

# Subsidized annual transit fares: King County, WA



Housing &amp; Community Development



Supportive Neighborhoods

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## At-a-Glance



### Summary

- Between 2008 and 2015, King County increased public transit fares six times. The increases disproportionately affected low-income residents, fifty-six percent of whom relied on public transit for most or all of their transportation needs. In 2015, the County's community engagement efforts revealed that transit costs were negatively impacting low-income residents' mobility.
- Later that year, King County Metro, in partnership with Sound Transit, launched ORCA LIFT, a subsidized transit fare program. The program offered residents with incomes 200 percent or less of the federal poverty line a roughly half-price discount on fares for most transit routes. After extensive community engagement revealed that cost was still a barrier for many residents, in 2020, the transit agencies launched a fully subsidized pass for residents with incomes below 80 percent of the federal poverty line.
- Keys to ORCA LIFT's success include a commitment to reducing racial disparities, which created buy-in for transit subsidies; an existing unified payment system for the region's transit providers; partnerships with local and state social services agencies to enroll eligible residents; a focus on outcomes and evidence, which allows for continuous learning; and robust efforts to engage stakeholders to better understand transit barriers and needs.
- Challenges the program faces include confusion around eligibility requirements, the logistics behind distributing physical transit cards, issues reaching all eligible residents, limited ability to address barriers to transit access beyond fares, and reduced enrollment due to the COVID-19 pandemic.

# Results and Accomplishments

<div>2x</div> <div>In a pilot study, fully-subsidized passes more than doubled the number of rides low-income residents took on public transit, compared to those who paid a reduced fare of \$1.50.</div>	<div>6,000</div> <div>Residents have enrolled in the subsidized annual pass program as of August 2021, despite the COVID-19 pandemic.</div>	<div>-</div> <div>Fully-subsidized fares had less of an impact on residents who did not have a bus stop in their neighborhood, suggesting that the subsidized annual pass may be more effective in combination with other attributes of the transit system, such as route availability and scheduling.</div>
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- **Improved regional access to transit for low-income residents:** Prior to the public launch of the fully subsidized annual pass, a randomized control trial of a pilot found that recipients of a fully-subsidized transit pass more than doubled their transit usage compared to individuals using the reduced-fare ORCA LIFT program. The majority of fully-subsidized rides occurred during off-peak hours, meaning that transit systems' busiest routes were not overwhelmed. The study was conducted with researchers at LEO at the University of Notre Dame and the University of California-Irvine.
- **Improved transit access for all kinds of riders:** Increases in the number of trips occurred both among pre-existing riders and those who previously did not use public transit, and effects were similar across demographic groups.
- **Early success for riders holding the new subsidized annual pass for riders:** Despite being launched during the COVID-19 pandemic, in its first quarter of operation, the subsidized annual pass allowed over 3,000 residents to take over 100,000 individual transit trips. As of August 2021, 6,000 residents have enrolled, with over 60% of enrollees identifying as Black, Indigenous, or as a person of color.
- **Serving as a national model:** Jurisdictions across the United States have developed community-centered mobility plans and income-based fares using many of the components of the King County model, like partnering with human service agencies for recruitment, enrollment, and pass distribution.



## What was the challenge?

- **A regional affordability crisis:** Starting in the early 2010's, housing price increases in King County began to accelerate. Residents with low incomes were increasingly displaced and forced to move further from job centers to access affordable housing, increasing commute times and transportation costs for families. Black, Indigenous, and other people of color are over-represented among people with low incomes, making this a significant racial and economic equality issue.
- **Rising public transit fares:** Between 2008 and 2015, King County raised transit fares six times, in compliance with a policy mandating that passenger fares recover at least 25% of system costs. The increases disproportionately affected riders with low-incomes, both because transportation costs eat up a higher percent of their incomes and because people with low incomes rely more on public transit for their mobility.
- **Reliance on public transit among residents with low-incomes:** In Washington State, residents with incomes below the poverty line are seven times less likely to own a car. In King County, 56% of residents with low-incomes rely on public transit for most or all of their transportation needs, including getting to work, attending school, and accessing essential health services. People of color in King County are nearly 70% more likely to be reliant on public transportation for their mobility than White people.
- **Significant cost barriers to ridership:** In 2015, King County Metro conducted a substantial community engagement process to learn more about how transit costs were impacting mobility for many residents with low incomes. In response, the County launched ORCA LIFT, a reduced-fare program for riders with low incomes. A second robust community engagement process revealed that the reduced ORCA LIFT fares were still too expensive for nearly a third of riders, particularly those with the lowest incomes.

