



How Transportation Providers Are Making Affordable Transportation a Worker Support

Summary

In today's volatile economy, affordable transportation plays an important role in providing many low-income individuals with their means to reliably travel to work and other needed destinations. Transportation affordability can be interpreted in terms of its impact beyond the actual cost of a specific ride. Accessibility, time savings, program administration costs, third party subsidies and comfort using available travel options also influence affordability.

For many low-income families, growing distances and complex travel patterns impose increased costs on their already limited budgets. This brief focuses on options that transportation providers may consider to expand affordable transportation for low-wage families. The options discussed include:

- Improved regional access
- Expansion of reduced fares beyond non-peak hours
- Fare discounts beyond federally mandated amounts
- Expansion of eligibility across programs
- Provision of frequent user discounts
- Streamlining administrative costs
- Third party program subsidies
- Promoting comfort in using public transit

The approaches highlighted in this paper include program examples currently operated by transportation agencies around the country.

The Need for Transportation Affordability

A recent publication of the Victoria Transportation Policy Institute (VTPI) defines transportation affordability as costing low- and medium-income families less than 20 percent of household budgets and less than 45 percent of housing and transportation costs combined.¹ However, for many low-income families, transportation barriers still exist, and transportation expenses amount to significantly more than that amount. According to *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*, published by the Center for Housing Policy in 2006 low-wage earners spend an average of 57 percent of income on combined housing and transportation costs, with the average amount spent on transportation slightly higher than that spent on housing (29% vs. 28%).²

¹ Litman, Todd. *Transportation Affordability Evaluation and Improvement Strategies*. Victoria Transport Policy Institute, Victoria, BC, Canada, July 9, 2010.

² Lipman, Barbara J. *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*. Center for Housing Policy, Washington, DC, October 2006.

VTPI contends that the impact of affordable transit goes beyond travel. Its impact can be seen in improved land use, reduced congestion, energy conservation and improved safety.³ Beyond providing individuals easier access to work and essential services, affordable transportation can save federal and local government expenses related to unemployment compensation, Temporary Assistance for Needy Families, food assistance and other supports. Strategies for improving affordability include a variety of transportation demand management approaches.

Affordable Transportation Options

Provide Regional Access

Although federal law requiring urban transit systems to provide reduced fares to older adults and individuals with disabilities, these rates may not be transferrable across jurisdictions. The law does not specify an age at which individuals should be eligible for this benefit. It does specify that rates charged to older adults and persons with disabilities during non-peak hours are not to exceed “one-half of the rates generally applicable to other persons at peak hours.”⁴ Local providers interested in promoting affordable access to eligible populations may want to consider developing regional partnerships to accept cross jurisdictional transfers.

- In Oregon, [TriMet](#)’s Honored Citizens – those over the age of 65, Medicare recipients and people with disabilities – ride at reduced fares in all three zones. The price is less than half of the regular fare (\$1.00 vs. \$2.05 for 2 zones and \$2.35 for all zones) and transfers are free. Tri-Met also provides Honored Citizen Portland residents with a downtown only bus pass, entitling them to ride for free. Passengers must provide proof of residence and pay a \$10 administrative fee to obtain the pass, which is active for up to 5 years. Temporary passes are also available for eligible passengers with temporary disabilities.
- Public transit riders who are older or have a disability also qualify for Regional Reduced Permits around the Puget Sound area of Washington State. The permits allow eligible persons to ride Community, Everett, Intercity, Jefferson, Kitsap, Mason, King County Metro, Pierce Skagit and Sound Transit. Permits are also valid on King County Water Taxi and Washington State Ferries. There are no restrictions for time of day usage. The reduced fare is valid at all times, but the amount may vary depending on agency. Some offer a flat rate, others base the fare on distance traveled. Once the permit is purchased it does not have to be renewed.
- In Florida, the [Jacksonville Transportation Authority](#) offers persons older than 60 free rides on their countywide bus service and rides for \$.25, instead of \$1.00, for persons holding reduced fare cards. Persons traveling to a neighboring county such as Clay or St. Johns are required to pay an additional fare or purchase an additional pass. The reduced fare in these counties is \$.50, making the combined fare for qualifying riders \$.75. Although transit agencies do not currently have a regional transfer program in place, implementation of one is a future program goal.

