

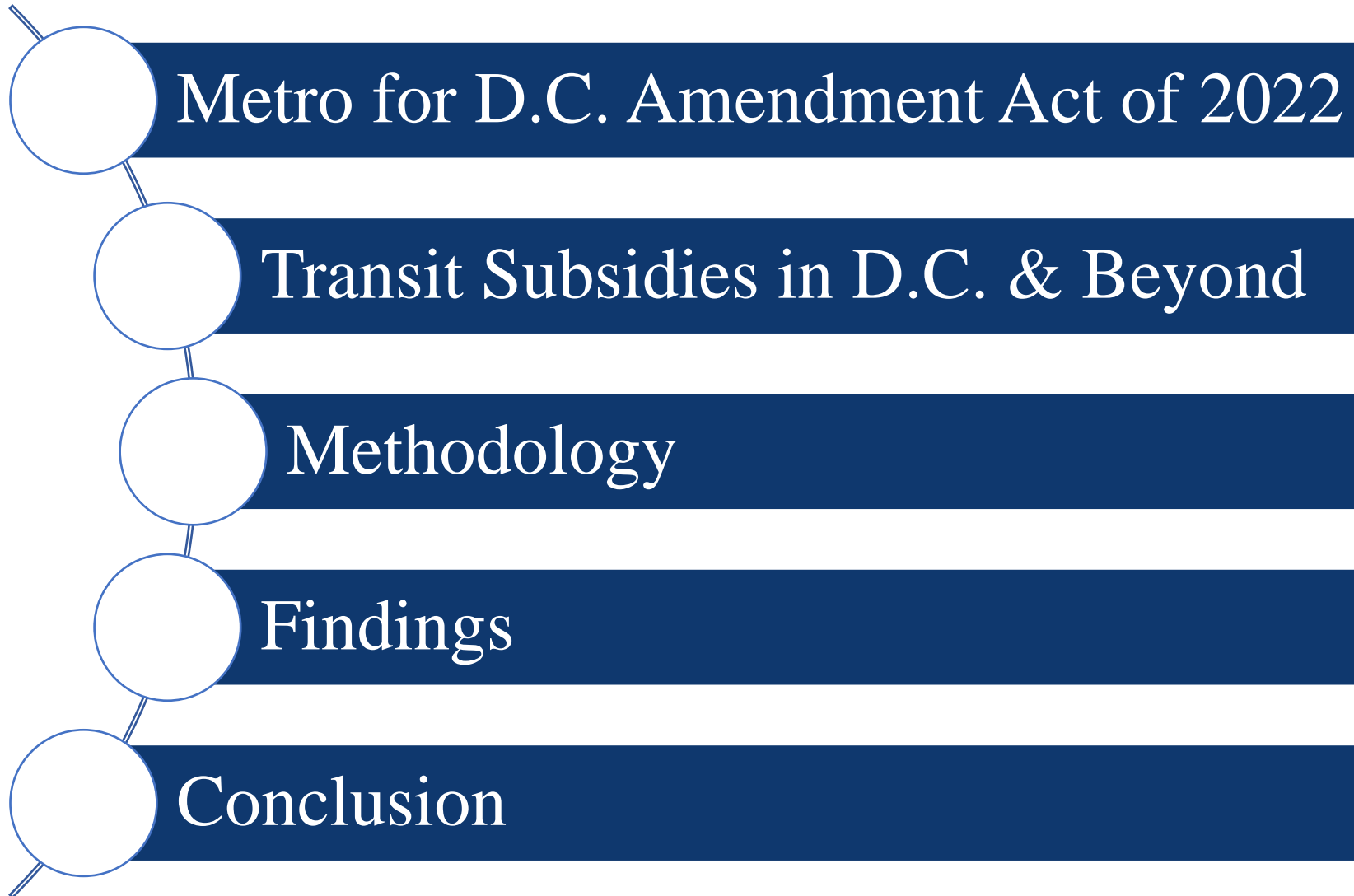
# **Analysis of the Metro for D.C. Amendment Act of 2022**

**Council of the District of Columbia  
Office of the Budget Director**

Susanna Groves, Deputy Director for Research

May 2022

# Overview



Metro for D.C.  
Amendment Act of 2022  
(Bill 24-429)

# Metro for D.C. Amendment Act of 2022

## **District Resident Transit Subsidy Program (DRTSP)**

- Provides a \$100 per month public transit subsidy to eligible D.C. residents
- Subsidy benefits would not carry forward month to month
- Subsidy could not be used for parking fees

## **Transit Subsidy Fund**

- Used to cover DRTSP's user costs and administrative expenses

## **Transit Equity Fund**

- Used to expand transit service, provide grants, fund transit studies, and improve infrastructure
- Supported by a \$10 million annual deposit

## **Funding**

The legislation will be funded by redirecting future unbudgeted revenues that exceed what is already incorporated in the approved budget and four-year financial plan.

# DRTSP Eligibility

**D.C. Resident**

**18+ Years**

**No other government  
transit benefit**

**Income**

*Lowest income residents qualify first  
and then income limits are gradually  
raised and eventually phased out*

**Tranche 1**

**300% Federal Poverty Level (FPL)**  
*Up to \$38,640 for a 1-person household*

**Tranche 2**

**100% Median Family Income (MFI)**  
*Up to \$90,300 for a 1-person household  
(formerly known as Area Median Income)*

**Tranche 3**

**Up to \$155,000**

**Tranche 4**

**All Incomes**

# Transit Subsidies in D.C. and Beyond

# D.C.'s Existing Transit Subsidies

There are at least 12 programs that provide transit subsidies to D.C. residents

## Students & Low Income

- Kids Ride Free
- Summer Youth Employment Program Transit Subsidy
- Transit Subsidy for Youth in the D.C. Foster Care System
- Adult Learners Ride Free Program
- University Pass Program
- Temporary Assistance for Needy Families (TANF) Transportation Subsidy

## Seniors & Disabled

- Seabury Connector Card
- WMATA Reduced Fare for Seniors
- WMATA Reduced Fare for Individuals with Disabilities

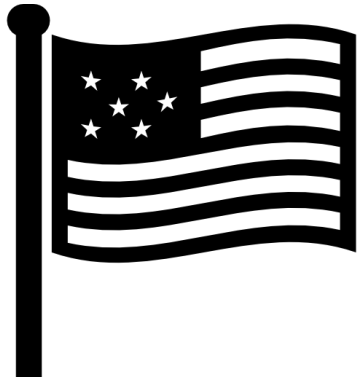
## Workplace

- Federal Government Transit Benefit Program
- D.C. Transportation Benefit Program
- Pre-tax payroll deduction

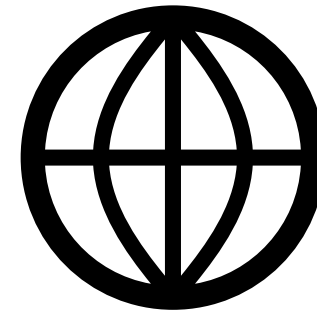
# Transit Subsidies in Other Places

Approximately 200 jurisdictions around the world either have fare free public transit or provide a transit subsidy to low-income riders.

42 U.S. jurisdictions



170 jurisdictions outside of the U.S.  
(majority in Europe)





# Selection of Transit Subsidies in the U.S.

Denver, CO

*Start date: 2019*

- 40% reduced fare for individuals earning up to 85% of the Federal Poverty Level
- Cost: \$525,000 in year one; \$380,000 annually thereafter
- Fully funded via the Regional Transportation District

Portland, OR

*2017*

- 50-72% reduced fare for residents earning less than 200% of the Federal Poverty Level
- Cost: \$12 million
- Funded through the Keep Oregon Moving law, which added a new payroll tax of 0.1%

Tucson, AZ

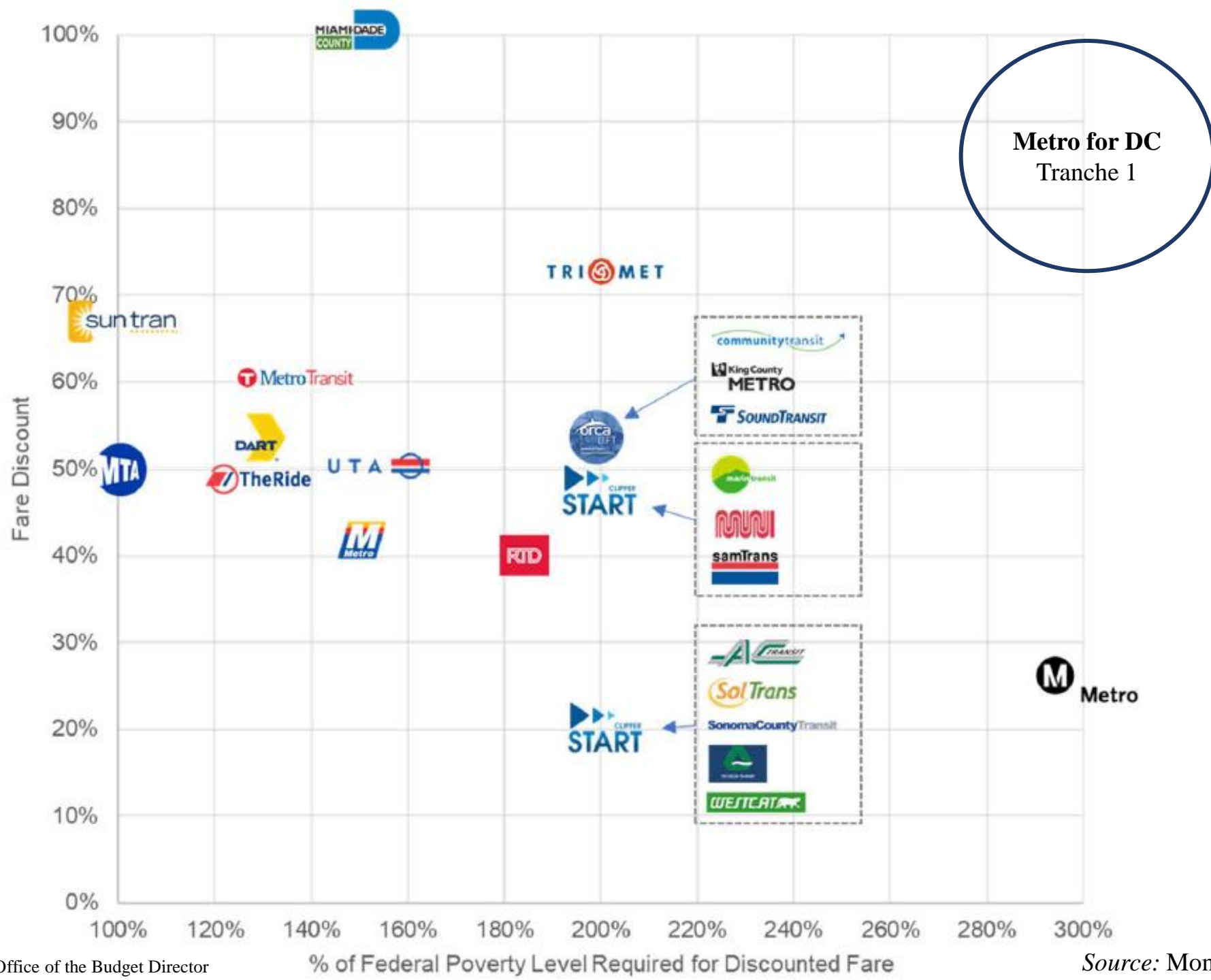
*2020*

- Fare free pilot between March 2020 and December 2021
- Cost: \$700,000 per month
- Funded with CARES Act funds.

Kansas City, MO

*2020*

- Fully eliminates fares for Kansas City buses
- Costs: \$9 million
- Funded with \$4.8 million in city funds and \$4 million in private funding



# Means-Tested Qualification & Transit Fare Discount

# Selection of Transit Subsidies Outside the U.S.

## London

*Start date: 2018*

- Half-price bus and tram fares for low-income residents
- Costs: At least \$805.4 million
- Funded through retained business rates

## Changning, China

*2008*

- Fare-free public transit
- Costs: \$1 million
- Funded through local financial budget, bus advertising revenue, and fuel subsidies from the central government

## Luxembourg

*2020*

- Fare-free public transit
- Costs: \$48.2 million
- Funded through the repeal of tax deductions and other tax revenue

