lower income riders, support progress towards standardized fare discounts in the region, and establish financially and administratively feasible implementation processes.²² MTC developed the Clipper START concept as a joint effort among

²¹ Metropolitan Transit Commission, MTC Regional Means-Based Transit Fare Pilot Program (Clipper START): Technical Memo of First Two Years of the Pilot (July 2020 – July 2022): https://mtc.ca.gov/sites/default/files/documents/2023-06/Draft_Clipper_Start_Evaluation_Technical_Memo_July_2020_July_2022.pdf

²² Metropolitan Transportation Commission, Clipper START: <https://mtc.ca.gov/planning/transportation/access-equity-mobility/clipperr-startsm>

Bay Area transit operators, beginning with BART, Caltrain, SF Muni, and Golden Gate Transit and Ferry as partner agencies as of the July 2020 launch. At the program's inception, agencies were able to determine the level of discount offered and some opted for a 20% discount while others used a 50% discount. As of 2024, there are 21 participating transit agencies in the San Francisco Bay Area, all offering a uniform 50% discount on fares.

Funding and costs

The initial three-year Clipper START pilot was funded by an approximately \$17 million commitment from the State Transit Assistance program, as well as grant funds from the California Climate Investments Low-Carbon Transit Operations Program and CARES Act Funds. The administrative costs for Clipper START totaled about \$2 million over two years, with over a third of this amount representing costs for conducting eligibility verification. Marketing and outreach accounted for about a quarter of administrative costs, while website and data management accounted for another quarter of costs. Clipper START provided about \$2 million in fare discounts during the first two years, roughly equal to the administrative budget.

Enrollment

According to the evaluation report, Clipper START received over 18,000 applications in its first two years of operation and approved more than 16,000 individuals to receive benefits. Of the approved participants, about 9,800 individuals used Clipper START cards during the initial two-year pilot period. As the program launched during the COVID-19 pandemic in 2020, reduced travel and engagement with transit during this period likely limited the number of applications as well as the usage of benefits provided. An article posted by Bay Area Metro in July 2023 estimated that there are about 1.6 million eligible adults in the San Francisco Bay Area, meaning that about 1% of the eligible population has successfully applied for Clipper START.

Foregone farebox revenue

The evaluation discussed the issue of farebox recovery in relation to transit discounts, finding that the income-qualified fare discounts amounted to about \$1,169,100 across two years, or less than one percent of participating transit agency revenue. As MTC reimburses transit agencies for a portion of foregone farebox revenue incurred, the evaluation estimates that this 10% reimbursement reduced the revenue impact to transit agencies by \$295,000. Foregone farebox revenue is positively correlated with participant ridership per participating agency, with SF Muni and BART experiencing the greatest revenue impacts due to having the highest trip rates from Clipper START participants.

Recommendations for improvement

The evaluation assessed the program's successes and opportunities for improvement, and identified several recommendations to increase enrollment, improve the customer experience, and decrease the cost of the program. These recommendations included implementing an auto-enrollment process that would send Clipper START cards to all eligible riders who qualify for benefits programs such as CalFresh and CalWORKS, allowing applicants to self-certify eligibility rather than provide required documentation (similar to the LA Metro LIFE Program),

and increasing the eligible income threshold to allow more riders to qualify for the program. The auto-enrollment process and self-certification option would be designed to reduce the substantial administrative costs associated with eligibility verification, and all three of these recommendations could lead to increased program uptake.

Additionally, the evaluation suggested considering a monthly credit or subsidy, akin to a Mobility Wallet, that would allow program participants to purchase fares from participating agencies using subsidies rather than receiving a direct discount from the agencies. This approach would help to reduce administrative costs because MTC would not have to reimburse transit agencies for discounts provided, but would require restructured funding and would represent a significant change to pilot organization and delivery.

Key Findings from Review of Income-Qualified Programs

This section summarizes key findings and themes from the review and analysis of discount and subsidy programs serving low-income riders in California, incorporating insights from the program inventory and analysis as well as the results of agency interviews.

Funding

- **Mixed funding sources:** Transit operators often use a mix of sources to fund transit fare discount and subsidy programs, including local measures, state propositions, and other state or federal grants. Operators may also receive grants to fund particular activities associated with their programs, such as community outreach and engagement as with the Placer Bus Pass Subsidy Program.
- **Operational budgets:** Transit operators with long-term discount programs have built program costs into their operational budgets to support reliable benefits offerings from year to year. Operational budgets are generally supported by the mixed funding sources of local tax measures, state and federal taxes and grants, and fares. Large agencies such as LA Metro have submitted budget proposals to a board of directors and have conducted analyses of program budget impacts and outcomes to assess the need for program changes and expansion over time.
- **Cap-and-trade and grant funds:** California Climate Investments, the portfolio of grant and award programs funded by cap-and-trade auctions, funds a wide range of pilot projects including transit fare discount and subsidy programs such as the LA Mobility Wallet and the Clipper START Program. California Climate Investments typically provides funding for a limited period of one to three years, meaning that operators who wish to fund discounts programs beyond this period would need to reapply for funds, allocate a portion of their operational budgets, or seek other local, state, or federal funding sources.

Benefits Distribution

- **Free and discounted passes:** Some transportation benefits programs work with CBOs to distribute fare passes to income-qualified community members, such as the Placer Bus

Pass Subsidy program and the San Joaquin RTD Non-profit Bulk Pass Program. Purchasing and distribution of passes in these types of programs varies, from a reimbursement structure such as with the Placer program to a direct transit operator discount to CBOs such as with the San Joaquin program. With a reimbursement structure, CBOs tally the number of passes distributed and request reimbursement from the transit authority or local government administering the program. This ensures that transit operators receive the revenue for the passes for fare recovery purposes. Discounts provided directly from the transit operator to CBOs purchasing bulk passes allow CBOs to spend less money upfront rather than await reimbursement at a later date. The bulk pass distribution approaches allow regions to leverage CBO expertise and connections with the community to support tasks such as conducting outreach and verifying eligibility.