## What was the solution?

- **A new subsidized annual pass:** Recognizing that reduced ORCA LIFT fares were still too expensive for many riders, King County Metro, in partnership with Sound Transit (another regional transit authority) launched a subsidized annual pass program. It allows residents with low incomes to travel fare-free on both Metro and Sound Transit's bus, light rail, subway, and water taxi systems, among others. The transit agencies subsidize fares by providing eligible customers with smart cards that are preloaded with annual passes.
- **Subsidized passes available for residents with low incomes:** The subsidized annual pass is available to residents at or below 80% of the federal poverty level and who are enrolled in one of six state benefit programs. Approximately 107,000 people across the region are currently eligible.

- **Transit pass distribution via public benefits agencies:** To provide subsidized annual passes to eligible riders, King County Metro partners with Public Health — Seattle & King County, the Washington State Department of Social and Health Services, and Catholic Community Services. When interacting with clients on other public benefits matters, staff members at these agencies are able to instantly inform participants of their program eligibility, help them enroll, distribute physical passes, and connect them with other benefits for which they may qualify.
- **Focusing on racial disparities leads to reform:** The creation of the subsidized pass was largely the result of the 2016 implementation of a countywide equity framework, the Equity and Social Justice Strategic Plan. This plan leads with race to embed an equity framework throughout all aspects of County government, of which Metro is a department. It calls for equity-enhancing investments over a six-year period. Influenced by the County plan, King County Metro convened an Equity Cabinet in 2019, which served as a driving force behind the push for subsidized annual passes.

## What factors drove success?

- **Commitment to reducing racial disparities among local leaders:** For over a decade, County Executive Dow Constantine and many members of County Council have championed an inclusive approach to county decision making. The 2016-2021 King County Equity and Social Justice Strategic Plan created a blueprint for investments in economic mobility across county government and created urgency for departments across government (including Metro) to center reducing disparities in their policies, programs, and operations. The push for subsidized annual transit passes came largely as a result of this countywide focus on increasing economic mobility.
- **Community co-creation:** At multiple points, King County Metro engaged and convened large groups of stakeholders to better understand transit barriers and needs. Alongside these broader engagement efforts, the Metro Equity Cabinet provided focused feedback and recommendations to policymakers. All of these efforts led to better-tailored services and increased uptake among residents.
- **Recruitment and enrollment partnerships with state and local agencies:** By partnering with human service partners (Public Health — Seattle & King County, the Washington State Department of Social and Health Services (DSHS), and Catholic Community Services) to enroll residents, Metro dramatically increased its ability to reach riders, particularly people of color. Processes created during the implementation of the Affordable Care Act have enabled human service providers to efficiently check eligibility, enroll, and distribute physical cards to clients.
- **Unified regional payment systems and collaboration among transit providers:** In 2009, transit providers across the Puget Sound region collaborated to create a unified payment system, the One Regional Card for All (ORCA). This provided a critical foundation for both the ORCA LIFT program, which includes six of seven regional transit providers, and the subsidized annual pass, which currently includes King County Metro and Sound Transit.

- **Continuous learning approach:** King County Metro has increased its focus on outcomes and evidence building over the course of the rollout of ORCA LIFT and the subsidized annual pass. The programs have led to King County Metro creating stronger data infrastructure and processes for program improvement, as well as new partnerships with communities, researchers and human service agencies.