## Tallinn, Estonia

*2013*

- Fare-free public transit
- Costs: \$76 million
- Funded through income taxes

# Study Methodology

# Data Sources



## WMATA Passenger Surveys

- Metrorail Passenger Survey, 2016
- Metrobus Passenger Survey, 2018

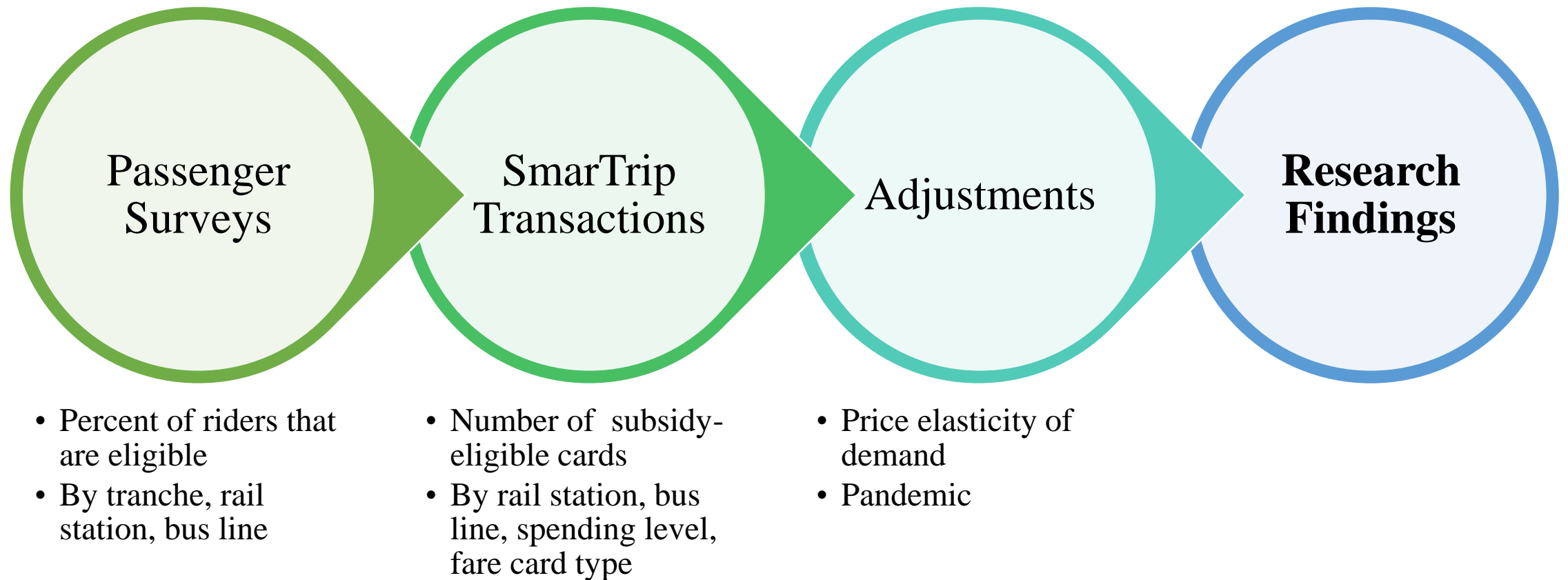
## WMATA Transaction Data

- SmarTrip transaction data from October 2019

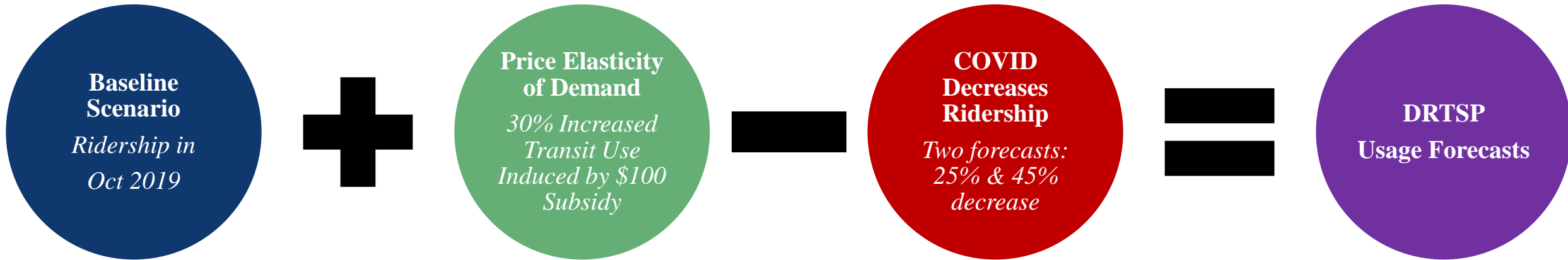
## American Community Survey

- 2019 5-Year Estimates

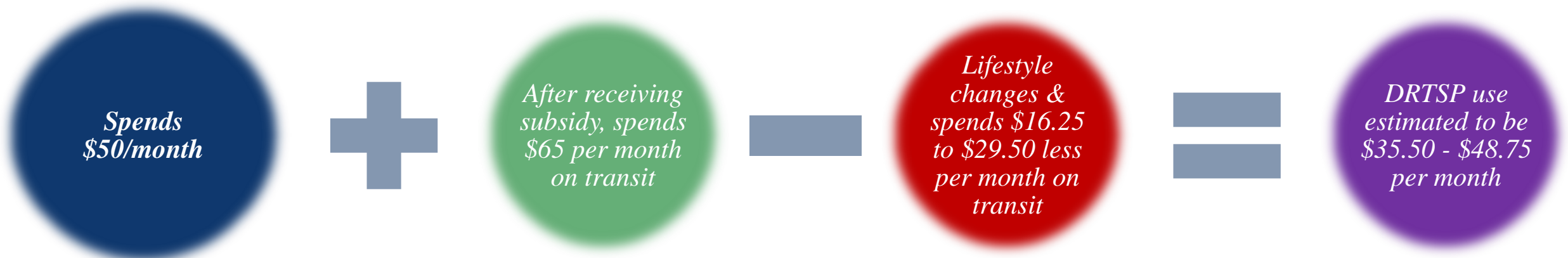
# Matching Data Sources



# Adjusting for Price Elasticity & Pandemic



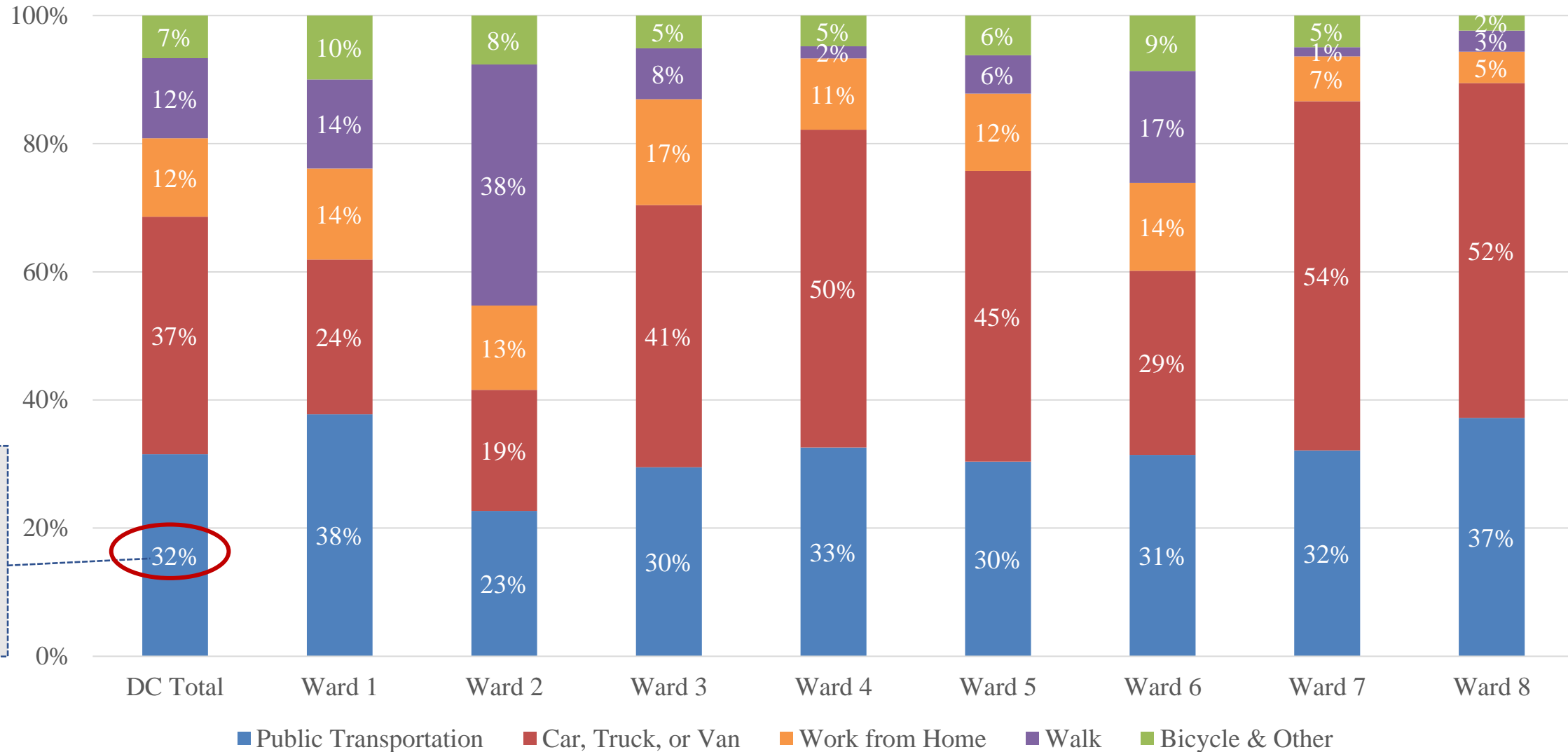
## Example Rider:



# Study Findings



# How Do D.C. Residents Travel to Work?

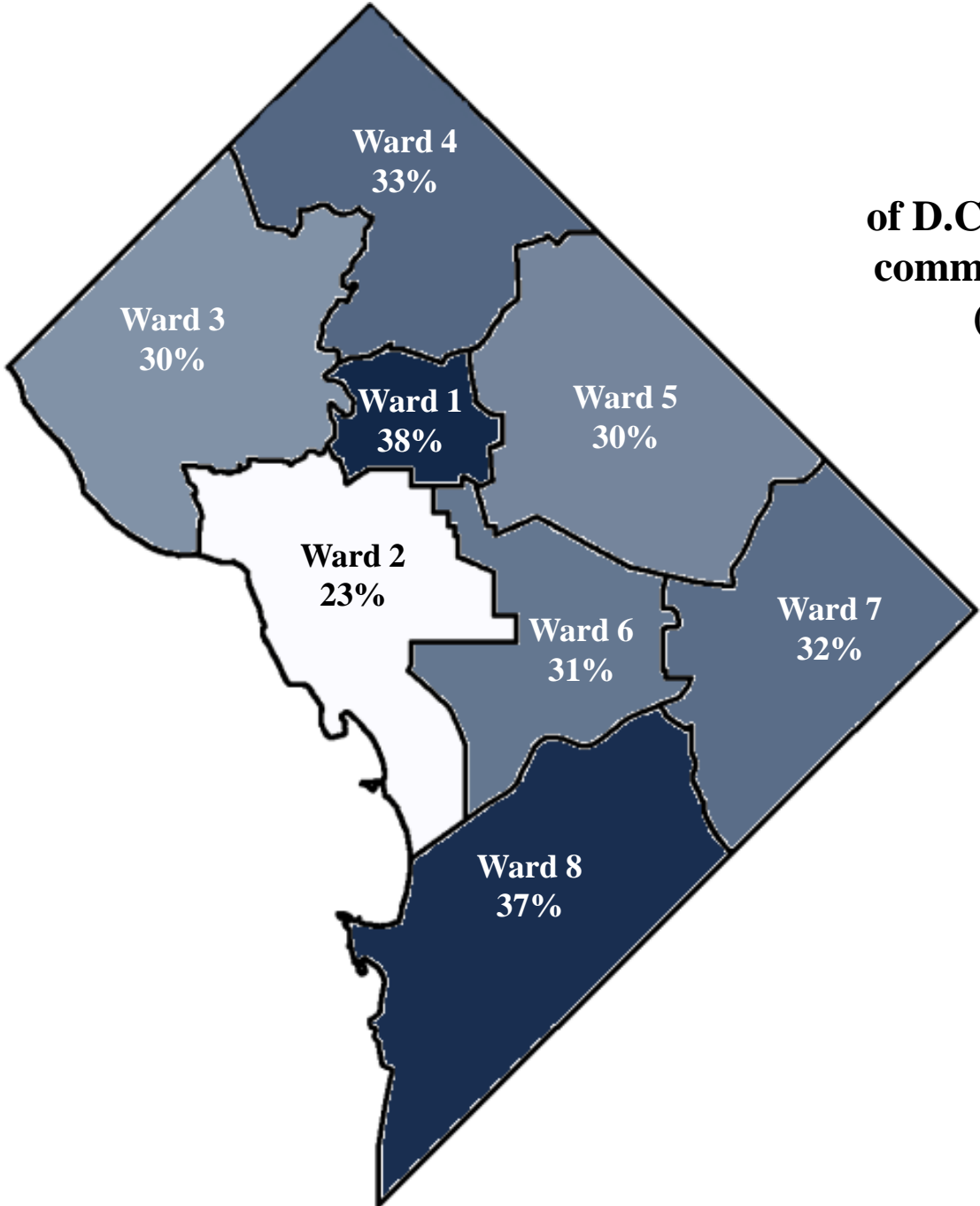


120,000 D.C. residents commute to work by public transit

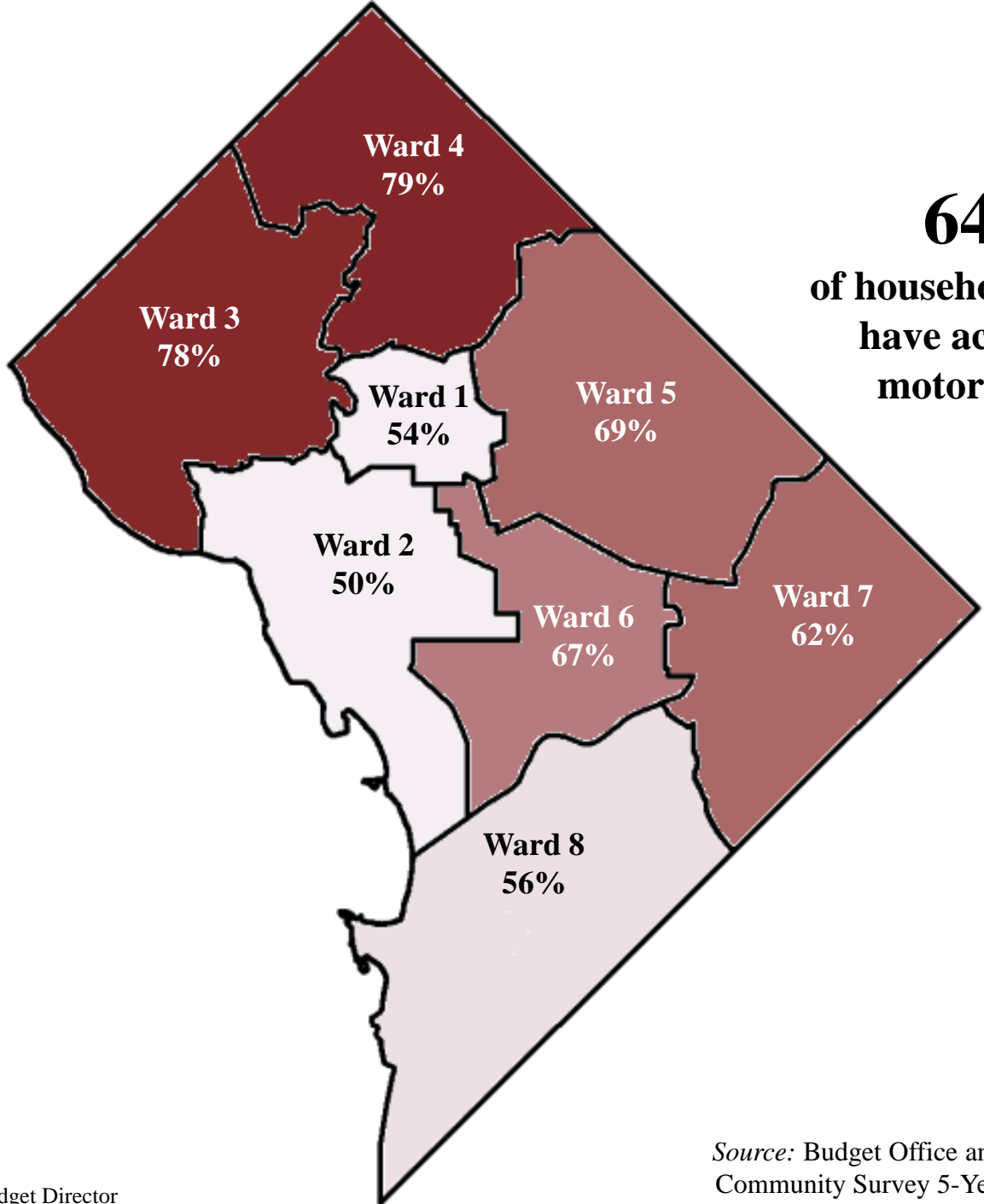
Source: Budget Office analysis of the 2019 American Community Survey 5-Year Estimates (Table: B08006)