³ Litman, Todd. *Transportation Affordability Evaluation and Improvement Strategies*. Victoria Transport Policy Institute, Victoria, BC, Canada, July 9, 2010.

⁴ CITE: 49CFR609.23] Code of Federal Regulations, Title 49, Volume 7. Part 609 Transportation for Elderly and Handicapped Persons.

Expand Reduced Fare Availability during Non-Peak Hours

The Federal Government requires that a reduced fare policy be in effect for senior citizens and people with disabilities during off-peak hours. Many transit providers have chosen to expand their reduced fare programs to operate throughout the day, providing a more affordable option for older workers or workers with disabilities who maintain a traditional work schedule.

- The Niagara Frontier Transportation Authority ([NFTA](#))’s half fare program is in effect all day. Riders who are 65 or older or who have a disability can receive a reduced fare card. The fee for the card is \$2.00 and the card is valid on any NFTA regular route service. Temporary passes are also available for qualifying persons with disabilities,
- Currently, the [Regional Transportation Authority](#) which serves the Chicago area with three transit operators, the Chicago Transit Authority (CTA), Metra Commuter Rail and Pace suburban bus service, allows seniors, 65 and older and people with disabilities to ride free of charge. However, within six months, newly signed legislation reverts the program back to one that provides free rides only to individuals who qualify for the Department on Aging Circuit Breaker program. The Department of Aging will determine eligibility, which is based on income. RTA estimates that about 44 percent of seniors will still be eligible to ride for free. Others will ride at half or reduced fare.

Offer Fare Discounts in Excess of the Federally Mandated Amount

In *Making Transportation More Affordable for Older Adults*, Hardin notes that many urban systems offer discounts in excess of the 50 percent mandated reduction, and that while not required to do so, many rural providers also offer discounts.⁵

- In Illinois, the [Champlain-Urbana Mass Transit District](#) (MTD) allows Dash Pass holders (seniors over the age of 65 and riders with disabilities) to unlimited free travel on any MTD regular service. Older riders can also use their Dash pass on other systems in the region to receive the system’s standard reduced fare. Riders with disabilities who are able to board and alight regular MTD buses also ride for free, saving the costs associated with paratransit access.
- The [Maryland Transit Administration](#) offers seniors (65 and older) and individuals with disabilities in the Baltimore area discounted fares that are approximately one-third the regular fare on bus light rail and subway, and one-half the regular fare on MARC trains. Seniors and customers with Disability Reduced Fare photo IDs ride with reduced fares all day.

⁵ Hardin, Jane. *Making Transportation More Affordable for Older Adults*. Community Transportation Association of America Joblinks Program, Washington, D.C. January 2008.

Expand Eligibility across Programs

Many individuals who may qualify for reduced fares may not see themselves as meeting stated eligibility requirements for a particular reduced fare program, when they do. By thinking creatively, advocates and social service providers can encourage customers to broaden the scope of how they define themselves. Many low-income commuters may be eligible for programs not defined as serving that population. For example, individuals with chronic ailments, non-physical or temporary health problems may not define themselves as disabled, but in terms of eligibility for a reduced fare, may meet transit agency qualifications for persons with disabilities.