- **Transit cards and transit accounts:** Large-scale income-qualified discount and subsidy programs such as Clipper START and LA Metro LIFE have incorporated their program benefits onto existing transit fare media (e.g., Clipper cards and Transit Access Pass (TAP) cards, and associated mobile applications). This provides a straightforward experience for program members, who can continue using the transit cards they are accustomed to without having to keep a separate benefits card or pass in hand. Clipper and TAP cards also allow riders to add stored value to their accounts to supplement program benefits.
- **Mobility Wallets:** Subsidy programs offered as part of Universal Basic Mobility (UBM) pilots, such as those in Oakland, Bakersfield, Los Angeles, and Stockton, have issued prepaid debit cards to income-qualified riders for use on transit and a variety of other modes. Prepaid debit cards offer flexibility and specificity in the range of purchases that can be made with funds, but are a separate form of payment media from fare cards and are not connected to transit rider accounts or other associated programs.

Eligibility and Verification

- **Income limits:** The most common income threshold used by the reviewed income-qualified programs is a household income of 200% of the Federal Poverty Level (FPL), which is also a general income requirement for SNAP and CalFresh eligibility. The LA Metro LIFE Program uses an income threshold based on 50% of the Area Median Income (AMI), which is a higher income threshold than the FPL, allowing more people to qualify. Finally, the Marin Transit MAFA program, which primarily targets riders of 65 years of age and older, uses the Elder Index, which accounts for age and location-related costs of living in its determination of whether an individual has enough income to meet their needs. While detailed income requirements such as the Elder Index
- **Cross-program eligibility:** Most of the reviewed income-qualified programs, including those that have an income requirement, allow proof of enrollment in social benefits programs like CalFresh, CalWORKS, and Medi-Cal as a primary or alternative form of eligibility for transit discounts. The Metrolink Mobility-4-All Program specifically uses EBT cards as an eligibility requirement; rather than filling out a program application,

riders scan their EBT cards when purchasing a transit ticket and are able to receive a 50% discount on the fare.

- **Additional eligibility requirements:** Income-qualified programs include a variety of additional eligibility requirements or restrictions depending on program goals and target populations. For example, San Francisco Bay Area riders who have an RTC card for persons with disabilities are not eligible to participate in Clipper START, presumably because this would result in duplicate benefits. Additionally, programs such as LA Metro LIFE and Clipper START require participants to be local residents. Finally, programs that rely on CBOs to distribute benefits such as the San Joaquin RTD Non-profit Bulk Pass Program and Placer Bus Pass Subsidy Program allow CBOs to make their own determinations about eligibility, which may involve other requirements.
- **Verification:** As most programs accept enrollment in social benefits such as CalFresh or Medi-Cal as proof of eligibility, confirming evidence of these social benefits cards is a common and efficient method of verification. Applicants also commonly have the option of submitting income documents and other forms of proof of eligibility, which likely require more review time from program staff. Some programs such as LIFE have relied on CBOs to quickly enroll qualifying clients, while others such as Clipper START have considered implementing an automatic enrollment process to reduce administrative costs. Beyond eligibility and verification requirements, we did not identify specific fraud prevention processes associated with transit agency programs, aside from the built-in fraud reporting process that exists for EBT programs. Eligibility verification costs can be substantial under a non-automated process, such as with Clipper START where the budget associated with verification accounted for a third of administrative resources.

Outreach and Enrollment

- **Coordinated outreach:** The reviewed programs engage in varying levels of coordination with CBOs and other state agencies to support outreach and enrollment for their discount programs. For example, with Marin Transit's MAFA, the role of CBOs is limited to promoting the program and referring eligible individuals to apply with the agency. In other cases, such as with LA Metro LIFE and the Bus Pass Subsidy, the CBO network is a core part of the process to verify eligibility and distribute program benefits. In all cases, program representatives acknowledged the alignment between other social services programs and organizations and the agency's transit programs in terms of eligibility and goals, which emphasizes the importance of cross-program and cross-organizational communication and collaboration.
- **Potential for increased enrollment:** Several of the reviewed income-qualified transportation programs are considered underutilized based on the number of eligible riders and available program budgets. LA Metro LIFE and the Placer Bus Pass Subsidy Program are currently exploring ways to increase enrollment, and Marin Transit has considered streamlining its application and renewal process to create a more appealing user experience. For Clipper START, about 1% of the estimated 1.6 million eligible individuals have enrolled in the program. Each of these programs is considering ideas for

improving coordination with other agencies and programs to reduce barriers to program entry, such as developing automatic enrollment processes for EBT cardholders, improving program awareness, and automating discount renewals for participants.

Comparison to Non-Transportation Entitlement Programs

As acknowledged by the agencies administering the transportation entitlement programs reviewed above, there is a substantial overlap among the target populations for income-qualified transit discounts and the target populations for other forms of social services. To better understand the similarities and differences between how income-qualified transportation and non-transportation programs are designed and delivered, we conducted a review of several types of entitlement programs available in California. This includes programs providing support for food, housing, utility costs, and other expenses. This section provides an overview of the non-transportation entitlement programs reviewed and includes the results of an interview with Department of Social Services representatives of the California EBT program to highlight themes as well as challenges and opportunities associated with improving access to available social benefits.

Overview of Non-transportation Entitlement Programs

This section lists the reviewed non-transportation programs, providing a general summary of program objectives and design.