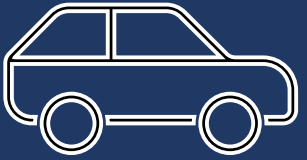
# Workers from D.C. Who Commute by Public Transit



**32%**  
of D.C. residents who work  
commute by public transit  
(pre-pandemic)



**64%**  
of households in D.C.  
have access to a  
motor vehicle

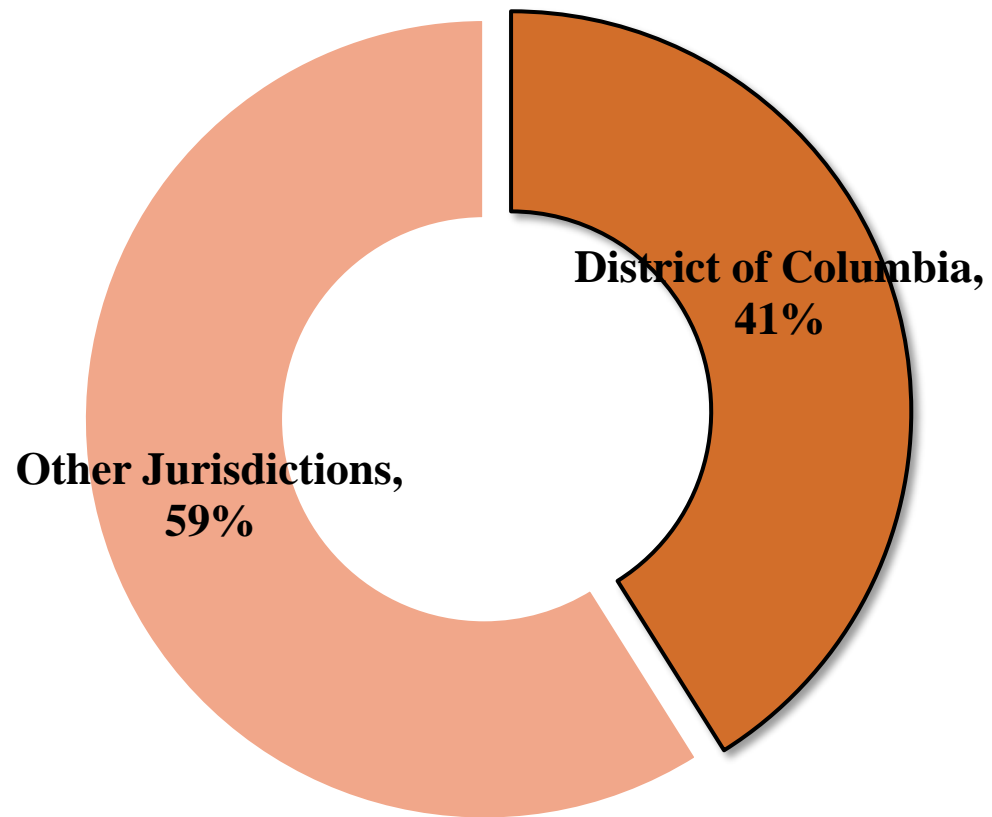


# D.C. Residents' Motor Vehicle Access

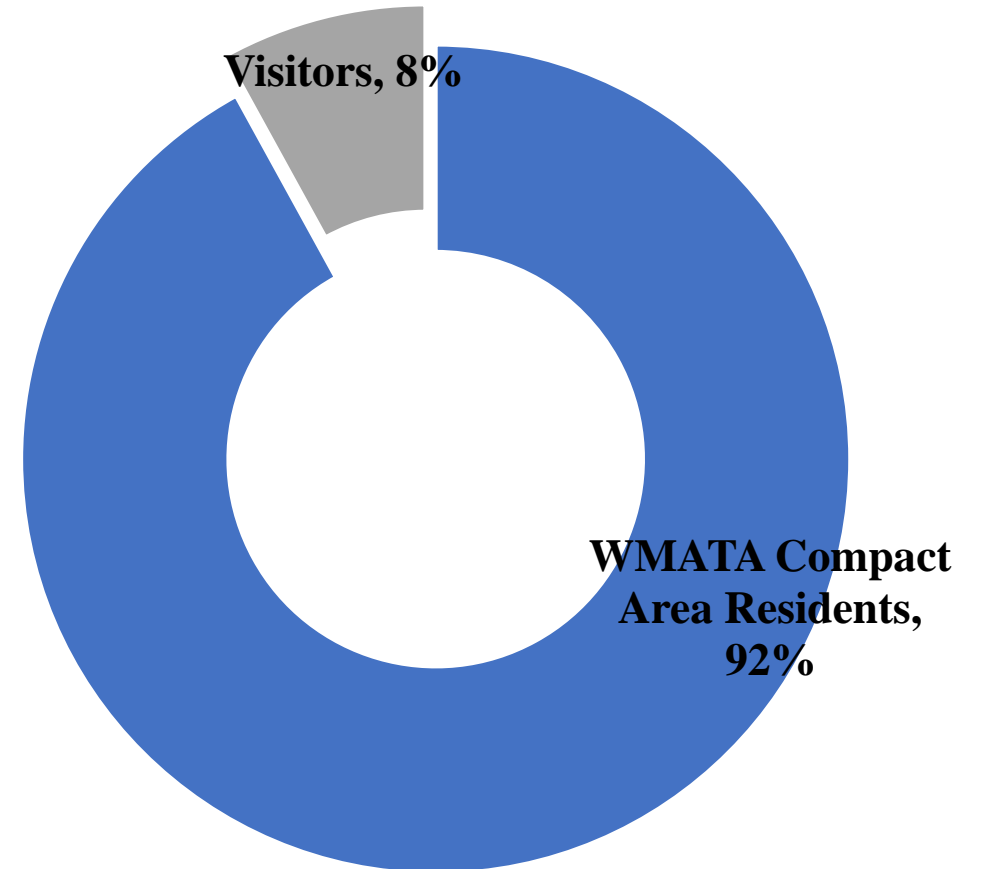
Source: Budget Office analysis of the 2019 American Community Survey 5-Year Estimates (Table: S2504)

# Where Do WMATA Riders Live?

Share of WMATA Riders That Are D.C. Residents



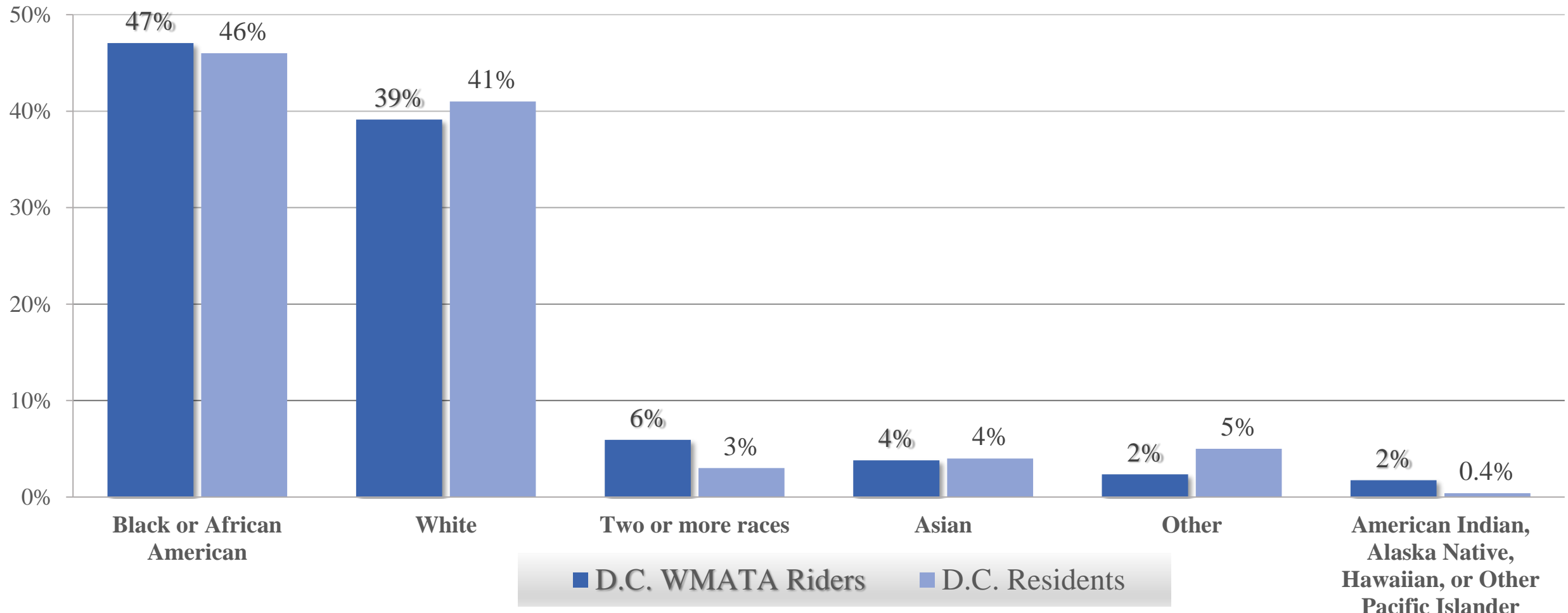
Trips Taken by Visitors vs. WMATA Compact Area Residents



WMATA compact area: D.C., cities of Alexandria, Falls Church and Fairfax, Virginia counties of Arlington, Fairfax and Loudon, Maryland counties of Montgomery and Prince George's  
*Source:* Budget Office analysis of the 2016 Metrorail Passenger Survey, 2018 Metrobus Passenger Survey, 2019 location-based cell phone data from WMATA

