

Operational Considerations of Implementing the New Free Youth Transit Pass Policy

Washington State Ferries

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Washington State Transportation Commission Meeting
July 20, 2022

Agenda

- Direction in Law
- Potential Revenue Impacts
- WSF Implementation Considerations
- WAC Policy Changes
- Fare Setting Schedule



Direction in Law

Move Ahead Washington Resources Bill (ESSB 5974) – Sec. 421

*Consistent with RCW 47.60.315(1)(b), the commission shall adopt an annual fare policy for Washington state ferries to allow **all riders 18 years of age and younger to ride free of charge on all system routes**. This fare change **must apply to both walk-on passengers and passengers in vehicles**. The commission is directed to make the initial fare policy change **effective no later than October 1, 2022**.*

Potential Revenue Impacts

In early January, WSF made a preliminary estimate of \$1.6-2.2 million per year as necessary to fund this exemption. Subsequently:

- **\$32 million** was allocated to fund the exemption over the 16-year period of the Move Ahead Washington Bill
- **\$600,000** was appropriated to fund the exemption for the 2021-23 biennium

For the adopted June 2022 Forecast, WSF refined the youth fare exemption revenue loss based on a detailed review of actual youth ridership data by route

- For FY 2024 (the first full fiscal year of the exemption), youth base fare revenue loss is expected to be \$3.67 million, with another \$0.49 million in surcharge revenue loss, for total revenue loss of up to \$4.16 million
- Over 16 years, an additional \$39 million may be necessary to fund the youth fare exemption under the Baseline Forecast (no additional fare increases)
 - *The amount could be as high as \$51 million with continued 2.5% fare increases each October under the Alternative 1 Forecast extended through FY 2038*

WSF Implementation Considerations

WSF has been meeting with the Puget Sound Regional Council's Transit Executive Mobility Partnership Regional Fare Policy Subcommittee since April.

- Some of the things being assessed:
 - Regional marketing centered around “Free Youth Transit Pass”
 - Most of the regional transit agencies are targeting September 1 implementation to coincide with the beginning of the school year.
 - Strong support for use of the ORCA Youth Pass to activate the free fare
 - WSF will also encourage use of ORCA Youth Pass to facilitate youth transactions

WSF Implementation Considerations

- A WSF internal work group is resolving additional implementation considerations which include:
 - **Safety and Security Challenges**
 - Accurate count of passengers required by the U. S. Coast Guard
 - **Signage Changes**
 - Signage will need to be updated to reflect the fare change
 - **Sale of discount fares at unstaffed kiosks**

Proposed WAC Policy Change

- **WAC 468-300-010 – Ferry Passenger Tolls**
 - **Current Policy Language**
 - CHILDREN/YOUTH - Children under six years of age will be carried free when accompanied by parent or guardian. Children/youths six through eighteen years of age will be charged the youth fare, which will be 50% of full fare rounded down to the nearest multiple of \$0.05.
 - **Proposed Policy Language**
 - CHILDREN/YOUTH – Children/youth passengers eighteen years and under will ride free of charge on all system routes.

Proposed Fare Setting Schedule

- Because the Legislature has explicitly directed the Commission on this exemption, the policy can be implemented through the **CR-105 expedited rulemaking process**.

Date	Milestone
May 18, 2022, WSTC Meeting COMPLETE	<ul style="list-style-type: none">• Work Session / Present Proposed WAC Changes• Commission take action to begin the CR-105 expedited rulemaking process
June 22, 2022 COMPLETE	<ul style="list-style-type: none">• WSTC Files CR-105 Expedited Rulemaking Form (by noon)
August 23, 2022	<ul style="list-style-type: none">• WSTC Files CR-103P Rulemaking Form
September 24, 2022	<ul style="list-style-type: none">• Rule goes into effect
October 1, 2022	<ul style="list-style-type: none">• 18 & Under Free Passenger Fare Policy goes into effect

Questions?

For additional information, please contact:

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