Supplemental Nutritional Assistance Program and CalFresh

The Supplemental Nutritional Assistance Program is a federal program that seeks to support low-income residents with purchasing food. Eligible participants use an electronic benefit transfer (EBT) Card to purchase food at businesses and grocery stores which take EBT. The goal of the program is to provide nutritional food to low-income residents around the country. The amount provided and eligibility requirements vary from state to state, but most provide around 300 dollars in benefits. These benefits increase or decrease based on factors such as income, household size, and expenses.

- **CalFresh:** CalFresh is the California version of the Supplemental Nutritional Assistance Program, a federal program aiding with purchases of food. Recipients use an electronic benefit transfer (EBT) card which can be used to purchase food at eligible grocery stores. Determined by factors such as income, household size, and expenses, people receive varying amounts of benefits. The program works to reduce food insecurity and provide nutritious food to low-income people who may have no other option.

General Assistance or General Relief

The General Assistance or General Relief program is designed to support adults who cannot support themselves through working or through other assistance programs. The program usually distributes cash payments to support the recipient, delivered by EBT card. The eligibility requirements and benefits amounts vary heavily across states and counties. We reviewed two

examples of general assistance and relief programs in California, one in Alameda County and one in Los Angeles County (Table 4).²³

CalWORKs

CalWORKs is the California implementation of the Federal Temporary Assistance for Needy Families (TANF) Program that gives money to families that are in need. Families can receive benefits to help with housing, food, utilities, clothing, or medical care. To qualify both parents must be unemployed or there must be a lack of parental support due to the absence of either parent. The program seeks to lower the financial burden on families that temporarily cannot provide for themselves. As with CalFresh, CalWORKs provides benefits through the EBT card.²⁴

PG&E CARE

The California Alternate Rates for Energy (CARE) Program is designed to provide financial assistance to low-income customers of Pacific Gas & Electric (PG&E) by offering them discounted rates on their utility bills. Recipients are deemed eligible by income guidelines based on household size, from under \$40,880 annually for a 1-2 person household, up to \$126,960 annually for a 10-person household. Alternatively, applicants can provide proof of enrollment in other public assistance programs such as CalFresh, CalWORKs, LIHEAP, or Medi-Cal. Participants can expect a 20% or more reduction in electricity and gas bills, issued as a discount on the invoice.²⁵

SMUD Energy Assistance Program Rate

The Sacramento Municipal Utility District (SMUD) Energy Assistance Program Rate is an energy discount program for low-income residents in the Sacramento area. Recipients qualify based on their monthly income, from under \$3,407 for a 1-2 person household up to \$6,993 for a 6-person household. The participant's income in relation to the federal poverty level determines the amount of benefits, ranging from \$105 a month to \$10.²⁶

Low Income Home Energy Assistance Program

The Low Income Home Energy Assistance Program (LIHEAP) is a federal program that aims to help low-income households that use a large portion of their income to meet their energy needs. In California, the Department of Community Services and Development administers the program and provides a range of services including one-time financial assistance to subsidize utility bills, assistance to avoid power shut-offs, and a weatherization program to improve the

²³ Alameda County Social Services, General Assistance: <https://www.alamedacountysocialservices.org/our-services/Work-and-Money/General-Assistance/index>; Los Angeles County Department of Public Social Services, General Relief: <https://dps.lacounty.gov/en/cash/gr.html>

²⁴ California Department of Social Services, California Work Opportunity and Responsibility to Kids (CalWORKs): <https://www.cdss.ca.gov/calworks>

²⁵ Pacific Gas & Electric, California Alternate Rates for Energy: <https://www.pge.com/en/account/billing-and-assistance/financial-assistance/california-alternate-rates-for-energy-program.html>

²⁶ Sacramento Municipal Utility District, Energy Assistance Program Rate: <https://www.smud.org/Rate-Information/Low-income-and-nonprofits>

energy efficiency and safety of homes. LIHEAP eligibility is determined at the state level and in California, participants must have a monthly household income of less than \$2,882 for a single person household, up to \$7,983 for a 10-person household.²⁷

Section 8 Housing Choice Vouchers

The Housing Choice Voucher program, known as Section 8, is a federal program that assists income-qualified families, seniors, and individuals with disabilities with paying for housing. The program coordinates with local public housing agencies (PHA) to provide housing vouchers directly to landlords of eligible families, offsetting the cost of rent for participants. To qualify, families must have a household income no greater than 50% of the median income specific to their geographic area.²⁸

Table 4 outlines key characteristics of these non-transportation entitlement programs within California, including eligibility and verification, application process, and scale and distribution of benefits.

²⁷ California Department of Community Services and Development, Low Income Home Energy Assistance Program: <https://www.csd.ca.gov/pages/liheaprogram.aspx>

²⁸ U.S. Department of Housing and Urban Development, Housing Choice Vouchers Fact Sheet: https://www.hud.gov/topics/housing_choice_voucher_program_section_8