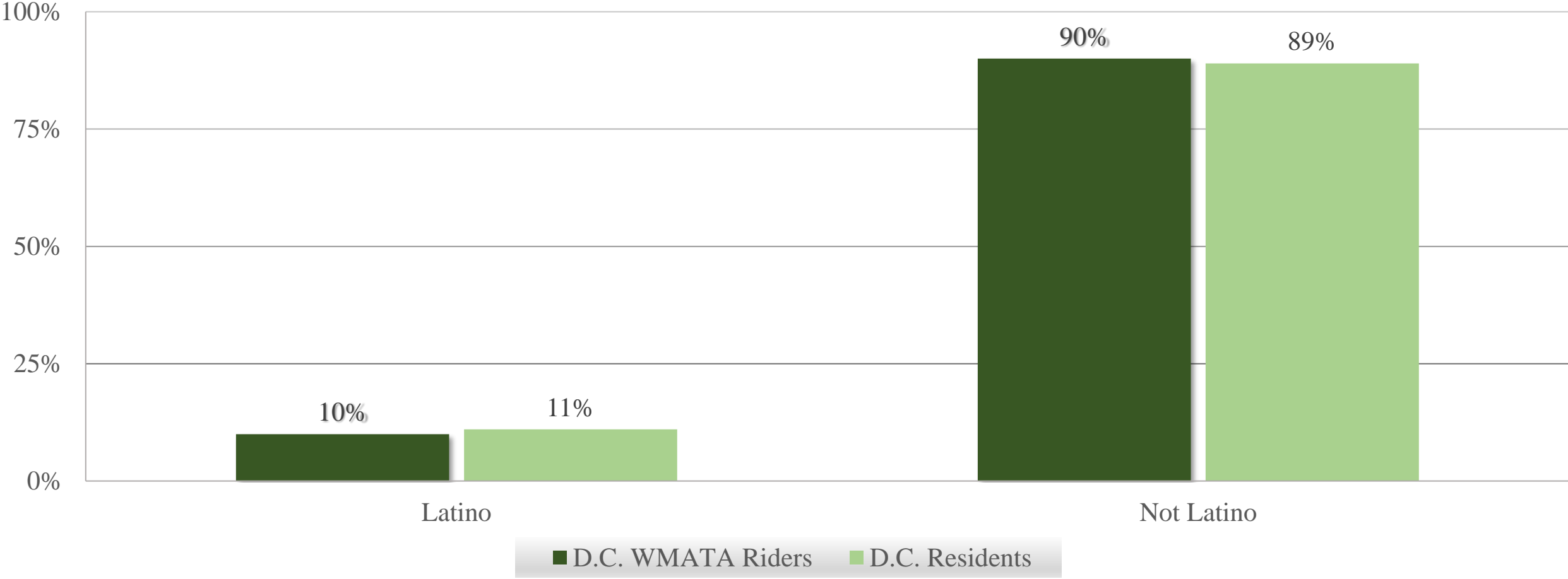
# D.C. Riders by Race

The District's racial diversity is reflected in its WMATA ridership



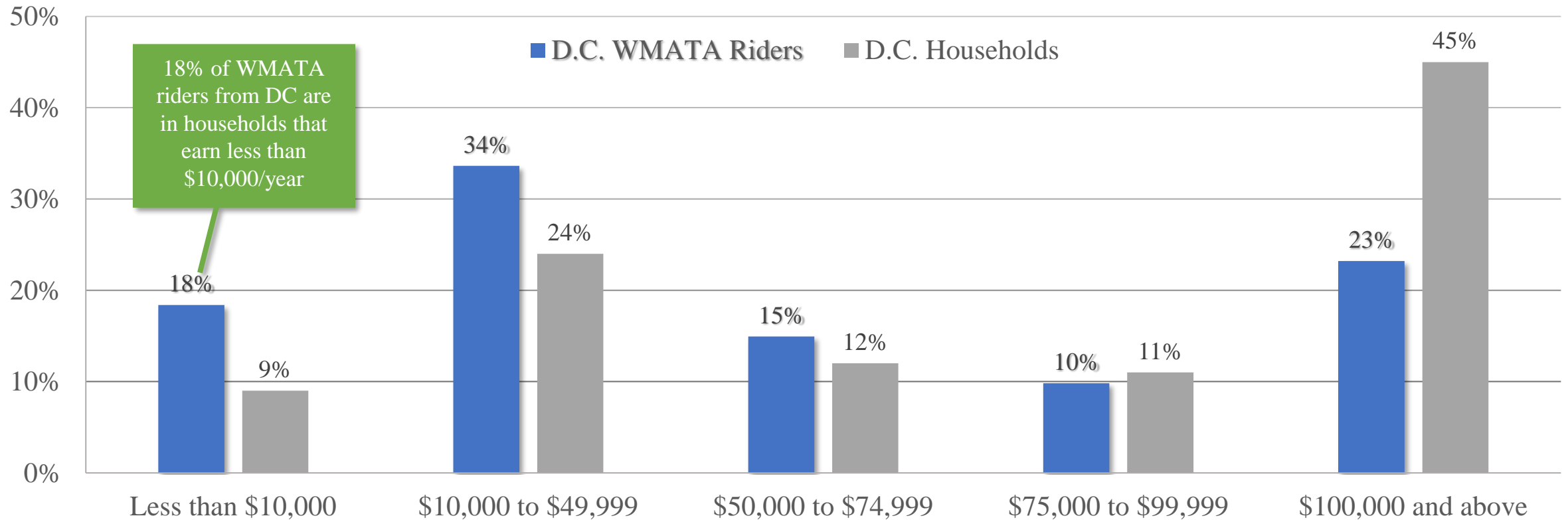
# D.C. Riders by Latino Origin

The District's ethnic diversity is reflected in its WMATA ridership



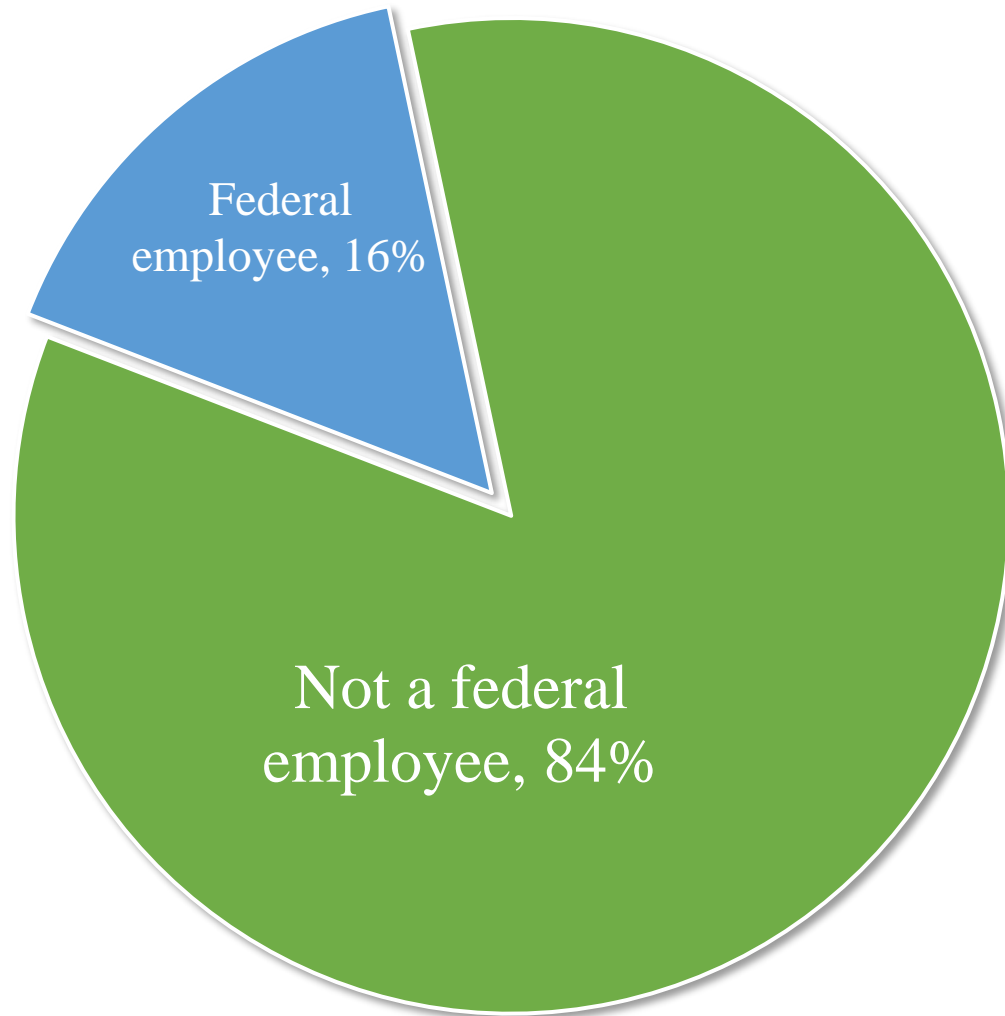
# D.C. Riders by Household Income

**D.C. residents who ride WMATA are more likely to have a low or moderate household income than D.C. residents overall**



Sources: Budget Office analysis of the 2016 Metrorail Passenger Survey, 2018 Metrobus Passenger Survey, 2019 5-Year American Community Survey (Table S1901)

# D.C. Riders' Federal Employment Status



**16%**  
**of adult WMATA riders in D.C.  
are employed by the federal government**

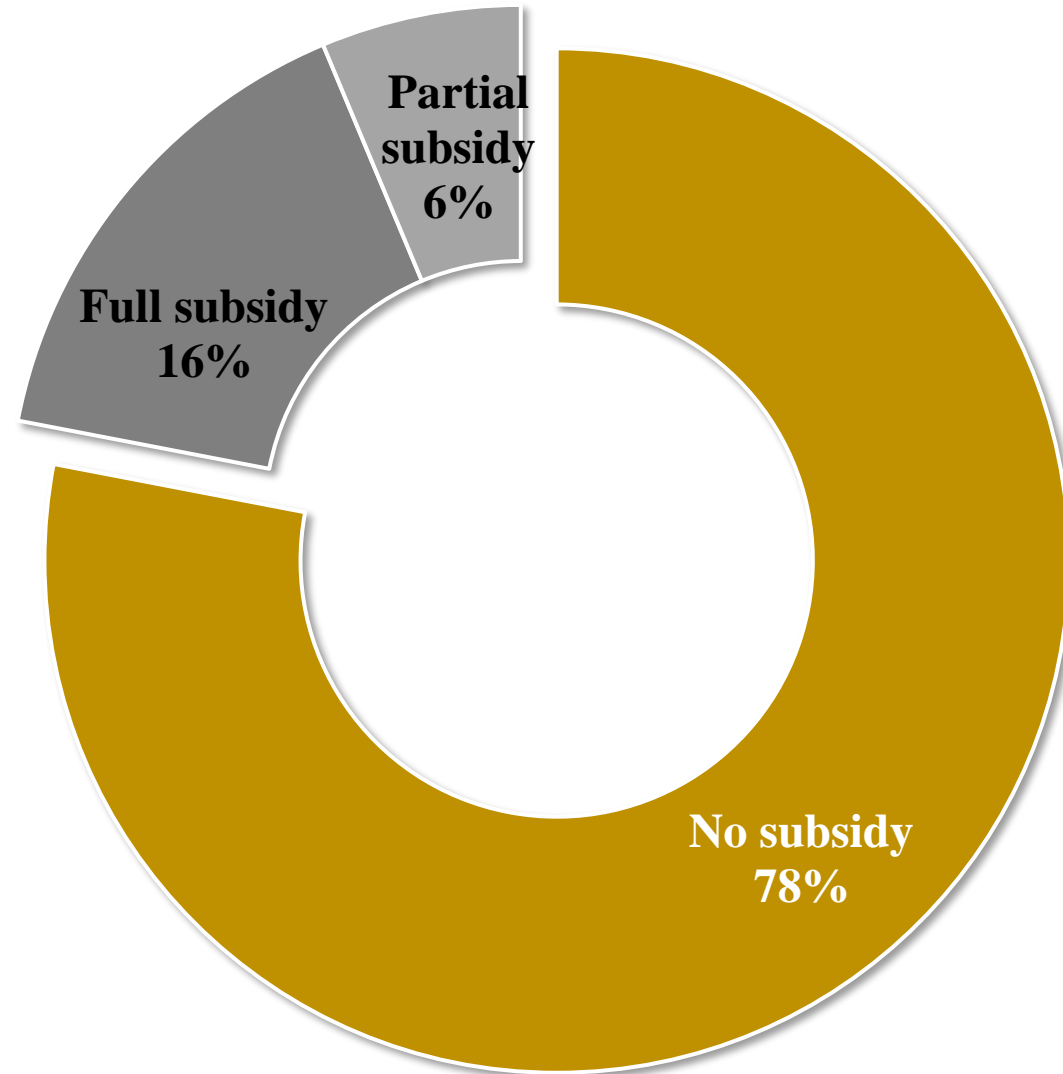
**Federal Government Transit Benefit Program  
provides employees up to \$280/month**

Source: Budget Office analysis of the 2016 Metrorail Passenger Survey, 2018 Metrobus Passenger Survey



# D.C. Riders' Access to Workplace Transit Subsidies

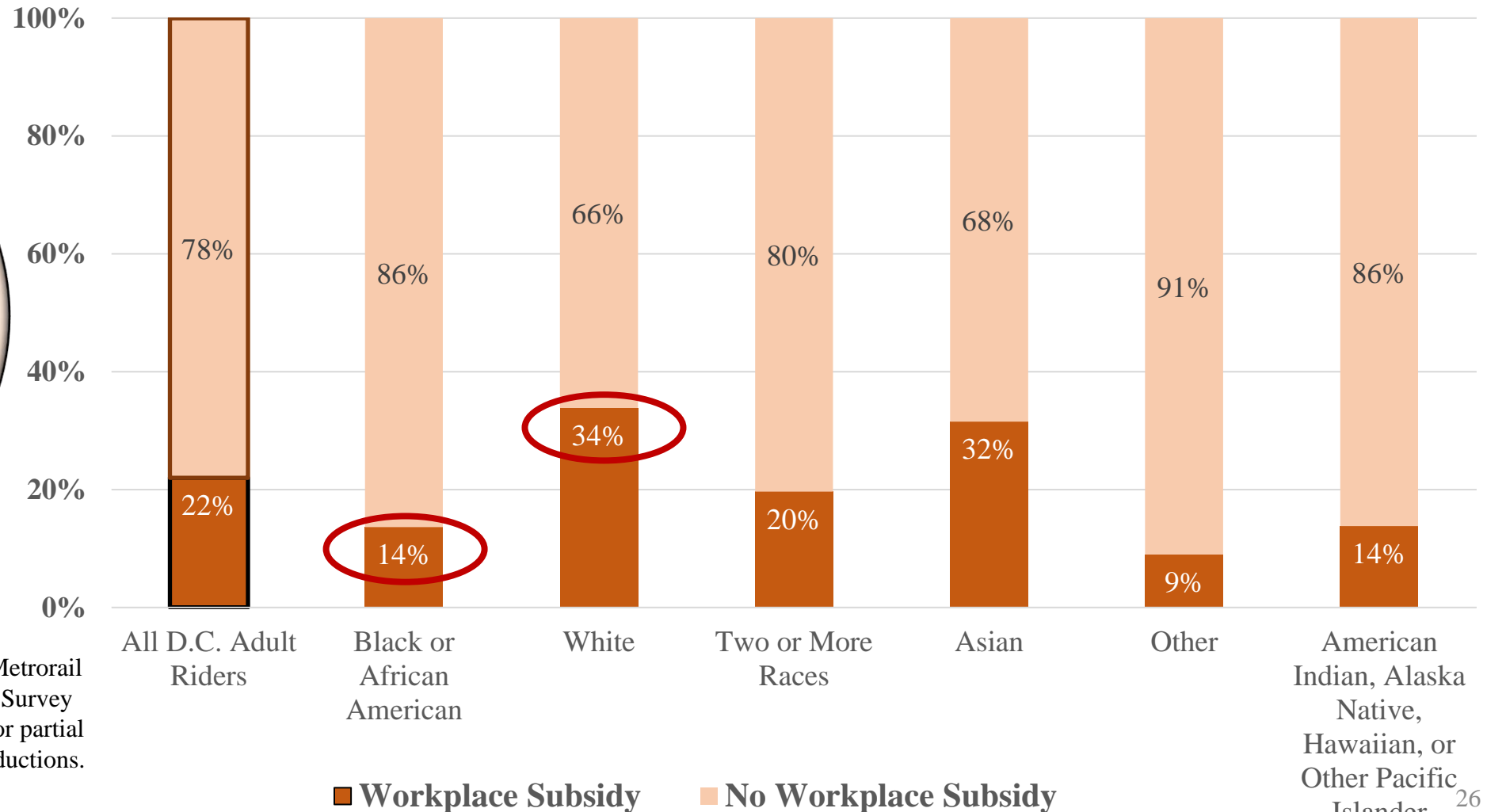
**78%**  
of D.C. adult riders do not have  
a workplace transit subsidy\*



\*Includes the 12% of D.C. adult riders who take advantage of a pretax payroll deduction for transit

# Racial Disparities in Workplace Transit Subsidies

Share of D.C. Adult Resident Riders by Race with a Workplace Transit Subsidy

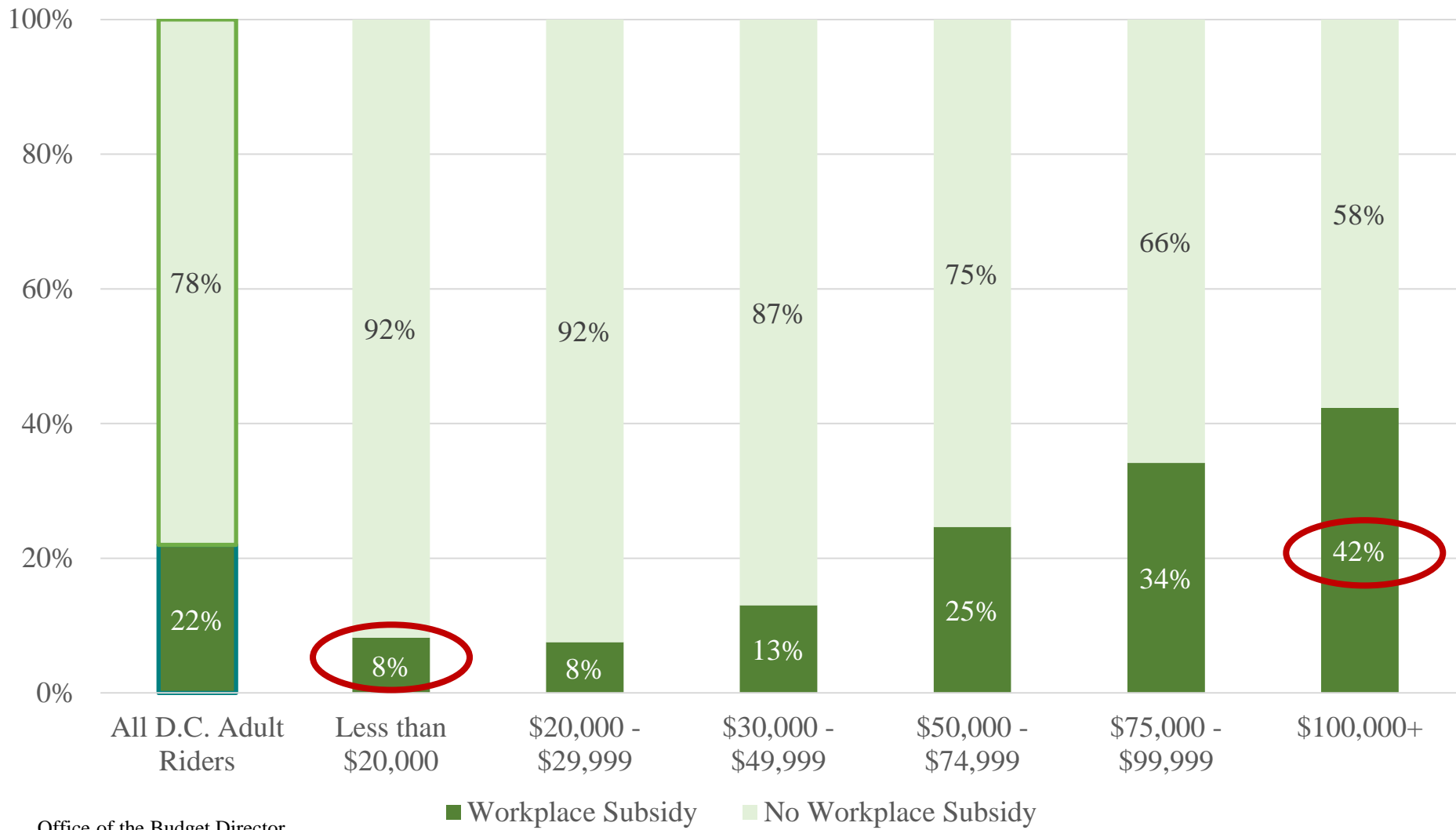


White adult D.C. resident riders are more than **2x as likely** to have a workplace transit subsidy than Black adult D.C. resident riders.

