


**Date:** September 8, 2023

**To:** TriMet Board of Directors

**From:** Sam Desue, Jr., General Manager 

**Subject:** Expansion of Honored Citizen Designation

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**Background:**

TriMet's Honored Citizen reduced fare program offers half-price fare for qualifying riders. Currently, the program offers reduced fare benefits to individuals who qualify based on age, disability, or income. Expansion of the program to include former and current members of the United States Armed Forces provides recognition to those who serve and offers broader access to transit. Including this group of individuals in our Honored Citizen program is anticipated to have minimal negative impact on revenue. We estimate the cost to TriMet to be approximately \$122,000 per month if there were no increase in ridership, enrollment, or usage. We believe, however, there will be an increase in ridership, revenue, and ultimately greater access to opportunities.

Our Honored Citizen reduced fare program combined with fare capping are some of the most rider-friendly policies in the nation. TriMet is committed to maintaining equity across programs and offerings with the expansion of the Honored Citizen program. Pending a Title VI analysis, including military service as a qualification of our Honored Citizen program would increase the agency's reach to individuals beyond the threshold of current program requirements. Expected program outcomes and benefits:

- Increased ridership
- Increased revenue, including:
  - Minimal loss to current revenue
  - No loss to employer revenue
- Expanded enrollment in the reduced fare program
- Status as the only large transit agency to offer reduced fare for both veterans and active duty
- Status as the only large transit agency to offer both an income based program and a program for military service
- Increase engagement with community partners

**Transit Agency Veteran Fares:**

Military fare is not a common practice across transit systems. Most transit agencies offering a military fare are small to medium-sized. Military fare generally applies to active duty individuals presenting a military ID at boarding or boarding in uniform. Reduced fare programs for individuals who qualify based on income offer a low-cost transit option to anyone who meets the eligibility requirements.

Agencies with low-income fare programs rarely offer a military benefit. Across 26 comparable transit agencies that offer a low-income fare:

- Denver (RTD), Boston (MBTA), and Chicago (CTA) provide free transit for all active duty military
- Miami-Dade Transit (MDT) provides free transit to veterans who qualify based on income
- MTA offers a 25% discount on select Long Island and Manhattan rail services to active duty military only

**Table 1**

<b>Agency</b>	<b>FareType</b>	<b>Eligibility</b>
<b>Lancaster CA, AVTA</b>	FREE	Veterans and active duty
<b>Austin TX, CAP</b>	Reduced	Present in uniform free; active duty reduced
<b>Bay Area CA, BART</b>	Reduced	Disabled only
<b>Broward FL, BCT</b>	Reduced	Reduced paratransit to VA only
<b>Chicago IL, CTA</b>	FREE	Active duty only, in uniform; or disabled
<b>Vancouver WA, CTRAN</b>	FREE	All veterans, tax funded
<b>Denver CO, RTD</b>	FREE	Active duty only
<b>Des Moines IA, DART</b>	FREE	All veterans, Polk County VA funded
<b>Illinois Region, MetroLINK</b>	FREE	All veterans
<b>Indianapolis IN, IndyGo</b>	FREE	All veterans
<b>Ithaca NY, TCAT</b>	Reduced	Active duty only
<b>Boston MA, MBTA</b>	FREE	Active duty only
<b>Miami FL, MDT</b>	FREE	Veterans who are low-income
<b>New York, MTA</b>	Reduced	Active duty only, line restrictions
<b>Pasco County FL, GoPasco</b>	FREE	Veterans and active duty
<b>Philadelphia PA, SORTA</b>	Reduced	All veterans
<b>Reno NV, RTC</b>	Reduced	All veterans
<b>Rochester NY, RTS</b>	FREE	All veterans, partnership Veterans Outreach Center
<b>Rogue Valley OR, RVTD</b>	Reduced	Disabled only
<b>Denver, RTD</b>	FREE	Active duty only
<b>San Antonio TX, VIA</b>	Reduced	Active duty only
<b>Santa Fe, Albuquerque, Rio NCRTD; New Mexico Regional Services</b>	FREE	Veterans and active duty
<b>Suffolk Co NY, ST</b>	Reduced	Veterans with valid county veteran ID
<b>Tampa, FL, PSTA</b>	FREE	All veterans

Table 1 represents a comprehensive search and presentation of various-sized agencies. At the vast majority of transit agencies with military service fares, the fare is for veterans but not active duty military; or, the fare is for active duty military but not veterans. Some very small agencies do offer a reduced fare option for both veterans **and** active duty military, but these agencies are difficult to identify due to agency size and providing less than a dozen lines of service.

TriMet extending a military fare to all individuals who have served and currently serve would be the first in the nation for a large transit agency. We also would be the first to offer both a military fare and a fare for individuals who qualify based on income.