1 **Table 4. Summary of Selected Non-Transportation Entitlement Programs**

Program	Eligibility Requirements	Eligibility Verification	Application Process	How benefits are distributed	Scale of Benefits
CalFresh	<ol style="list-style-type: none"> 1. California resident 2. Typically household income under 200% of federal poverty level, though exceptions and alternatives apply 	Proof of income or other documentation of current expenses, or sworn statement of self-attestation AND Eligibility interview	Website application or county application processes	EBT Card	Max allotment per household size, HH 1. \$291, HH 2. \$535, HH 3. \$766, HH 4. \$973, HH5. \$1,155, etc.
General Relief: Los Angeles County	<ol style="list-style-type: none"> 1. Resident of Los Angeles 2. Lower monthly net worth than the maximum grant of \$221, (\$375 per couple) 3. Personal Property has value of \$2,000 or less 3. Motor Vehicle valued at \$4500 or less 4. Real property has an assessed value of \$34,000 or less 	Possible requests for proof of income; possible requests for car, home, or motor home documentation; possible requests for rent/mortgage documentation	Website application, mail-in application, or local social services agency application process	EBT Card	Monthly cash grant of \$221
General Assistance: Alameda County	<ol style="list-style-type: none"> 1. U.S. citizen or non-citizen in U.S. legally 2. Alameda Resident 3. Adult or emancipated minor 4. Program-specified income requirements 	Identification and SSN, Proof of Income, Proof of citizenship	Website, phone, mail, in-person, or telephone application	EBT Card	Monthly cash grant of \$336, \$548 for a couple
CalWORKS	<ol style="list-style-type: none"> 1. California resident 2. In general families that have children and both parents are unemployed or there has been a deprivation of parental support due to absence of either parent 	Proof of identity, proof of income, and proof of expenses AND Eligibility interview	Website application and interview	EBT Card	Allotment depends heavily on the situation and region, so high variability

Program	Eligibility Requirements	Eligibility Verification	Application Process	How benefits are distributed	Scale of Benefits
PG&E CARE	1. Have a PG&E bill, not a dependent, do not have a shared energy meter 2. Program-specific income limits 3. May qualify if anyone in the household takes part in other public assistance programs	Proof of income or enrollment in other qualified programs OR Self-attestation with random verification	Website application	Discount on bill	20% Discount
SMUD Energy Assistance Program Rate	Program-specific monthly income limits (between \$3,407 for a 1-person household and \$6,993 for a 6-person household)	Provide 2 months of proof of all sources of income	Website or mail-in application	Discount on bill	Discount of \$10-\$105 based on income
LIHEAP	Program-specific monthly income requirements (between \$2,882 for a 1-person household and \$7,983 for a 10-person household)	Eligibility verified through third party authentication	Website application or state-defined application process	Funds sent to utility company, credit on energy account, or check provided to participants	Allotment varies by service provided and state of residency
Section 8 housing	Monthly household income may not exceed 50% the median income of the county or municipal area	Local PHA will collect info on family income, assets, and family composition, and will verify information with local agencies, employer, and bank	Public Housing Authority application processes	Subsidy/voucher provided to property owner	Up to gross rent minus 30% of adjusted monthly income

The review of non-transportation entitlement programs in California identified several similarities between these programs and the reviewed transit fare discounts, as well as important differences. As many income-qualified transit discounts allow possession of an EBT card as proof of eligibility, the overlap between requirements for these programs is prevalent. Programs such as utility support and housing use different income requirements, varying by utility provider and sometimes by county. Eligibility verification is typically more robust for non-transportation entitlement programs, with Section 8 housing and EBT programs requiring detailed documentation of income and costs, as well as caseworkers who conduct applicant interviews. All of these programs offer online applications as well as alternative forms of applying such as mail-in or in-person enrollment.

The scale and distribution of benefits varies widely depending on the type of benefit being provided, with utility support providing discounts on bills, Section 8 housing providing funds directly to the property owner, and EBT programs providing funds directly to participants to use as needed. Based on this review, EBT cards appear to be the most similar to some transit discounts in terms of how benefits are distributed, in that they take the form of a payment card that participants can use as needed. Additionally, as many transit discounts already use participation in EBT as a form of eligibility, there is likely a significant overlap between income-qualified transit discount users and EBT users, further suggesting that there is an opportunity for additional coordination between these two forms of benefits.

Department of Social Services EBT Interview

To gain detailed insights into the background, payment technology, and delivery of EBT benefits, we conducted an interview with staff from the California Department of Social Services who represent the CalFresh and CalWORKS benefits programs and support EBT administration. This interview focused on identifying challenges and opportunities associated with improving the connection between transportation benefits and non-transportation benefits, specifically in relation to the potential for streamlining benefits onto a single payment card, creating a more efficient enrollment process, and generally improving coordination between transit agencies, transportation planners, and state social services.

Technology and administrative barriers to incorporating benefits

DSS is responsible for administering the federal EBT system as it pertains to California's version of EBT, including distributing designated food or cash benefits to eligible CalFresh members. In its current format, EBT cards issued by DSS are able to store both food stamp benefits, from CalFresh, and cash benefits, from CalWORKS and/or the Cash Assistance Program for Immigrants (CAPI). CalWorks and CAPI cash benefits are bundled into a single fund on EBT cards, such that if an individual checks their balance on the EBT portal they will see one balance of available food benefits, and another balance of available cash benefits.

When asked whether EBT cards could include a third funding source and hold funds for transportation subsidy programs as well, DSS stated that there is not currently a mechanism to load non-state or non-federal funds onto an EBT card. Additionally, the EBT platform in its current form does not have the capability to hold another type of fund aside from food and

cash, and that significant backend changes would be required in order to incorporate a third type of balance onto the cards. If transit fare discounts or subsidies were offered as a statewide or federal funding source, DSS and DOT or Caltrans would need to collaborate extensively to incorporate the different funding sources onto an EBT card and effectively manage the associated administrative and organizational resources required to implement and maintain a coordinated benefits offering.

Opportunity to add QR codes to cards

DSS has considered adding QR codes to EBT cards in the past, which could be used for accessing CalFresh program or member information. The agency did not pursue this option due to the additional costs involved, but mentioned that this may be a way to incorporate transportation benefits onto the EBT card. For example, if the QR code linked to a transit fare discount or subsidy membership number or verification system, transit riders could scan the code to access discounted passes or have the code scanned when boarding a bus to access free transit trips. This could involve coordination between DSS and transit agencies or local governments on a county-by-county basis, with transit fare discounts programs covering the added costs of including these codes on the cards.