Sources: Budget Office analysis of the 2016 Metrorail Passenger Survey, 2018 Metrobus Passenger Survey  
 Note: Workplace transit subsidy means a full or partial subsidy. It does not include pre-tax payroll deductions.

# Income-Based Disparities in Workplace Transit Subsidies

Share of D.C. Adult Resident Riders by Household Income with a Workplace Transit Subsidy



The highest income riders are more than **5x as likely** as the lowest income riders to have a workplace transit subsidy

Sources: Budget Office analysis of the 2016 Metrorail Passenger Survey, 2018 Metrobus Passenger Survey  
 Note: Workplace transit subsidy means a full or partial subsidy. It does not include pre-tax payroll deductions.

# How Do D.C. Council Staff Use Their Workplace SmarTrip Benefit?

- The Council created a transit benefit subsidy for staff that began on October 1, 2013
- Qualifying D.C. Council staff can receive up to \$100/month in public transit benefits
- Staff that receive a parking benefit do not qualify for a public transit benefit

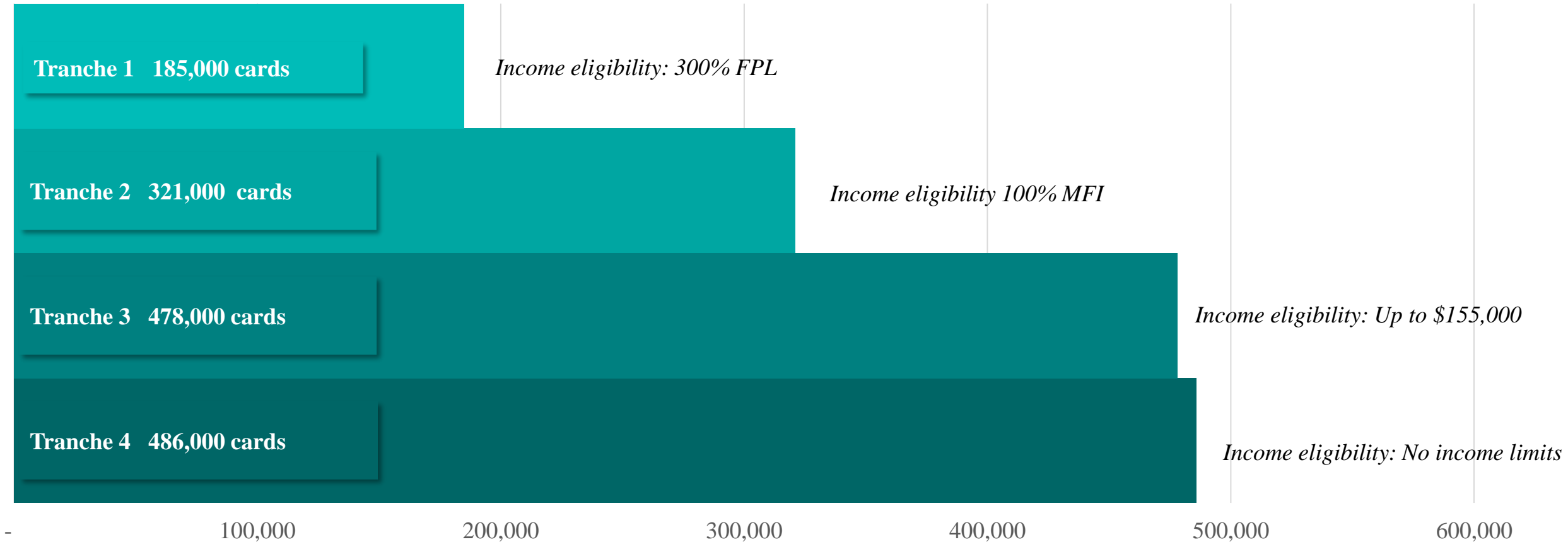
	PRE-PANDEMIC		PANDEMIC	
	January 2019	January 2020	January 2021	January 2022
Share of staff enrolled in SmarTrip benefit	53%	58%	48%	46%
Average monthly spending, staff enrolled in benefit	\$57.86	\$60.25	\$0	\$7.50

Source: D.C. Council

Note: Share of enrolled staff is from February

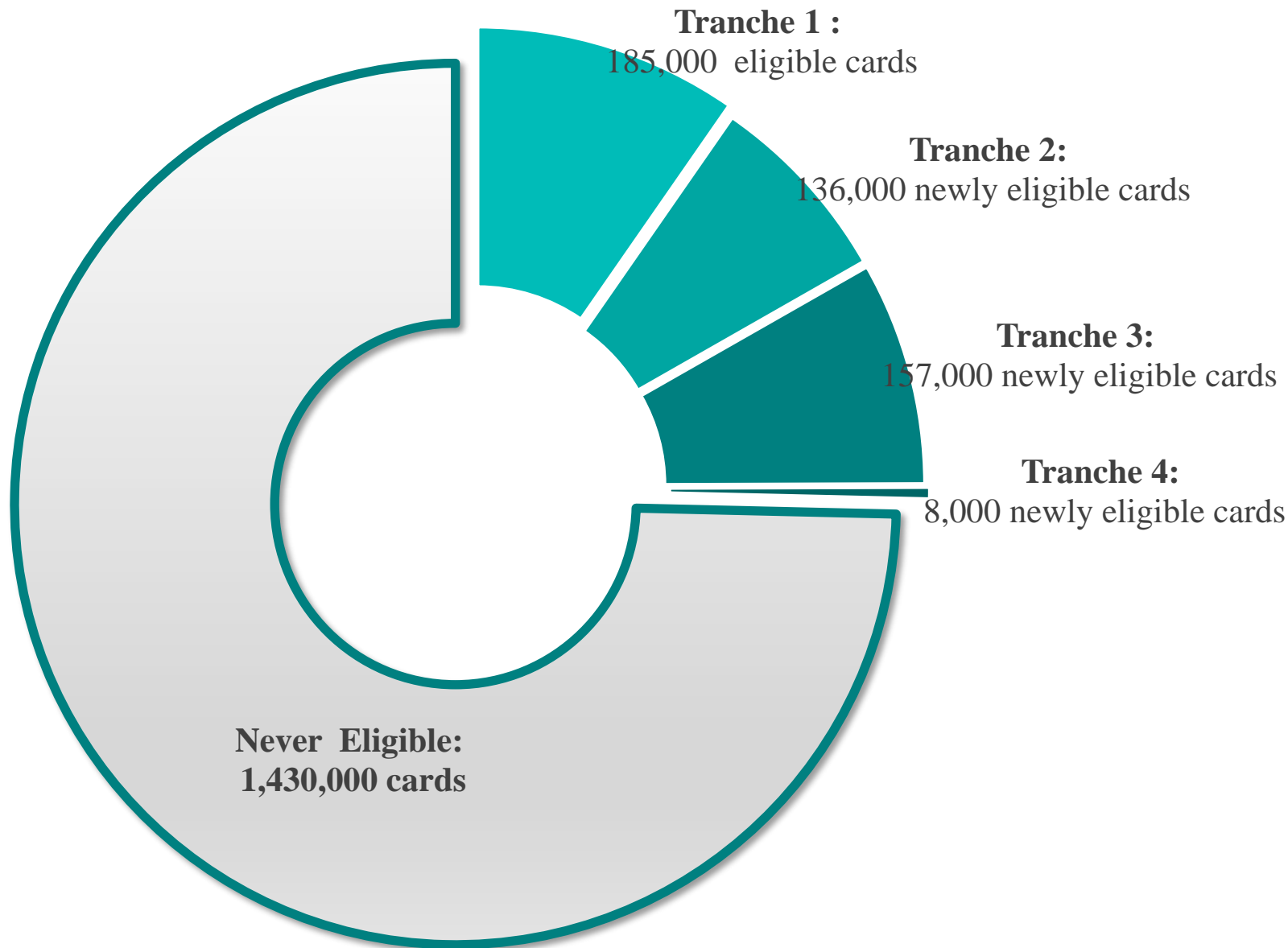
# How Many SmarTrip Cards Will Be Eligible for the DRTSP?

Total Number of DRTSP-Eligible SmarTrip Cards at Each Expansion Phase (Cumulative)



Sources: Budget Office's analysis of the 2016 Metrorail and 2018 Metrobus Passenger Surveys and SmarTrip transaction data

Note: Eligibility for Metrorail passengers cannot be distinguished between Tranche 3 and 4 due to the limitations of the data source.



**75% of SmarTrip Cards Are *Ineligible* for the DRTSP**

*Sources:* Budget Office’s analysis of 2016 Metrorail and 2018 Metrobus Passenger Surveys and SmarTrip transaction data  
*Note:* Eligibility for Metrorail passengers cannot be distinguished between Tranche 3 and 4 due to the limitations of the data source.

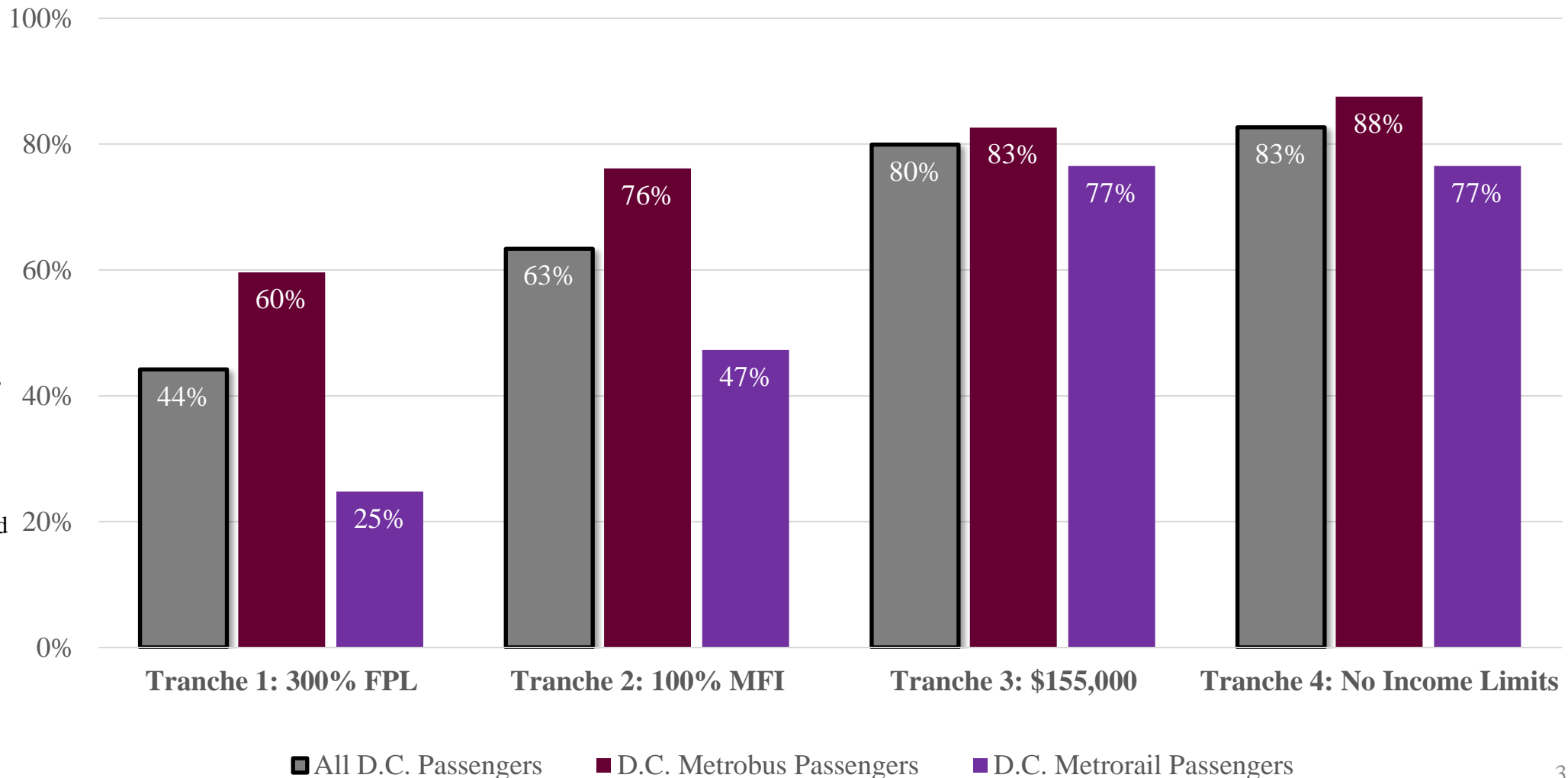
# Share of D.C. Resident Passengers That Will Be Eligible for the DRTSP

At every expansion phase, Metrobus passengers are more likely to be DRTSP-eligible than Metrorail passengers

Sources: Budget Office's analysis of 2016 Metrorail and 2018 Metrobus Passenger Surveys

Notes: Eligibility for Metrorail passengers cannot be distinguished between Tranche 3 and 4 due to the limitations of the data source. The survey undercounts riders under age 18.