### **Fare Discount:**

TriMet is proposing a new classification of eligibility for the Honored Citizen reduced fare program. This benefit would extend the current Honored Citizen fare to all active duty individuals and veterans of the United States Armed Forces. Eligibility and qualifications will be based on filling out an application form, and providing any of the following information to the TriMet Customer Support Center:

- CAC card for active duty military
- Uniformed Services ID card or driver's license with veteran classification
- Copy of DD214 Certificate of Release/Discharge from Active Duty and photo ID
- Must not have been dishonorably discharged

The initial Honored Citizen fare card will be free for military members; the replacement fees for lost or damaged cards is \$3. The card will be valid for 5 years. Cards are non-transferable.

### **Veteran Demographics:**

Within TriMet's tri-county area, there are an estimated 90,000 veterans<sup>1</sup>. Of those who do not already qualify for TriMet's Honored Citizen age-based program, there are approximately 51,000 between ages 17-64. Within the state, there are approximately 10,000 active duty and reserve service members who do not "classify" as veterans. These 61,000 military service members account for 3.5% of the tri-county population.

### **Financial implications:**

Ridership statistics for veterans and service members are not available. Current riders and future riders can only be surmised. Immediately, a small portion of lost adult revenue may be seen due to any service member utilizing transit at the standard fare. TriMet adults reaching the \$100 monthly fare cap averages 5% of ridership per month, therefore, the expected loss would be in daily ridership exceeding the standard cost of the Honored Citizen monthly cap. With current unknown military ridership, financial implications and statistics can only be inferred. With new enrollments and use of transit, however, theoretically lost full fare revenue would be replaced or even surpassed with new ridership. Estimating that 10% of eligible military currently ride the system at the average use of four rides per week, current revenue for 6,100 adults would be \$244,000 per month in revenue. With the new fare classification, the same number of adults at the reduced fare would be \$122,000.

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<sup>1</sup> Based on veteran population information recorded and projected by U.S. Department of Veterans Affairs  
[https://www.va.gov/vetdata/veteran\\_population.asp](https://www.va.gov/vetdata/veteran_population.asp)

Price sensitivity using the transit elasticity of -0.46 is the industry standard for determining ridership changes with price variation. This value determines that for every 1% change in fare, there is a counterchange of 0.46% in ridership. Using the same concept for price decrease behavior, decreasing the fare by \$1.25, or 50%, the -0.46 elasticity determines a 50% decrease in fare would cause an increase in ridership by 23%. Using the Simpson-Curtin rule, ridership change is -0.33 to a 1% change, asserting a ridership increase of approximately 16.5%. Both methods are rationales applying to the general transit population, not specific groups. Without knowing current military ridership, but applying the formula to the estimated military population, it can be inferred that program enrollment could be as high as 10,000. Actual enrollment numbers are anticipated to err significantly lower.

An additional financial benefit would be inclusion of military classification on the income-based program application. As part of the application process, an individual who has a qualifying income and is a veteran or service member would be enrolled in the income-based fare program. This would extend additional program benefits. Financially, this would also offset adult revenue costs by applying STIF funding.

No change in employer revenue is expected. Employer programs are cost based on the number of employees within an organization, not the individual status or fare classification of the employee.

### **Benefits of Extending a Military Reduced Fare:**

Extending the Honored Citizen reduced fare to those in the military service is a gesture of recognition. Military history and service is a complex topic for many. As a nation, we recognize service members on the federal holiday of Veterans Day. Beyond Veterans Day, counties, cities, and businesses across the nation choose to implement special or discounted services as a purpose of continual recognition to those entering military service. As a transit agency, TriMet choosing to provide year-round recognition of military service in our Honored Citizen program will set a precedent for other agencies.

### **Title VI Review:**

Federal Title VI rules require that citizens who are low-income and minority not be treated any less generously than any other. TriMet currently offers a program for individuals who qualify based on income. Veterans who are disabled also qualify for our reduced fare program. A Title VI analysis will be completed to assess implications for including military service as a qualification for the Honored Citizen program.

### **Policy implications:**

Creating a military classification under TriMet's Honored Citizen program would require a change to TriMet Code 19 via Board ordinance. No other policy implications are noted or expected with this new classification.

### **Timeline:**

Ordinances go into effect a minimum of 30 days after the second reading. Bringing this fare change to the board with a first reading in September and a second reading in October, would allow TriMet to establish this new fare qualification and ceremoniously launch it on November 11, 2023, Veterans Day. With the ordinance requirement of a 30 day implementation period, the General Manager would need to approve a fare promotion beginning November 11 through the end of the year.

This promotional program period would be two-fold. First, without the promotional period, the new fare would not take effect until November 24. Second, there is currently a TMC19 change effective January 1, 2024. Changes to TMC19 would complicate previous ordinance approvals being approved as to form prior to January 1, 2024 implementation.

**Promotion and Outreach:**

Channels for identifying how best to reach military groups are currently being assessed. Marketing and outreach will include print, radio, and digital campaigns targeted to specific channels and self-selected categories. Outreach also will include contacting local organizations currently involved with military groups. Website information will be updated to include the new classification and enrollment information. Additional signage may need to be added, depending on desired public messaging.