## What were the major obstacles?

- **Barriers to transit access beyond fares:** Community engagement, surveys, and the evaluation of King County Metro's fully-subsidized fare pilot have demonstrated that even with fully subsidized fares, many other factors inhibit mobility and transit use for residents with low incomes, including transit route availability, route timing and reliability, and safety concerns.
- **Logistics of distribution:** The process of providing physical transit cards to customers is labor intensive. Limited technological capacity related to fare tracking exacerbates the problem; however, new technology investments scheduled for next year may mitigate the problem.
- **Confusion around eligibility:** Because transit systems in the region offer multiple types of fare discounts and programs, customers are often confused about which fares they are eligible for, which slows the enrollment and uptake process. ORCA LIFT is available to anyone with incomes at or below 200% of the federal poverty level, but the subsidized annual pass is only available to recipients of certain state benefit programs. This makes communication about eligibility challenging.
- **Reaching eligible residents:** Metro needed to go beyond a traditional marketing plan to ensure that eligible individuals were aware of the subsidized annual pass, with a particular engagement focus on communities of color and communities where English is not the primary language spoken at home. Advertising and outreach at libraries and food banks and through community partners are seen as a more effective way to reach eligible populations and are underway.
- **Pandemic hampers enrollment:** The subsidized annual pass launched in October 2020, in the midst of the COVID-19 pandemic, hindering in-person enrollment efforts. As of August 2021, roughly 6,000 residents have enrolled--far below pre-COVID projections.

## Timeline



2012-2013

### Fare increases lead to creation of Low-Income Fare Options Advisory Committee

After four fare increases between 2008-2011, the King County Council establishes the Low-Income Fare Options Advisory Council. Composed of community members and human service providers, the Committee is tasked with researching barriers to transit access and providing recommendations for subsidized fare programs. The Committee's recommendations are published in 2013.

2015

**King County Metro launches ORCA LIFT program**

Drawing from the recommendations of the Low-Income Fare Options Advisory Council, Metro launches ORCA LIFT, a means-tested subsidized public transportation fare program. The program offers a roughly half-price fare discount, at \$1.50 per ride for residents with an income 200% or less of the federal poverty level.

2016

**King County publishes Equity and Social Justice Strategic Plan**

The plan, a collaboration between public sector leaders and community partners, provides all county agencies with a blueprint to guide decision-making, planning, and workplace practices to advance economic mobility and social justice. It prioritizes “investments that address the root causes of inequities, ultimately leading to better quality of life and greater prosperity in all of our communities.”

NOVEMBER 2018

**County Council mandates creation of Metro mobility framework**

King County Council, seeking to execute on the Equity and Social Justice Strategic Plan, unanimously passes Motion 15253, which calls on Metro to convene a group of community leaders and stakeholders from underrepresented groups to inform transit offerings. The goal is, “to ensure that innovations in mobility put people first, use public space equitably and efficiently, and are coordinated with transit policies and regional funding strategies.”

2019

**Mobility Equity Cabinet identifies additional barriers to transit access**

Several meetings of the Metro Mobility Equity Cabinet reveal continued barriers to transit access, including cost-related and non cost-related barriers. From these meetings, Metro decides to launch a pilot of fully-subsidized fares for very low-income residents.

MARCH 2019

**Fully subsidized fare pilot begins**

To launch the fully-subsidized transit pilot, King County partners with Notre Dame’s Wilson Sheehan Lab for Economic Opportunities (LEO) and UC-Irvine to evaluate the impact of providing six months of fully-subsidized transit to residents earning less than 200% of the federal poverty line. The study includes two cohorts of 1,797 participants and informs the development of the subsidized annual pass.

2019

**County Council mandates community engagement and development of a new program**

King County Council issues a budget provision requiring Metro to convene partners and evaluate options to increase affordability, with an income-based approach. Metro and community partners determine that to reach people with the greatest needs, the focus of the new program should be people with the lowest incomes, access should be tied to other benefit programs, and that the new program should be a component of the existing ORCA LIFT program.