Share of D.C. Resident Passengers Eligible for the DRTSP, by Expansion Phase and Mode of Transit (Cumulative)



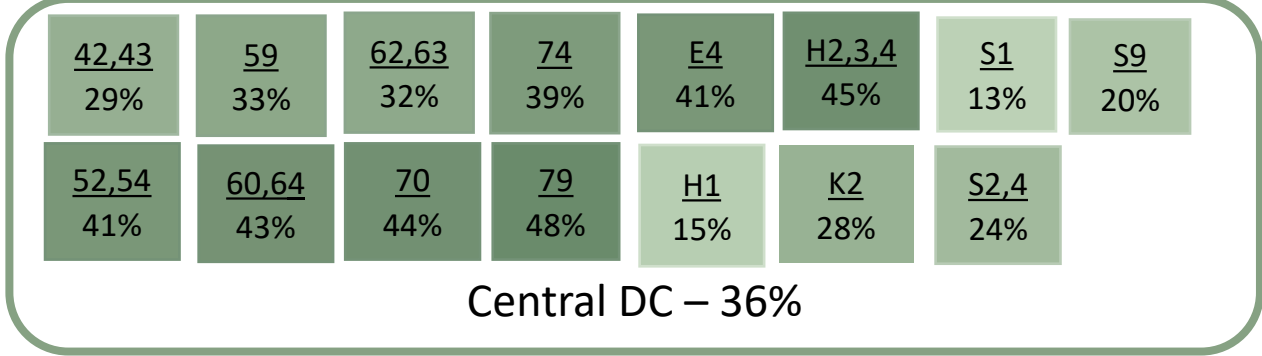
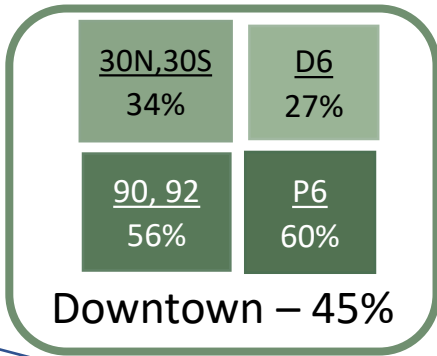
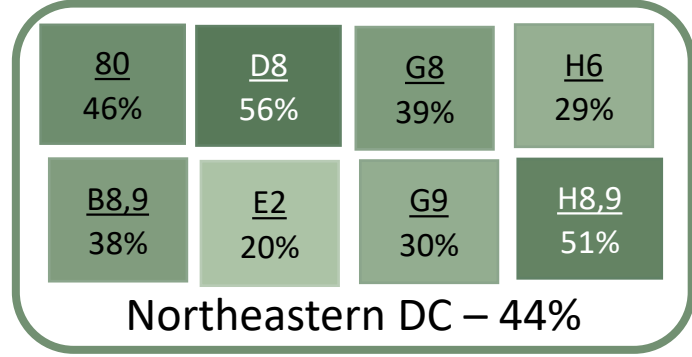
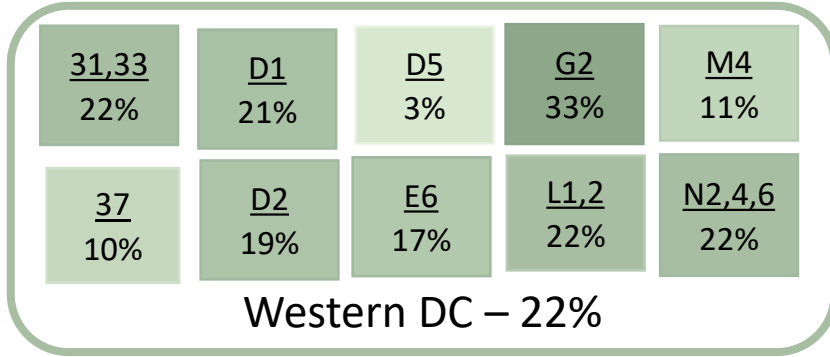


# Which Bus Routes Do DRTSP Eligible Riders Use?

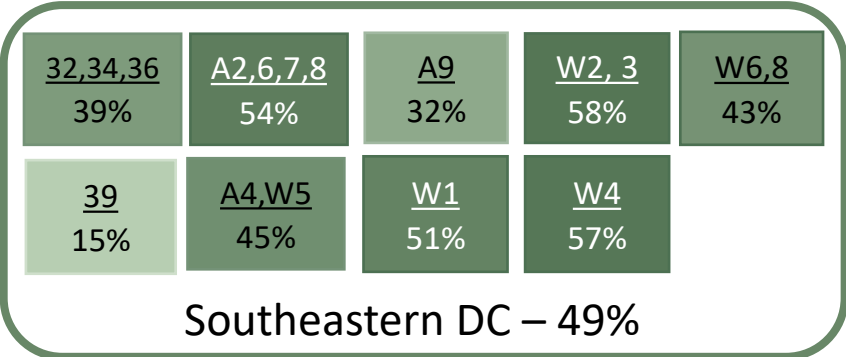
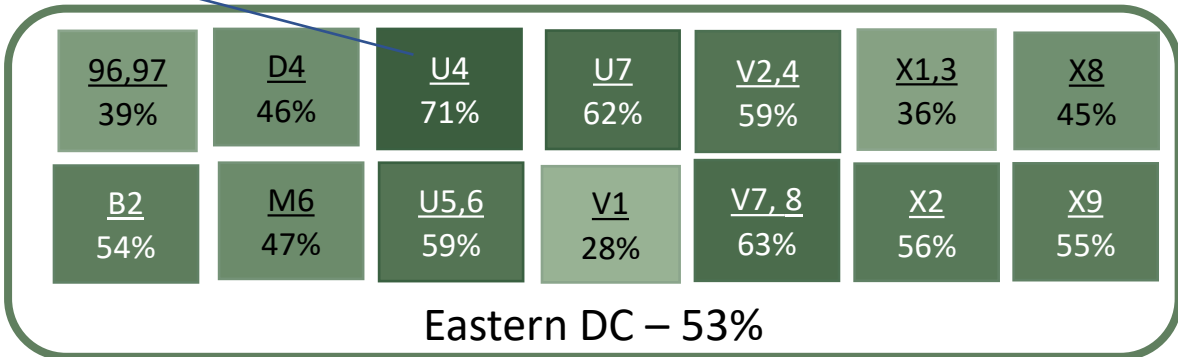


## Tranche 1 Eligibility Rate by Riders' Primary Bus Route

Bus Route  
% Riders Eligible

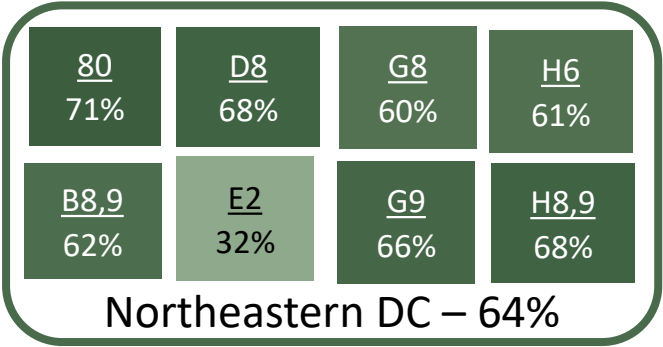
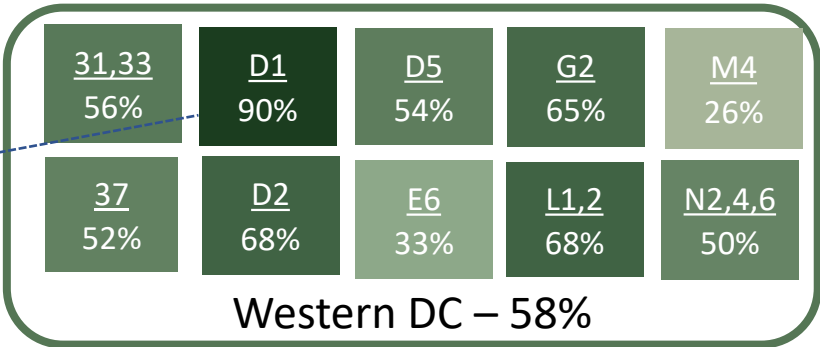


71% of riders whose primary bus route is the U4 would qualify in the program's first stage of expansion

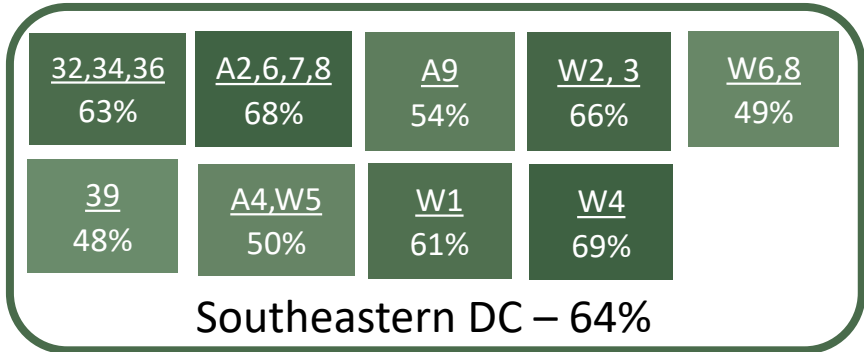
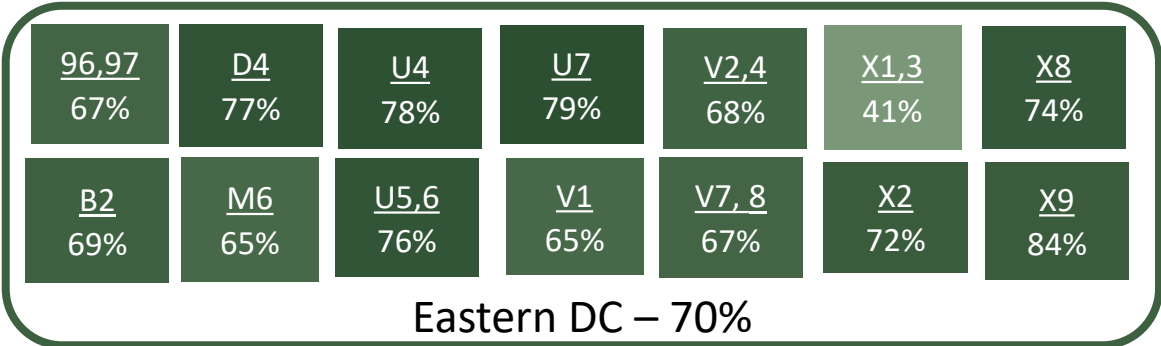
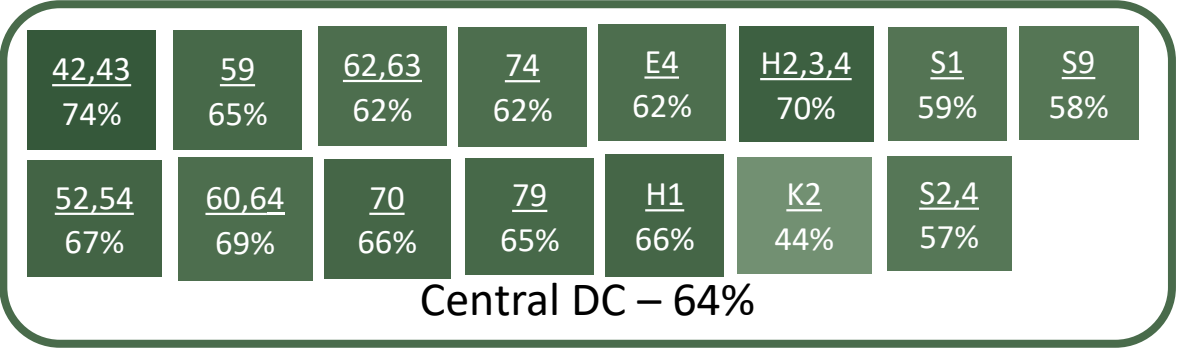
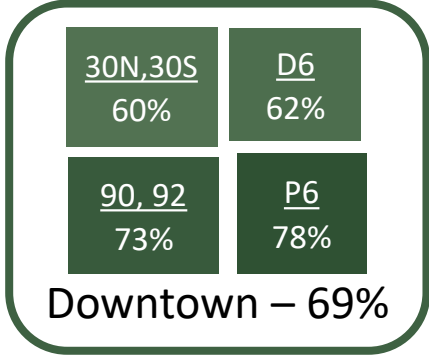




90% of riders whose primary bus route is the D1 would qualify by the program's final stage of expansion



Bus Route  
% Riders Eligible



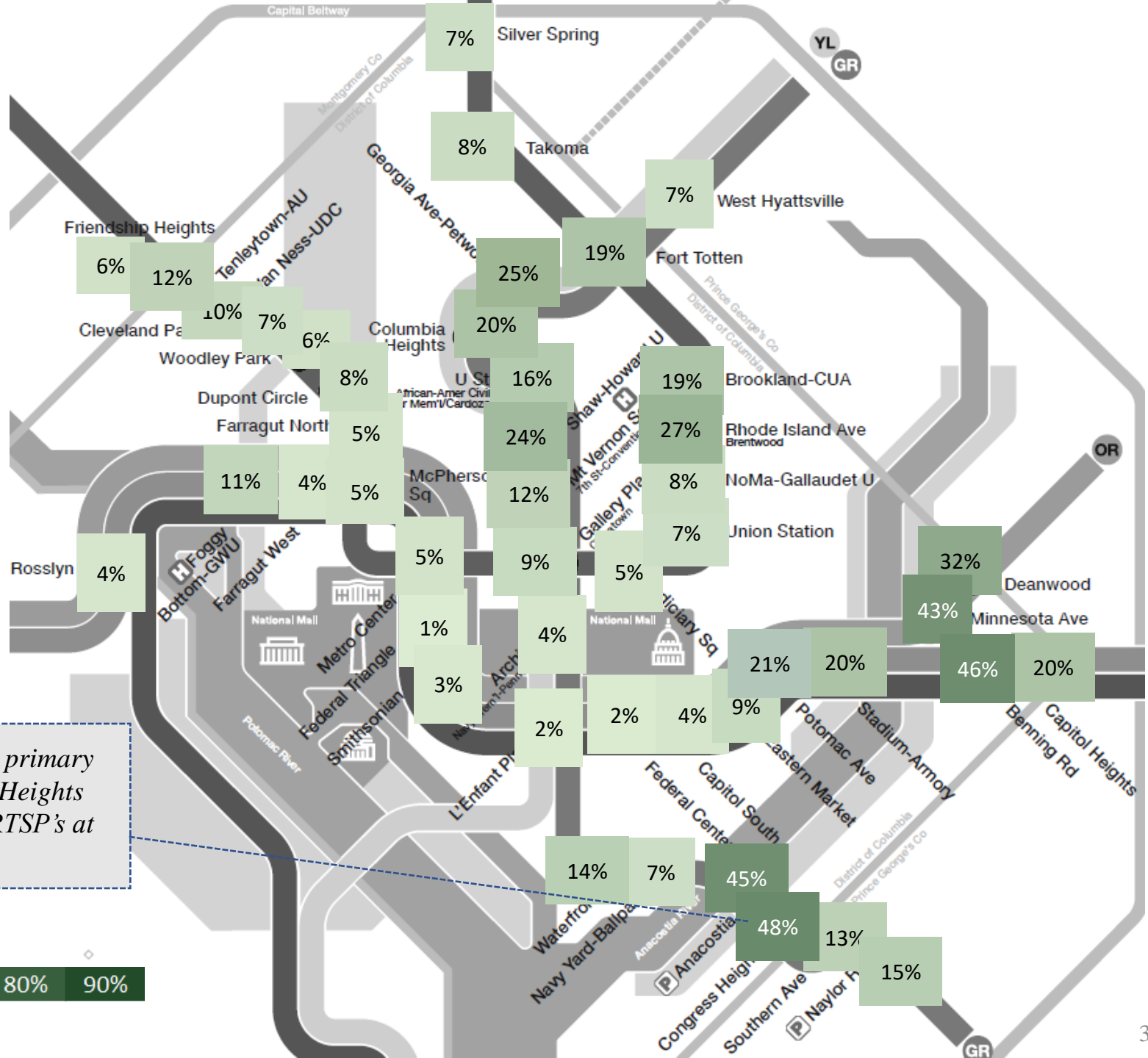
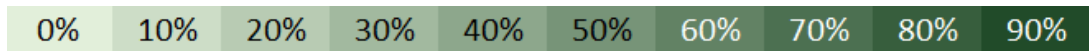
Which Bus Routes Do DRTSP Eligible Riders Use?   
*Tranche 4 Cumulative Eligibility Rate by Riders' Primary Bus Route*