- As with many other jurisdictions, applicants for reduced fare permits in the [Puget Sound](#) region of Washington State can designate whether or not their disability is temporary. Those with disabilities lasting between three months and one year can receive a temporary permit. Although the permits have an expiration date, they can be renewed if the disability persists beyond that date.
- The same holds true for passengers of [NFTA Metro](#), which serves the Buffalo-Niagara New York area.
- In Cincinnati, Ohio, where nearly ¼ of the population lives below the federal poverty line, Southwest Ohio Regional Transit Authority ([SORTA](#)) created the [Everybody Rides Metro](#) foundation, a non-profit organization that subsidizes Metro bus tokens and passes for low-income individuals to support self-sufficiency. Initially created to help raise local matching funds for a Job Access and Reverse Commute (JARC) grant, the foundation now partners SORTA and 80 local human service programs to provide tokens to low-income commuters. Partnering agencies purchase tokens at the full price of \$1.75 each and are reimbursed at \$1.10 per token. The 65 cent difference is counted as part of the local match required for JARC. Although each agency sets eligibility requirements, they are usually based on 150 percent of poverty. The tokens must be used for work related travel. Participants usually receive two weeks worth of tokens, but exceptions are sometimes made. In 2 and ½ years of operation, the foundation has provided over 1 million free rides.

Many transit agencies include qualifying veterans among those eligible for reduced fares.

- Chicago's [Regional Transit Authority](#) (RTA) provides free or reduced fare rides for qualifying military personnel in its service region (Cook, DuPage, Kane, Lake, McHenry and Will counties). Free or reduced fares are provided on fixed-route services operated by the Chicago Transit Authority (CTA), and Metra. Qualifications vary among providers. CTA allows uniformed military personnel to ride for free at any time. Disabled vets with proof of a service-related disability can also ride free of charge. Veterans not in uniform are required to present a valid CTA military service pass to ride CTA buses and trains for free. [Metra](#)'s reduced fares are based on zones and are effective all day.
- [Sioux City Transit](#) (IA) offers free rides on fixed routes to veterans with service-related disabilities. To qualify, vets must obtain an ID with documentation of their injury.

Provide Frequent User Discounts

Many transit providers offer discounts to frequent users through the purchase of monthly passes. However, low-income passengers may find it difficult to accumulate the funds needed to purchase them. A study conducted by the Public Policy Institute of California notes that if monthly passes and rent are due at the same time, households with limited income are unable to take advantage of the cost savings offered by monthly passes.⁶ Providing alternatives, such as the option to purchase 14-day passes at the same discounted rate, may alleviate this financial challenge.

- [Transpo](#), the South Bend (IN) Public Transit Corporation currently offers 14-day bus passes that can be used at all times when riding the bus. The option was implemented in 2010 when the corporation instated its first fare increase in 18 years. The 2 week pass was specifically instituted to provide more affordable options for passengers.
- In Oregon, [TriMet](#) makes full month passes available for purchase at half price on the 15th of every month.
- Gary (IN) Public Transportation Corporation ([GPTC](#)) offers a 15-day bus pass. Effective from the first day of use, the passes offer unlimited rides within the 15-day period and can be used at any time of day. GPTC also offers a 30-day student pass for use by eligible riders with a current student ID, regardless of age. These also provide unlimited rides.

Streamline Administrative Costs

Transit providers facing budget constraints can explore more effective ways to operate programs so that more funding can be allocated to supporting affordable transit. Projected changes in the composition of the workforce of the future include an increase in the numbers of older workers with mobility needs, greater numbers of workers with disabilities and increasing numbers of Hispanic workers. Many of these workers will have non-traditional commute requirements that may necessitate expanded transportation options beyond fixed-route services. Providers able to streamline administrative expenses may be better positioned to expand existing routes or introduce new ones without raising fares.

- The Washington (DC) Metropolitan Area Transit Authority ([WMATA](#)) recently announced improvements to services that will impact commuters in two counties neighboring the city. The route adjustments are not only designed to save the transit agency money; they will improve connectivity in local jurisdictions by targeting busy routes where extra services are needed. Service changes include splitting one route into two, adding and redesignating mid-day service. WMATA will reinvest the savings from these changes into the creation of additional routes.