Eligibility verification tool

Transit agencies may be able to use the CalFresh Confirm system to verify that applicants are eligible for their transit discount programs. DSS has coordinated with other organizations to allow for verifying eligibility. The system allows organizations to look up an individual and determine whether they are currently enrolled in CalFresh. If transit fare discount or subsidy programs adopt CalFresh eligibility requirements, this would serve as a method of verifying eligibility. One limitation is that an individual interested in a transportation subsidy program would first need to enroll in CalFresh before applying for the transportation program in order to have their eligibility verified by the DSS system. One solution is for agencies to use the DSS system as a first check of eligibility and then use alternate verification methods such as requesting paperwork from individuals or partially relying on self-attestation for the portion of applicants who are not enrolled in CalFresh.

Lessons Learned from UBMs

In addition to the types of transit discounts and subsidies reviewed above, there has been a growth in Universal Basic Mobility (UBM) pilots and programs in the U.S. over the last five years. UBMs typically provide individuals with funds that they can use to pay for a variety of mobility services such as transit, shared mobility, and other modes. UBMs are sometimes referred to as Mobility Wallets. In 2023, we conducted a review of existing UBMs in the U.S. to understand trends in program design and inform the development of UBMs in new areas (Rodier et al., 2024).

Table 5 displays an overview of the UBMs reviewed in this study, followed by a summary of updates that have occurred since this review. In particular, our findings from recent work evaluating the Los Angeles Mobility Wallet and Stockton Mobility Incentives programs provide

lessons learned and important considerations for agencies who are exploring the development of an income-qualified transportation subsidy.

Table 5. Summary of Universal Basic Mobility Programs (Rodier et al., 2024)

Name (state, city)	When?	How many?	What?	How much?
Parking District (Portland, OR)	Since 2017	6,500	Transit, shared bikes/scooters, carshare	~\$66/month (max)
New Mover (Portland, OR)	Since 2022	N/A	Transit, shared bikes	~\$17-\$26/month (more for income-qualified)
Affordable Housing (Portland, OR)	2019 -2022	1,000	Transit, shared scooters, ridehailing	~\$31/month
Affordable Housing (Sacramento, CA)	Since 2017	150 (annual)	Transit, ridehailing	\$100/month
Universal Basic Mobility (Oakland, CA)	2021-2022	500	Transit, shared bikes/scooters	\$300 total
Universal Basic Mobility (Pittsburg, PA)	Since 2022	50	Transit, shared bikes/scooters, carshare	\$262/month
Mobility Incentives (Stockton, CA)	2023-2024 (18 months)	400	Transit, shared bikes, carshare, ridehailing	\$100/month
Mobility Wallet (Los Angeles, CA)	2023-2024 (phase 1)	1,000	Transit, shared bikes/scooters, carshare, ridehailing, others	\$150/month

Oakland Universal Basic Mobility, Bakersfield Universal Basic Mobility

UC Davis researchers completed an evaluation of the Oakland UBM pilot was completed in 2024, which also included an evaluation of a UBM pilot in Bakersfield, CA. The study found that pilot participants replaced both car trips and walking with transit or shared mobility travel, and also tried a broader range of modes than they normally use. Researchers also found evidence of improved access to essential destinations such as employment, shopping, and medical care. There were some barriers to use of public transit due to safety concerns, and participants who reported these issues or safety concerns with micromobility reported using the pilot funds for essential trips only rather than essential and non-essential travel (Sanguinetti, 2024).

Pittsburgh Universal Basic Mobility

The Pittsburgh pilot program experienced a delay in implementation through at least 2024, and while it is set to receive an in-depth evaluation using a randomized controlled trial with a

treatment and control group, this research has not yet been completed due to the shifted pilot timeline.²⁹

Stockton Mobility Incentives

The Stockton Mobility Incentives pilot launched in July 2023 and has an end date of December 2024. We have coordinated with the San Joaquin Council of Governments, the project administrator, to monitor pilot activity and conduct surveys with participants to understand project outcomes. As of October 2024, the pilot has enrolled more than 950 participants who have purchased more than \$470,000 in transportation services. The Stockton pilot added ridehailing as an eligible expense in mid-2024, and the majority of funds have been spent on electric vehicle carsharing and ridehailing, followed by local transit. Preliminary survey results suggest that participants have experienced improvements in transportation access and ease of travel. We plan to further assess potential impacts on overall frequency of travel and mode shifts once data collection is complete.

Los Angeles Mobility Wallet

The first phase of the LA Mobility Wallet ended in August 2024, and during the course of the pilot we worked with LA Metro to conduct participant surveys and observe pilot enrollment and debit card transactions. The LA pilot offered the widest range of eligible modes of all reviewed UBMs, and in this first phase the majority of funds were spent on ridehailing through Uber and Lyft, followed by transit. Based on the average cost of a transit trip compared to the average cost of a ridehailing trip, the funds spent on transit may represent a larger number of trips than the funds spent on ridehailing, though individual transit trip records are not available. Our surveys found significant improvements with transportation security, or the ability to easily travel when and where needed, for the treatment group as compared to the study's control group. However, we did not observe statistically significant changes in frequency of travel or mode shifts towards transit use.

Summary of UBM Lessons Learned

Below we highlight UBM program policy decisions that may affect program and research outcomes based on lessons learned from the initial review of UBMs as well as recent research evaluating Mobility Wallets in Los Angeles and Stockton. While these considerations are primarily applicable to incentives and subsidy programs, they may also inform the implementation of transit discount programs.