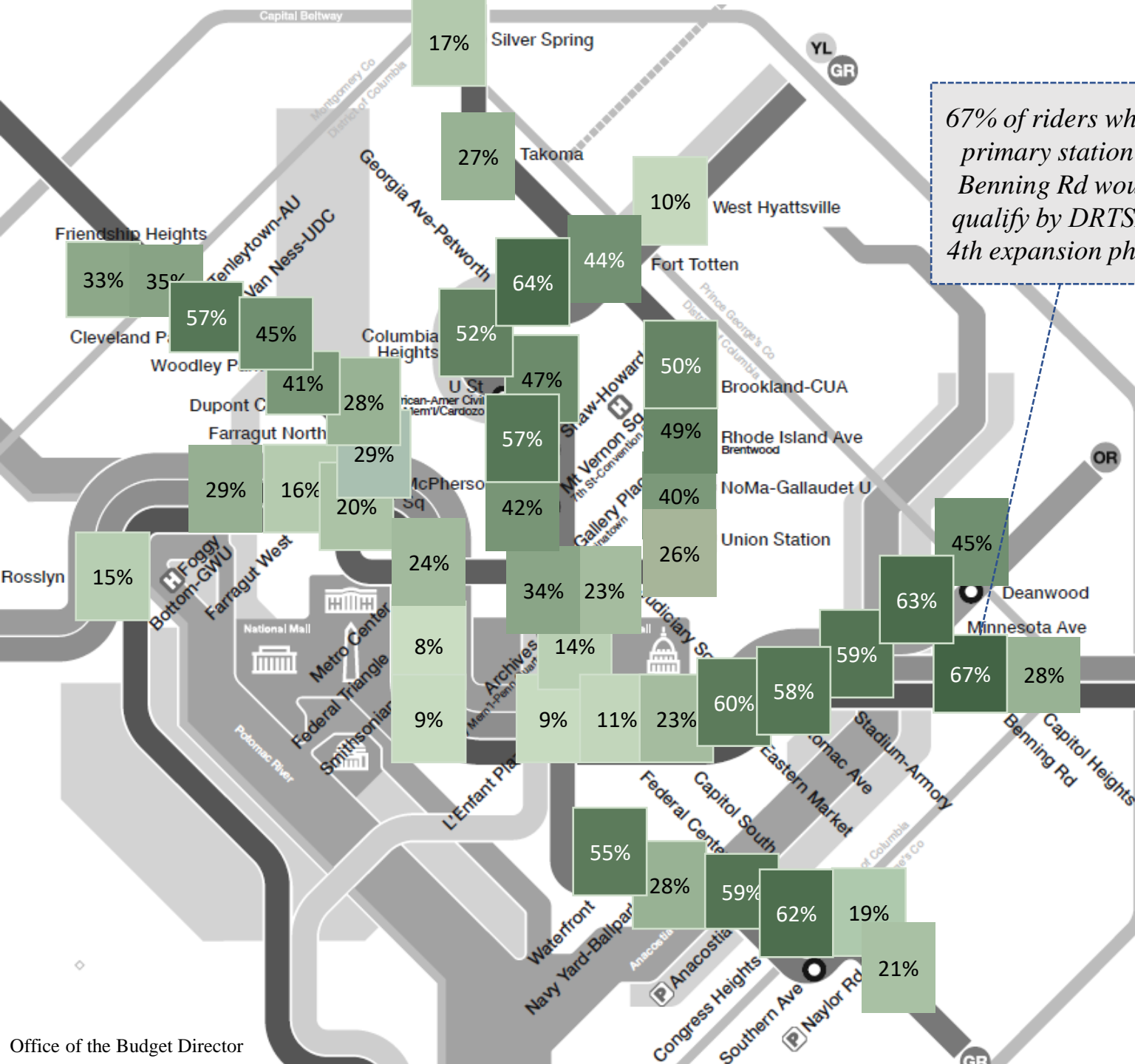
# Which Metro Stations Do DRTSP Riders Use?




**Tranche 1**  
*Eligibility Rate by Riders' Primary Station*

48% of riders whose primary station is Congress Heights would qualify for DRTSP's at Tranche 1

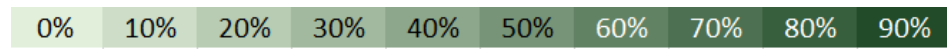


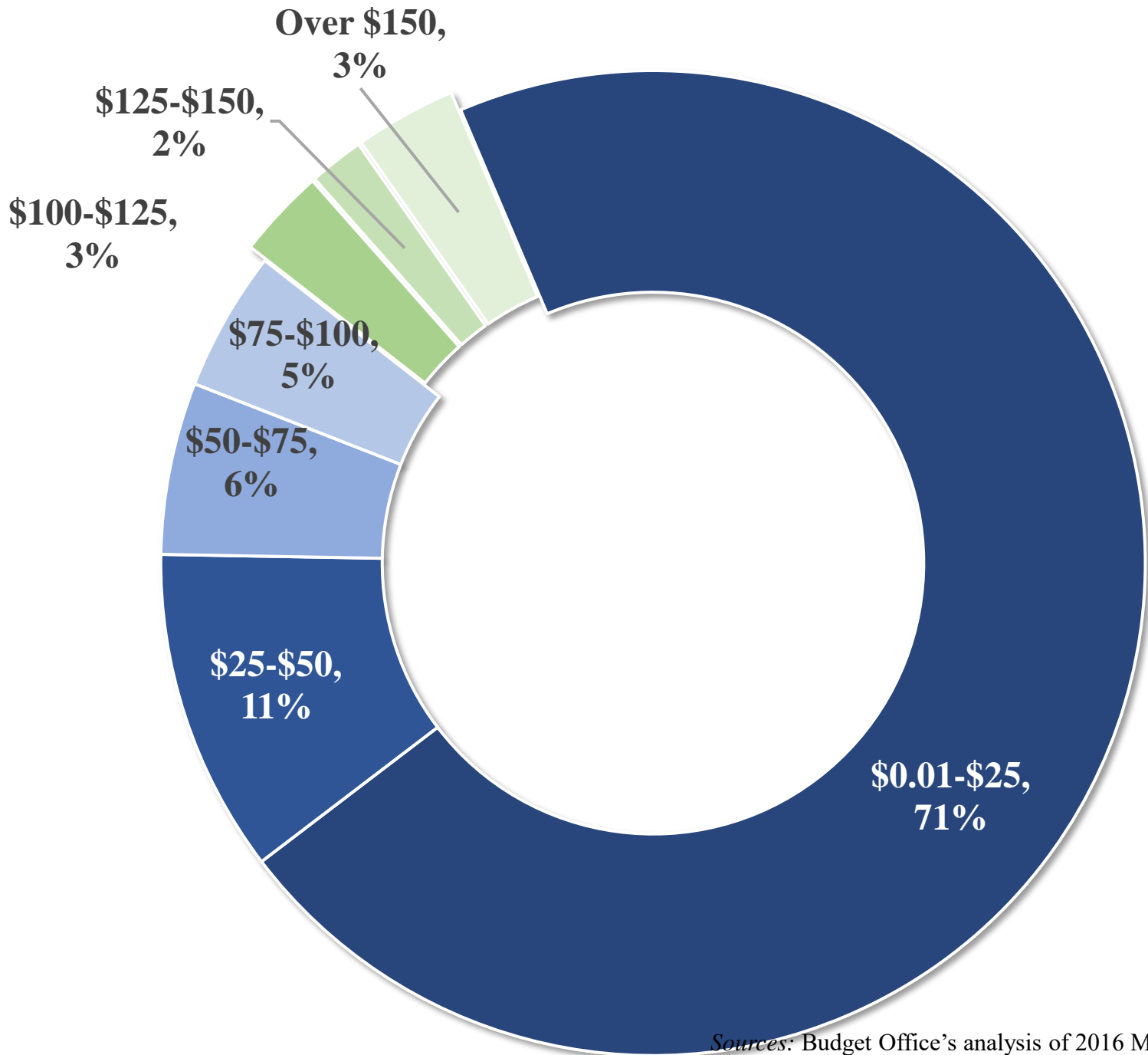


# Which Metro Stations Do DRTSP Riders Use?



*Tranche 4 Cumulative Eligibility Rate by Riders' Primary Station*





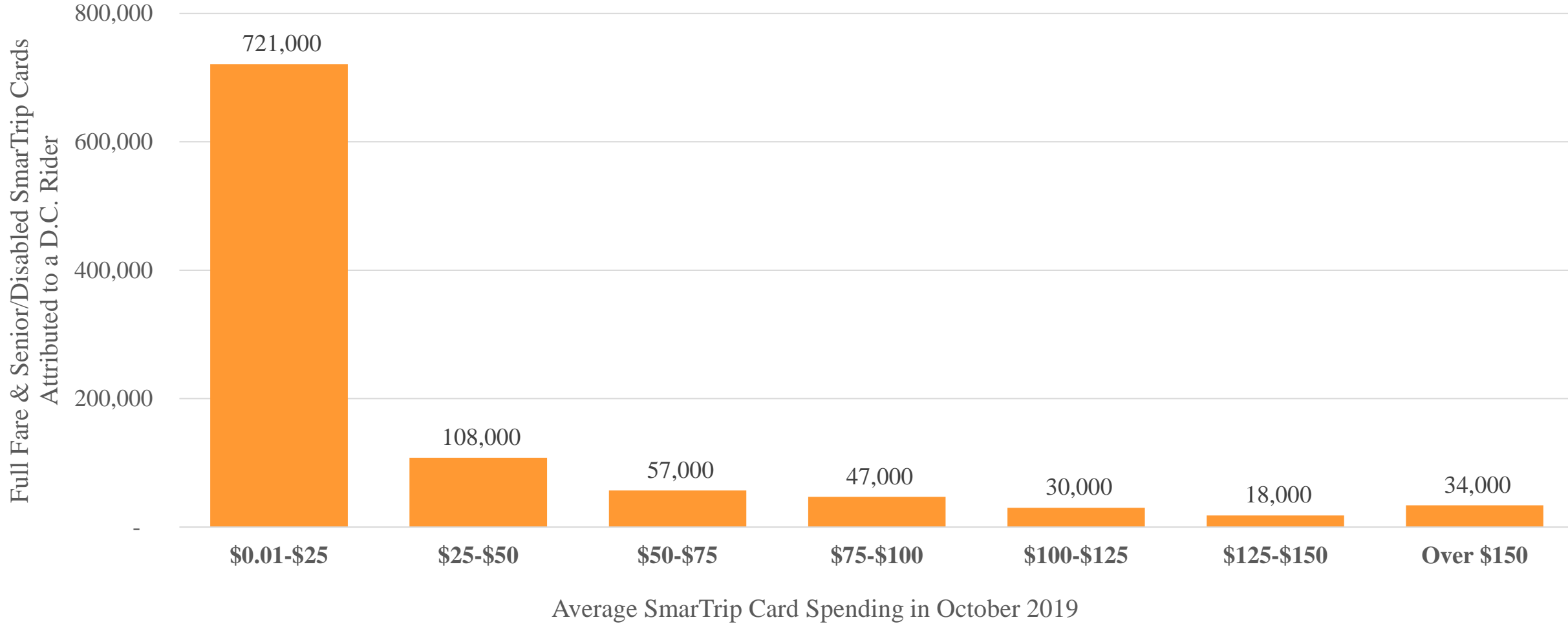
**92%**  
of full fare &  
senior/  
disabled  
cards in D.C.  
are tapped  
less than  
\$100 per  
month

Sources: Budget Office’s analysis of 2016 Metrorail and 2018 Metrobus Passenger Surveys and SmarTrip transaction data

Note: Cards that WMATA attributes to a “home” station that the Budget Office determined is in D.C.

# Most D.C. SmarTrip Cards Are Tapped Less Than \$25/Month

Spending on Full Fare & Senior/Disabled SmarTrip Cards Attributed to a D.C. Rider, October 2019



Source: Budget Office’s analysis of SmarTrip transaction data Note: Cards that WMATA attributes to a “home” station that the Budget Office determined is in D.C..