⁶ Rice, Lorien. *Transportation Spending by California Low-Income Households: Lessons from the San Francisco Bay Area*. Public Policy Institute of California, San Francisco, CA, 2004.

Encourage Third Party Subsidies

Many employers provide subsidized transportation services for their employees, such as commuter tax benefits, a company sponsored shuttle, transit passes or other measures that facilitate ride sharing. Transportation providers can work with businesses to ensure they are aware of this important employee benefit and also of the tax benefits that accrue to businesses by participating in this program. Employees who use public transit or vanpools to commute to work save on commuting costs and qualify for pre-tax savings. Employers can also reap similar tax benefits.

- Harrisburg Capital Area Transit ([CAT](#)) has been successful working with employers, such as warehouses and distribution centers, and employment agencies to use existing routes to service places of employment by adding a few stops or making slight deviations. Employers and agencies can come to CAT to purchase monthly passes for their employees or pay CAT an hourly rate so their employees can use the bus to get directly to work.
- The Charlotte Area Hotel Association, created in 2002 in response to an invitation to participate the Employment Transportation Coordinator sponsored by [Charlotte Area Transit System](#), allows eligible hotels to purchase and provide bus passes to their employees at a 25 percent discount. Hotel employees receive a substantial discount on transportation costs and can purchase the same discounted passes for use by family members.

Partner with other Agencies to Provide Access to Key Destinations

In situations where existing transportation services do not fully meet local travel needs, other public agencies or community groups can partner with providers to extend routes or services.

- In Rural Minnesota, a WDI, a workforce investment board serving 10 counties, partnered with public transit to provide access to a technical college. The route, which initially developed to serve local seniors, was extended to allow area youth in need of job training access to classes on campus during the summer months. WDI paid for the three mile route extension. The extended route provided access to a nearby mall, resulting in increased ridership, which, in turn led to continued service once the training sessions ended. The route is now supported with city funding and current hours of operation meet the commuting needs of most mall employees.
- In northwest Arkansas, [Ozark Regional Transit](#) and NorthWest Arkansas Community College (NWACC) partnered to develop public transportation access to the college and surrounding community locations. The routes provide free transportation access to NWACC for students, employees and staff and include stops at other employment locations along the routes.

Promote Comfort in Using Public Transit

Transportation familiarity and comfort in using available public transportation leads to continued use of its services. Individuals who provide one-on-one travel training note a strong relationship between the ability to successfully use public transit and development of the soft skills needed for job success.

- [Red Rose Transit Authority](#) uses JARC funds to support second- and third-shift workers needing access to work when fixed-route service is not available. Red Rose deviates from some of its fixed routes to service some workplaces. It also participates in the Welfare to Work program through PennDOT. The program also offers subsidized bus passes for up to a year to individuals on welfare.
- Eugene, OR's [Lane Transit District](#) works in conjunction with local senior centers to match riders with "bus buddies," riders experienced in using public transit. Bus Buddies help their partner plan trips and navigate routes and ride along with their partners allowing the new rider to learn how to pay fares and safely enter and exit vehicles. Afterward, the Bus Buddy answers any remaining questions about using the transit system. In exchange for volunteering, each Bus Buddy receives a free pass for each month they provide assistance.
- [Pierce County Transit](#) (WA) operates a similar program. Their Bus Buddy program trains experienced bus riders to serve as volunteers to work with seniors, adults with disabilities or low-income riders who are unfamiliar with bus travel. In some cases, Bus Buddies become regular riding companions for customers who may need long-term assistance.

For more on the topic of work supports for low-wage earners, visit the Resource Center at www.ctaa.org/joblinks.

With funding from the Employment and Training Administration, U.S. Department of Labor, and the Federal Transit Administration, U.S. Department of Transportation, the Joblinks Employment Transportation Center connects communities with transportation-to-work solutions. Visit us at www.ctaa.org/joblinks.

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