MARCH 2020

### Metro adopts mobility framework

The King County Council adopts the Mobility Framework co-created with Metro's Mobility Equity Cabinet, which recommends that Metro makes fares more affordable; invests in increased safety, speed, and service to areas with unmet needs; and continues to evaluate program impacts and outcomes.

OCTOBER 2020

### Metro launches new fully subsidized annual pass

With promising evaluation results from the program pilot, King County Metro partners with Sound Transit to enhance the ORCA LIFT program by adding a fully subsidized option. The new program provides low-income residents (earnings below 80% of the federal poverty line) who are enrolled in certain state benefit programs with annual, renewable transit passes at no cost. The County estimates 107,000 residents across a three-county region are eligible for the program. Metro partners with Notre Dame's Wilson Sheehan Lab for Economic Opportunities (LEO), UC-Irvine, and UPenn Medicine to lead an impact evaluation of the program.

2021

### Metro rolls out reforms to address non-cost barriers to transit access

Evidence from King County indicates that low-income riders face significant non-cost barriers to transit. King County Metro is pursuing new initiatives to address these barriers, including engagement with Somali and Filipino community groups to begin designing a program that would offer personalized assistance to navigate public transit.

## Implementation Process



### How did leaders confront the problem?

- **An increasingly unaffordable region:** Starting in the early 2010's, housing price increases began to accelerate across King County. Residents with low incomes face increasing displacement, with many people moving further away from job centers in search of affordable housing. As the housing crisis worsens, county leaders increasingly focus on issues of affordability and racial disparities.
- **Fare increases lead to ultimatum:** Alongside rising housing prices, losses in sales tax revenue that support the King County Metro system (caused largely by the 2007 financial crisis) lead to four fare increases between 2008 and 2011. County Executive Dow Constantine vows that fares will not rise for low-income riders again.

- **Low-income Fare Options Advisory Committee is created:** In response to rising fares, the King County Council creates the Low-Income Fare Options Advisory Committee, which recommends income-based transit fare discounts for King County residents earning less than 200% of the federal poverty line. The Council adopts the Committee's recommendations, and the program, known as ORCA LIFT, becomes a significant step in reducing racial disparities in access to transportation. ORCA LIFT is the largest income-based reduced fare program in the country at the time.
- **Community engagement reveals need for greater affordability:** After ORCA LIFT is implemented, an advisory board convened by King County Metro and other community voices identify additional barriers to transit access. Metro finds that even at discounted rates, reduced fares remain too expensive for many riders, among other findings.

## How was the strategy designed?

- **Fare reform recognized as feasible and high impact:** With the original mandate to improve transportation access, local leaders and community partners identified subsidized fares as having the potential to significantly reduce racial and economic disparities while also remaining financially feasible. The strategy was seen as having a high return on investment when compared to other approaches, like creating new transit infrastructure.
- **Creating regional buy-in:** Metro leadership recognized that improving transit access demanded coordinated action from several providers across the region. To secure this buy-in, King County Executive Constantine, County Councilmembers, and Metro leadership championed the importance of reducing racial disparities across government and in public forums. For ORCA LIFT, six of the region's seven transit providers agreed to partially subsidize fares. For the subsidized annual pass, Metro and Sound Transit are currently participating.
- **Incorporating learnings from ORCA LIFT:** Many aspects of the subsidized annual pass's design were informed by learnings from ORCA LIFT's rollout. While analysis of ORCA LIFT focused on traditional performance measures like enrollment, for the subsidized annual pass, Metro leaders shifted to a focus on rider outcomes and community impact.
- **Metro plays a central coordinating role:** King County Metro distributes cards to enrollment partners, purchases transit passes that get loaded onto those cards, provides customer service, and manages cards in the ORCA system. Metro also develops and implements procedures around the fully subsidized pass, provides outreach material, and convenes partners to troubleshoot barriers.
- **Crucial partnerships with human service agencies:** In designing both ORCA LIFT and the subsidized annual pass program, Metro leaders identified the distribution of physical cards as a potential barrier to success. To address this, Metro formed partnerships with state and local human service agencies, which had the ability to instantly verify client incomes. Cards are distributed by human service agency staff--when interacting with clients, these staff verify income based-eligibility, enroll residents in the program, and distribute physical ORCA cards.