Importance of program familiarity and training

In order to access and effectively use programs, users must be aware of available benefits, understand fare media and applicable transit services, and stay informed of program guidelines and changes over time. In the first phase of the Los Angeles Mobility Wallet, about 60% of

²⁹ Carnegie Mellon University Project Proposal Management System, Evaluating Pittsburgh's Universal Basic Mobility Pilot Program: <https://ppms.cit.cmu.edu/projects/detail/391>

people who received a Mobility Wallet card did not activate it. This is similar to findings from other Mobility Wallet programs such as the Oakland Universal Basic Mobility Pilot, which had an estimated 30% activation rate for its mailed cards.³⁰ Reasons for low activation rates may include long lead times between submitting program applications and receiving cards, users mistaking prepaid debit cards for junk mail or credit card solicitations, or a lack of understanding about how cards would be distributed. Additionally, while the Los Angeles Mobility Wallet allows users to pay for a wide range of transportation services including rental cars and bicycle purchases, most users from the first phase of the program were unaware of one or more eligible modes of travel.

Both the Stockton and Los Angeles programs provided in-person workshops and other events to assist with program enrollment and answer questions from applicants, but the majority of card recipients applied online and not all users received technical assistance or training. In order to maximize enrollment and card activation rates, and to ensure that users are informed enough to choose the mode of eligible travel that most meets their needs, program administrators should consider providing training resources to applicants in the form of in-person events, online videos, or dedicated websites that applicants can or must access before receiving transportation subsidies. Additionally, clear and frequent communication with participants about newly eligible modes, changes in funding structure or program timelines, and other updates will help to reduce customer service issues and will help to maximize the benefit to end users.

Determining eligible modes

The set of eligible modes varies widely across Mobility Wallet programs, with some programs focusing on transit and others allowing for a broad range of purchase types. With prepaid debit cards, program administrators can select individual Merchant IDs or Merchant Codes to specify how cards can be used, and the decision about which merchants to include may be based on a variety of factors including available funding, program goals, available services and local travel needs, organizational restrictions, and existing partnerships. Mode eligibility may also depend on requirements and guidelines from program funders; for example, California Climate Investments did not approve toll lanes or personal vehicle fueling or maintenance as eligible expenses for the LA Mobility Wallet due to the cap-and-trade portfolio's focus on reducing VMT and shifting to lower-emission modes. Administrators should consider how mode eligibility will align with program goals, organizational restrictions, and available funding for subsidies, and the unmet transportation needs of the participant pool.

Pre-testing and quality assurance

As pilot programs, Mobility Wallets involve developing new ways to distribute funds and facilitate purchases for specific end uses. Whether programs are using prepaid debit cards or

³⁰ Oakland Department of Transportation and Alameda County Transportation Commission, Universal Basic Mobility Pilot: https://cao-94612.s3.us-west-2.amazonaws.com/documents/Universal-Basic-Mobility-Pilot-Overview_Eval_2022-03-16-001945_yfow.pdf

existing fare media, it is important for administrators to test the functionality of the benefits being offered before they reach the participant base to avoid user confusion, underutilization of benefits, and unplanned administrative costs. For prepaid debit cards, pre-testing involves making test purchases at eligible merchants including both online and in-person transactions, as well as testing cards at ineligible merchants to ensure that the cards can only be used as intended. Testing both small and large transactions with different card balances can also help to identify potential issues; in the LA Mobility Wallet, some users initially discovered an issue with purchasing Uber or Lyft travel where the transaction would be declined due to insufficient funds, even though the card balance was sufficient to cover the cost of the trip. Metro identified that this was due to the services placing a hold on the card for an amount larger than the balance, preventing the purchase from going through.

Mobility Wallet users will have fluctuating balances on their cards throughout the program period, and anticipating different purchasing scenarios can help to correct these types of issues before the program is deployed. Administrators should also communicate with users regularly about any identified problems with purchases, card loads, and other details to keep users well-informed so that they do not encounter unforeseen transportation barriers when attempting to use their cards.

Program scalability

Compared to transit agency-wide discount fares that are generally available to eligible riders, Mobility Wallet programs have generally been offered as pilots with smaller budgets that can support only a very limited participant pool. The LA Mobility Wallet is the largest Mobility Wallet in the U.S. overall in terms of total subsidy funds, and was limited to approximately 1,000 annual participants in its initial pilot period. The question of how to scale pilots into longstanding and widely available programs is an important next step in advancing the Mobility Wallet concept, which will require solutions related to funding, organizational coordination, and overcoming technical challenges. In the near term, program administrators will need to decide what portions of their populations their limited resources should serve, and how these programs should be incrementally expanded if additional funding and resources become available.

The LA Mobility Wallet began with a first phase targeting income-eligible residents of South LA, and is now expanding to a countywide program that will use random selection to determine which applicants receive the wallet. However, participants from the first phase of the program are not eligible to participate in this second phase, meaning that their Mobility Wallet benefits will not continue past the initial 12-month pilot period. This approach allows more people to benefit from the subsidies over time, but also means that long-term positive outcomes to participants may be limited. In Stockton, the Mobility Incentives program has an 18-month duration and has not identified additional funding for a second phase.

Given the transportation equity goals that are common to these subsidy programs, administrators should carefully consider the balance between program breadth and depth given the available resources, and policymakers should consider whether there is value in

learning from successful pilots to plan for future and potentially longer-term and broader investments in these types of initiatives.

Conclusions

This section highlights key conclusions from the program analysis and interview activities. These conclusions and associated recommendations are intended to inform the development and improvement of existing and new transportation affordable programs, and point to opportunities for further agency and community coordination.