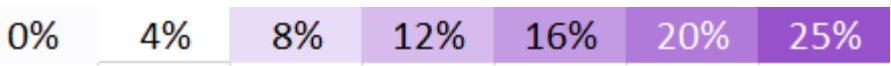
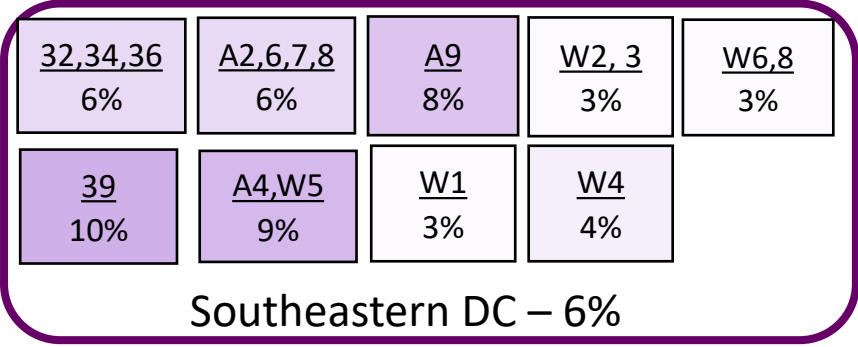
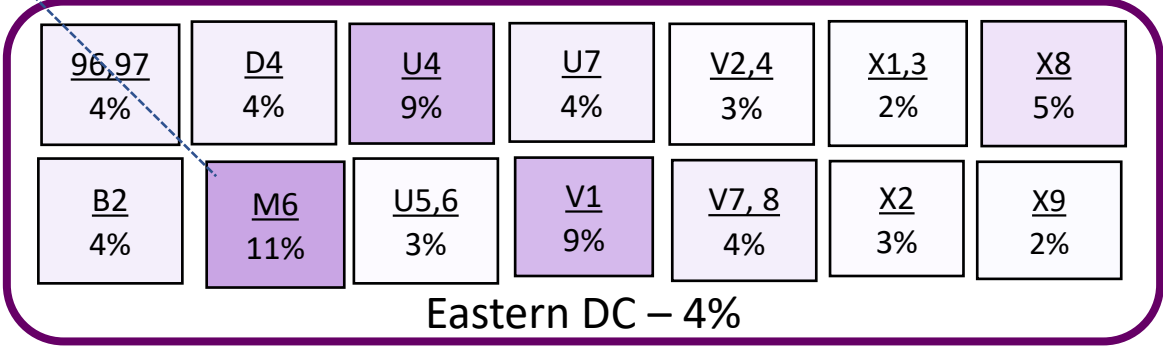
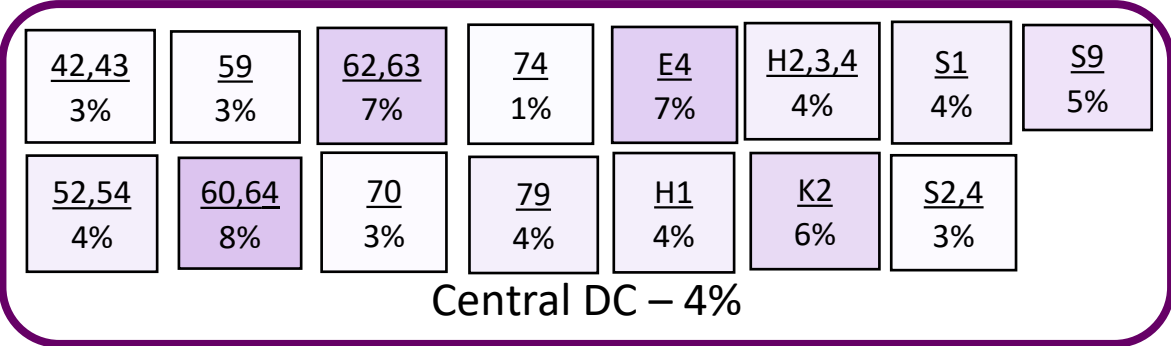
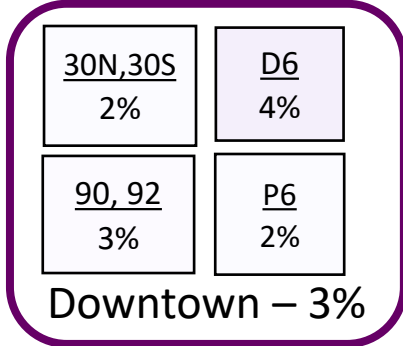
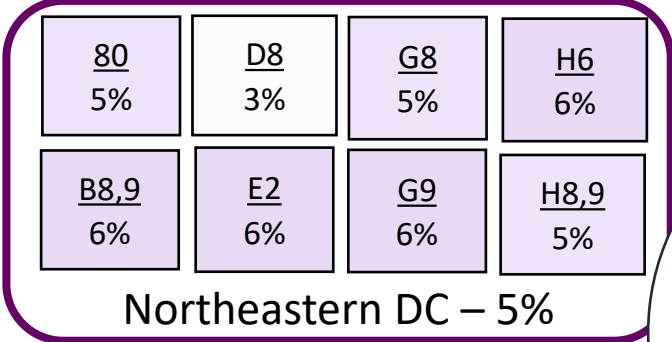
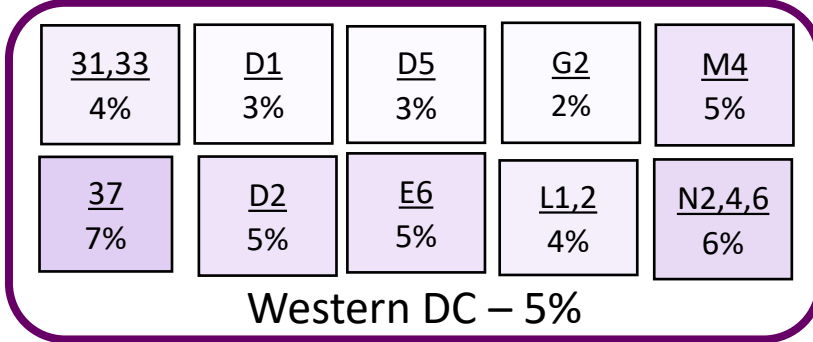
# Which Bus Riders Tap Cards More Than \$100/Month



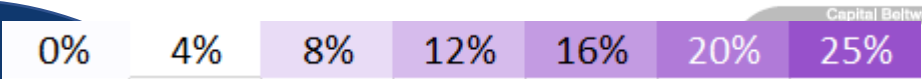
Bus Route  
% Riders Spend  
More than \$100  
Per Month,  
Pre-Pandemic

11% of riders  
whose primary  
bus route is the  
M6 spend more  
than \$100 per  
month on transit,  
pre-pandemic

**4%**  
of D.C. full fare  
& senior/ disabled  
bus riders tapped  
more than  
\$100/month, pre-  
pandemic



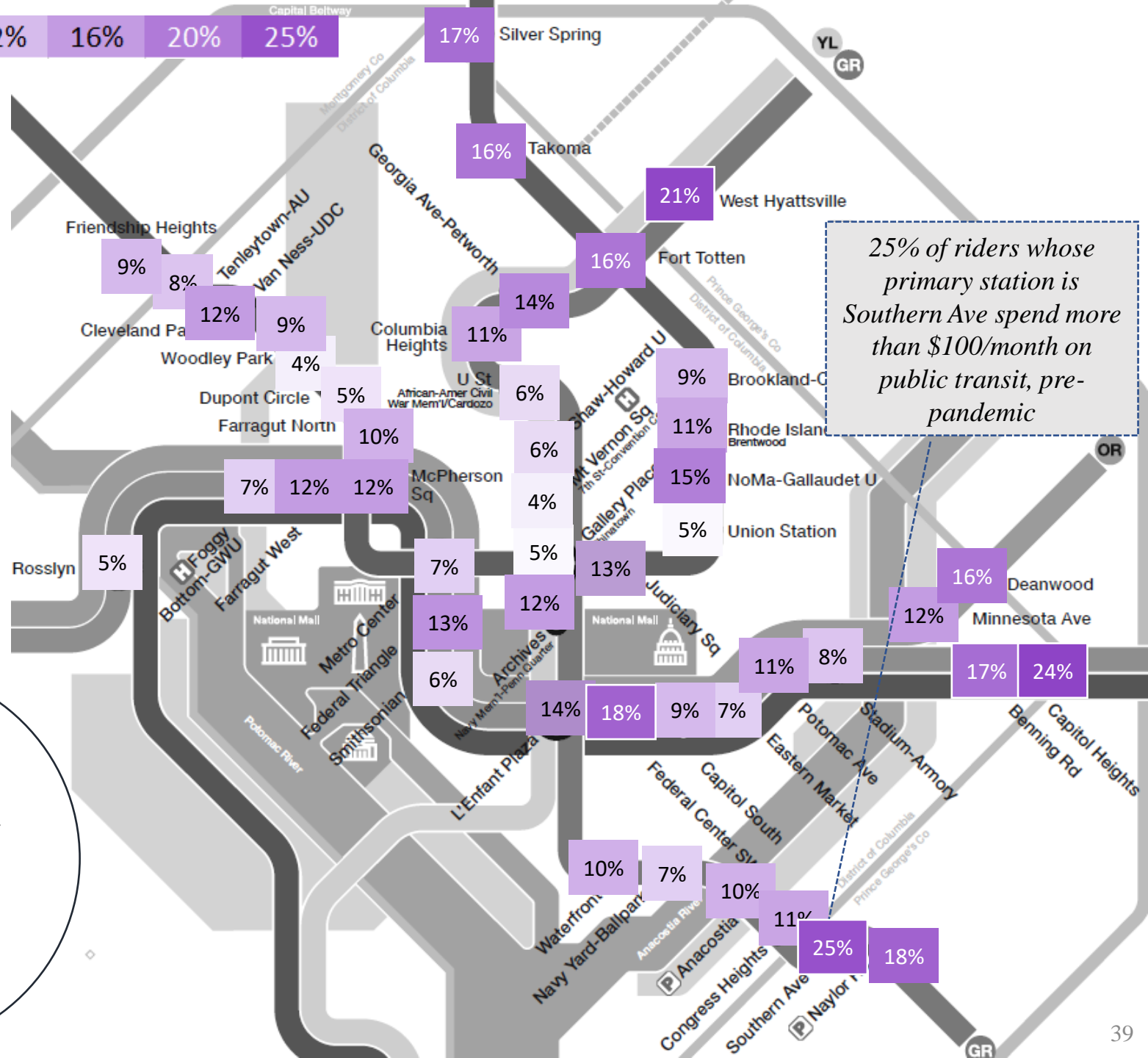
Source: Budget Office’s analysis of SmarTrip transaction data Note: Cards that WMATA attributes to a “home” station that the Budget Office determined is in D.C..



# Which Rail Riders Tap Cards More Than \$100/Month?

Sources: Budget Office's analysis of SmarTrip transaction data  
 Note: Cards that WMATA attributes to a "home" station that the Budget Office determined is in D.C..

**9%**  
 of D.C. full fare & senior/ disabled rail riders tapped more than \$100 in October 2019



25% of riders whose primary station is Southern Ave spend more than \$100/month on public transit, pre-pandemic

# How Much Will Riders Spend If They Receive the DRTSP?

Cumulative Subsidy Spending in Four Different Ridership Scenarios (in \$ millions)



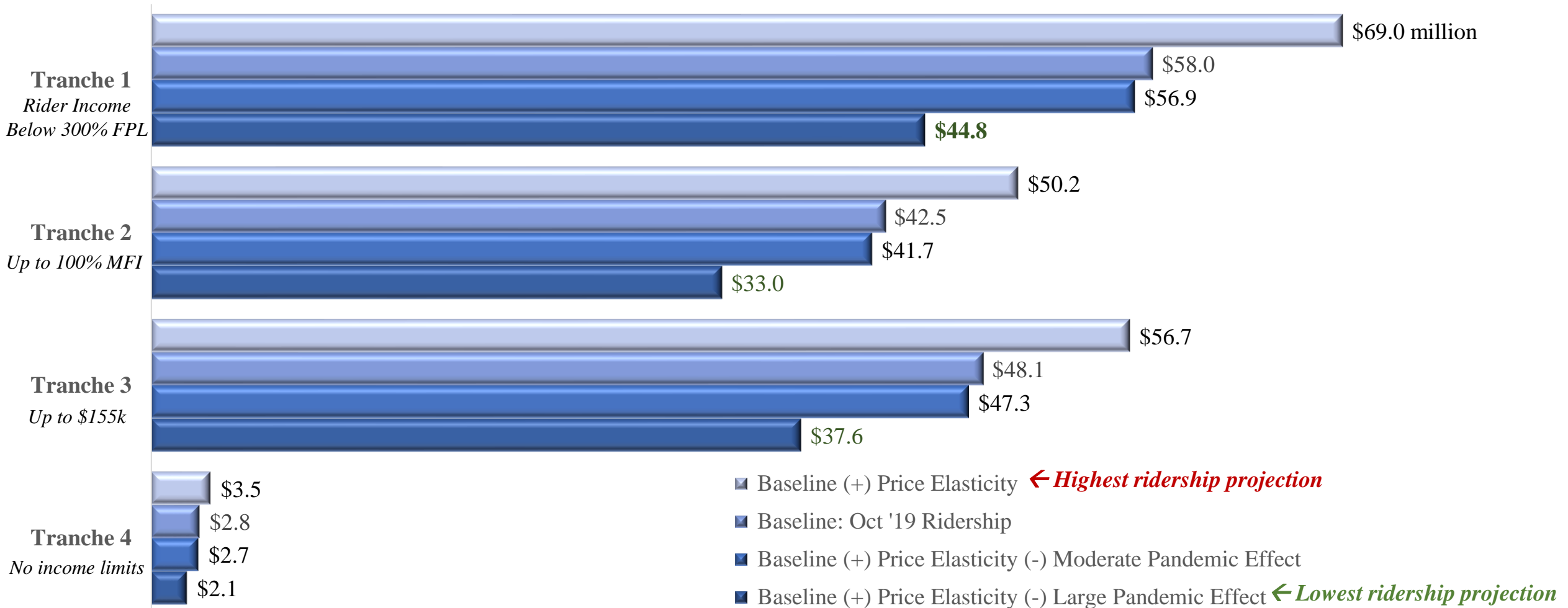
Sources: Budget Office's analysis of the 2016 Metrorail and 2018 Metrobus Passenger Surveys and SmarTrip transaction data

Note: Eligibility for Metrorail passengers cannot be distinguished between Tranche 3 and 4 due to the limitations of the data source.



# How Much Will Each Tranche Spend If They Receive the DRTSP?

Estimated Range of Cumulative Subsidy Spending at Each Expansion Phase (in \$ millions)



Sources: Budget Office's analysis of the 2016 Metrorail and 2018 Metrobus Passenger Surveys and SmarTrip transaction data

Note: Eligibility for Metrorail passengers cannot be distinguished between Tranche 3 and 4 due to the limitations of the data source.

# Conclusion

# Takeaways

DRTSP builds on existing transit subsidies

Public transit use and vehicle ownership rates differ across the District

Low-income riders and Black riders are less likely to have access to workplace transit subsidies

Bus riders would be more likely to be DRTSP eligible than rail riders

DRTSP eligibility rates will differ across the District

Most full fare & senior/disabled riders D.C. riders spend less than \$25 per month on public transit

Some riders would still have out of pocket transit costs after receiving the DRTSP

DRTSP rider spending depends on price elasticity of demand and pandemic-induced changes to ridership

# Questions & Contact



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