## How was the approach funded?

- **County covers the cost of the subsidized annual passes:** King County and Sound Transit cover all of the costs associated with the subsidized annual pass. In its first year of operations, the total cost of the subsidized annual pass program was approximately \$2.9 million. The majority of this cost has been for the subsidized annual passes themselves, which cost \$756 per pass per year. The program's first year operating costs were \$442,000. King County covers all of these costs.
- **Contract with enrollment partner to manage the ORCA LIFT program and regional network:** Metro contracts with Public Health — Seattle & King County for \$900,000 per year to cover dedicated staff costs and two Seattle storefronts that conduct ORCA LIFT program recruitment and enrollment. The Washington State Department of Social and Health Services (DSHS) and Catholic Community Services currently support the subsidized annual pass program without financial compensation.

## How was the plan implemented?

- **Building on ORCA LIFT:** Much of the rollout for the subsidized annual pass was built on processes created for the implementation of ORCA LIFT. Launching ORCA LIFT took approximately 9 months between June 2014 and March 2015, requiring four full-time staff members to develop the rollout plan, prepare social service providers to distribute cards, and conduct outreach and public engagement.
- **Implementing subsidized annual passes:** King County announced the launch of the subsidized annual pass in October 2020. Metro's engagement strategies were focused on intentional outreach to individuals who would qualify for the pass. Metro also provided partner human service agencies with a communications toolkit they could use to explain the subsidized annual pass to their staff and to clients.
- **COVID-19 demands unconventional outreach approaches:** With in-person enrollment slowed by the pandemic, enrollment for programs has moved to phone and online. King County Metro revamped its existing neighborhood pop-up series, which provides information about fare options, to a virtual model. Metro also revamped its web pages to help customers more easily identify fare options and eligibility. The site includes an online tool where visitors can answer five questions to find the option that is best for them and an online portal for customers to apply for fare programs remotely.
- **A pathway to expansion:** As part of its scaling plan, King County Metro will consider expanding enrollment locations and eligibility as early as next year, as well as begin recruiting additional transit agencies to participate in the program.

## How was the approach measured and refined?

- **Prioritizing evaluation of the subsidized annual pass program:** ORCA LIFT was implemented with a focus on traditional performance measures like enrollment. In strengthening its evidence-building approach, Metro partnered with a team of researchers from Notre Dame's LEO, UC-Irvine, and UPenn to evaluate the impact of the subsidized annual pass program on outcomes like mobility, employment, and health, disaggregated by race. Metro aims to adjust this program based on evaluation findings, and to consider additional changes to ORCA LIFT to increase access and affordability.
- **Short- and long-term impacts:** The initial randomized control trial evaluation of fully subsidized transit passes focused on rider behavior, finding increased transit ridership and predominantly off-peak ridership. LEO and UC Irvine continue to evaluate program impacts on outcomes such as financial stability, employment and earnings, as well as a range of measures related to personal well-being.
- **Addressing non-cost barriers:** The findings from the study suggest that proximity to transit stations, in addition to fare affordability, is a determinant in access to transit. Recognizing that cost is only one aspect of the transit accessibility landscape, King County Metro is in the process of creating new services, like a community-informed pilot to provide community-based “Transit Navigators” who can provide personalized guidance to riders.

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## Learn more

- [Wilson Sheehan Lab for Economic Opportunities - "Lessons Learned: ORCA LIFT"](#)
- [ORCA LIFT overview](#)
- [King County Equity and Social Justice Strategic Plan](#)
- [King County Metro: Mobility Framework](#)
- [Income-based fares public engagement report](#)