There is significant potential for income-qualified transportation programs

Of the 32 transit providers reviewed, 13 currently offer an income-qualified transit fare discount or subsidy program, and most of these agencies are participating in the joint Clipper START program rather than offering a separate agency-specific program. Consistent with past literature, small transit agencies appear unlikely to offer their own income-qualified discounts as these discounts are not federally required and are associated with potentially prohibitive administrative costs and fare impacts. Given the many metropolitan areas with these programs, there is a large potential to better support lower income riders in many regions of California, such as through external funding from a statewide source. However, even areas that offer income-qualified programs are facing challenges of limited enrollment and use of benefits, and only a small percentage of eligible riders are taking advantage of these discounts.

Agency interviews identified a wide range of opportunities to potentially improve enrollment and program reach, such as conducting additional program outreach, reducing application and eligibility barriers, and improving the delivery of benefits such as through the implementation of Mobility Wallets or enhanced transit card technology. These results suggest that barriers to access for income-qualified discounts exist both upstream at the transit provider level, as well as downstream at the rider level, but that solutions may emerge in the near term as administering agencies improve their pilots and develop models for successful program design.

CBO coordination is highly valuable in program reach and administration

All of the interviewed agency staff representing income-qualified transportation programs mentioned that they coordinate to some extent with CBOs to support program activities. CBO involvement varied from conducting outreach activities only, to leading program engagement and enrollment, to directly distributing passes to the community. As many CBOs are already working with low-income and otherwise disadvantaged individuals, they are able to leverage their connections within the community to enhance program reach and add transportation program engagement to the services they already provide.

Agencies considering implementing an income-qualified transit fare discount program may benefit from working with CBOs to determine what scope and level of program support would be most beneficial to both the agency and the community organization. During the planning stages of a program, CBOs may also be able to provide insights into community needs,

transportation barriers, and opportunities for program design elements that would be most effective for the target population.

EBT presents a near-term opportunity for streamlining benefits

The EBT card is the largest platform for public income-qualified benefits in California and most individuals who qualify for a transportation affordable program either already have an EBT card or would qualify for EBT benefits through CalFresh or CalWORKS under typical eligibility requirements. While there are organizational and technological challenges associated with incorporating transportation benefits into the EBT platform, the results of this study suggest that there are opportunities for further exploration and coordination between the Department of Social Services and state agencies such as Caltrans or local transit agencies and governments. For example, it may be possible to add QR codes to EBT cards that could be scanned by transit operators to provide free transit rides or passes in eligible areas, or that could be linked to a rider's transit or Mobility Wallet account. There may also be an opportunity for more in-depth changes to the back-end structure of the EBT platform that would allow for cards to store transportation funds in addition to food and cash benefits, though this would require an extensive reworking of the current structure at a potentially high cost.

From an outreach and engagement perspective, there is also an opportunity to centralize information about available income-qualified programs. Applicants to CalFresh may not be aware that they would also qualify for a local transit fare discount program, or non-transportation entitlement program such as utility bill assistance. Some CBOs work with their constituents to inform them of the range of programs relevant to them, but enhancing these processes by including BenefitsCal links on transit agency or local government websites that promote transportation programs, and vice versa, may improve access to available opportunities.

A further step would be to develop a cross-program application system that automatically referred or enrolled individuals in programs that they would qualify for; this is done to an extent in some areas for programs that fall under a single agency's purview (e.g., Clipper START and the Marin Access program), but could be improved with additional multi-agency coordination.

Administrators must balance eligibility and verification with program access

Program administrators must determine the appropriate level of application requirements and verification for their programs, with consideration for how these requirements relate to program access and equity. The programs reviewed in this study have varying degrees of eligibility verification, ranging from rigorous proof of documentation to self-attestation of eligibility. Non-transportation entitlement programs such as food stamps, general relief, and housing subsidies generally have more stringent verification processes than transportation programs, and most reviewed transportation programs accept documentation of enrollment in an applicable non-transportation subsidy as proof of eligibility. Individuals who are not enrolled in a qualifying program such as CalFresh or Medi-Cal may be asked to provide proof of income in another form, but the interviewed transit agencies reported making an effort to be flexible in

these requirements to keep programs accessible to people who may not have the required documentation or identification.

Given the existing verification processes of non-transportation entitlement programs and the close alignment between transportation and non-transportation program eligibility requirements, rigorous verification processes for income-qualified transportation subsidies may result in duplicative efforts that serve as a barrier to participation. Using the proof-of-enrollment model with an alternative option of self-attestation and possible randomized document requests would allow programs to reach their intended audience without placing an additional burden on riders, and without adding unnecessary administrative costs associated with application processing.

Strategies to reduce barriers to farebox recovery may be needed for some agencies

Both WPCTSA in Placer and Metro in Los Angeles, as well as the Clipper START evaluation report, discussed the issue of farebox recovery in relation to reduced fares for income-qualified riders, which has been documented in past research of transit discount initiatives. The portion of forgone farebox revenue may vary depending on agency size, and while agencies may be able to meet their farebox recovery targets while directly offering reduced fares to riders, farebox concerns may limit agency interest in launching a discount program or limit the level of discount that agencies are willing to offer.

Solutions to this issue include using external subsidies like Mobility Wallets that allow riders to purchase travel, thereby maintaining farebox revenue; using MPO, local government, or grant funds to purchase passes from transit agencies and distribute them to CBOs; or implementing a larger-scale change to current FTA requirements that adds exceptions or farebox credits for income-qualified discounted fares. In the absence of high level policy changes, smaller transit agencies that do not have the revenue and ridership of larger metropolitan areas may need to rely on external grant funding or cross-organizational funding arrangements to support the implementation of income-qualified transportation programs.

Agencies vary in access to funding and whether programs can be offered as pilots or long-term benefits

Although income-qualified transit fare discounts implemented as permanent programs, such as the reviewed Placer and San Joaquin bus pass subsidies, Clipper START, MAFA, and LIFE, have been incorporated into agency operational budgets, agencies seeking to launch a new affordable transportation program may benefit from doing so on a pilot basis with funding obtained through a state or federal transportation or equity grant. Pilot programs such as the Los Angeles Mobility Wallet and Stockton Mobility Incentives have provided valuable insights to their transit agencies and local governments about how to scale and improve the way that subsidies are offered.

Following the pilot period, program administrators can take lessons learned from the initial funding period to develop additional program phases or longer-standing programs and may be able to justify the use of operational funds for these purposes if additional grant availability is

limited. The availability of operational funds for income-qualified transportation programs depends on a variety of factors such as agency size, tax and fare revenue structure, and ridership, and some agencies may need to continually seek grant funding or other subsidies to offer such programs beyond a limited pilot period.

References

- Brough, R., Freedman, M., & Phillips, D. (2022). Experimental evidence on the effects of means-tested public transportation subsidies on travel behavior. *Regional Science and Urban Economics*, 96(0166-0462). <https://doi.org/10.1016/j.regsciurbeco.2022.103803>.
- California Air Resources Board (2024). Annual Report to the Legislature on California Climate Investments Using Cap-and-Trade Auction Proceeds. Retrieved from: https://ww2.arb.ca.gov/sites/default/files/auction-proceeds/cci_annual_report_2024.pdf
- Darling, W., Carpenter, E., Johnson-Praino, T., Brakewood, C., & Voulgaris, C. T. (2021). Comparison of Reduced-Fare Programs for Low-Income Transit Riders. *Transportation Research Record*, 2675(7), 335-349. <https://doi.org/10.1177/036119812111017900>
- Harmony, X.J. (2018). Fare Policy and Vertical Equity: The Trade-off between Affordability and Cost Recovery. *Journal of Public Transportation*, 21(2): 41-59. <https://doi.org/10.5038/2375-0901.21.2.3>
- Headrick, G., Ruth, A., White S.A., Ellison, C., Seligman, H., Bleich, S.N., & Moran, A.J. (2022). Integration and coordination across public benefit programs: Insights from state and local government leaders in the United States. *Prev Med Rep*, 1(31:102077). doi:10.1016/j.pmedr.2022.102077.
- National Academies of Sciences, Engineering, and Medicine (2022). Fare-free Transit Evaluation Framework. Washington, DC: The National Academies Press. <https://doi.org/10.17226/26732>
- Ofosu-Kwabe, K., Lim, S.H., & Malalgoda, N. (2024). Does fare-free transit increase labor-force participation and reduce income inequality?. *Journal of Public Transportation*, 26(1077-291X). <https://doi.org/10.1016/j.jpuptr.2024.100095>.
- Rebel Group (2023). Exploring Low Income Discounts: How agencies around the country are approaching discounts on transit for those struggling to pay for mobility. *Mobility Newsletter: Research and Reporting from California, the U.S., and around the world*. California Department of Transportation. Retrieved from: <https://caltransitdashboard.net/wp-content/uploads/2024/06/Caltrans-Mobility-Newsletter-September-19th-2023-Deep-Dive.pdf>
- Rodier, C., Harold, B., & Zhang, Y. (2022). A Before and After Evaluation of Shared Mobility Projects in the San Joaquin Valley. UC Davis: National Center for Sustainable Transportation. <http://dx.doi.org/10.7922/G2CZ35GV>
- Rodier, C., Tovar, A. J, Fuller, S., D'Agostino, M. C, & Harold, B. S. (2024). A Survey of Universal Basic Mobility Programs and Pilots in the United States. UC Office of the President: University of California Institute of Transportation Studies. <http://dx.doi.org/10.7922/G2N8784Q>
- Sanguinetti, A. (2024). Universal Basic Mobility Pilot Programs in Oakland and Bakersfield Are Combatting Transportation Poverty. UC Office of the President: University of California Institute of Transportation Studies. <http://dx.doi.org/10.7922/G2BC3WX6>

- Saphores, J., Shah, D., & Khatun, F. (2020). A Review of Reduced and Free Transit Fare Programs in California. UC Office of the President: University of California Institute of Transportation Studies. <http://dx.doi.org/10.7922/G2XP735Q>
- Turner, K. (2024). The Role of Collaborative Governance in Implementation of Low-Income Transit Rider Discounts: A Comparison of ORCA LIFT and Clipper START. UC Davis. Retrieved from <https://escholarship.org/uc/item/9g11v13w>
- US Department of Transportation (2024). Urbanized Areas Formula Grant Programs Guidance. Federal Transit Administration. Retrieved from <https://www.transit.dot.gov/sites/fta.dot.gov/files/2024-09/C9050.1A-Circular-11-01-2024.pdf>

Data Summary

Products of Research

This study involved collecting data from a variety of publicly available sources including the National Transit Database, U.S. Census and American Community Survey Data, and transit agency websites. This study also involved collecting qualitative data through interviews with transit agency and state agency staff to gather information about transit discount and public benefits programs.

Data Format and Content

The data submitted for this study are contained in a comma-separated values spreadsheet which contains tables of transit agency data, and fare and discount data as described above. To protect the identity of individuals interviewed for this study, interview transcripts are not included in the data repository.

Data Access and Sharing

The data described above can be accessed at <https://doi.org/10.5061/dryad.g4f4qrg16>.

Reuse and Redistribution

The data submitted for this study are from publicly available sources including the National Transit Database, U.S. Census and American Community Survey, and transit agency websites. Data may be used and redistributed in accordance with any use guidelines associated with those sources.