



January 12, 2011

To: House and Senate Transportation Chairs and Ranking Committee Members

Re: Report on Charitable Organization's Discount Transit Passes Pilot Program

Attached for your information and review is a legislatively required report that evaluates a pilot program to provide half-price transit fares to qualified charitable organizations. This program was required in 2009 legislation (2009 Session Laws, Chapter 36, Article 3, Section 27). The report was to be submitted by January 15, 2011.

The report consists of three components: a cover letter from Metro Transit's General Manager, Brian Lamb, which provides a summary of the program; the report which provides more details about the pilot program; and testimonial letters supporting the pilot program and its outcomes. This law required that as part of the demonstration that Metro Transit work with participating charitable organizations to assist with data collection and to evaluate this pilot program.

If you have any questions about this report, please feel free to contact Metro Transit's General Manager, Brian Lamb, at 612-349-7510 or Government Affairs Director, Judd Schetnan, at 651-602-1142.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Weaver', written over a white background.

Thomas H. Weaver
Regional Administrator



January 14, 2011

Dear Transportation Committee Chairs and Ranking Members:

Attached is a report on a highly successful test program to sell half-price transit fares to Eligible Charitable Organizations assisting those who are homeless. The pilot program was outlined in Minnesota Laws 2009, Chapter 36, Article 3, Section 27, which required the filing of this report by January 15th.

During the demonstration program eight social service agencies purchased nearly 160,000 transit tokens for their clients. The retail price exceeded \$250,000, but the purchase price to the agencies was about \$125,000, greatly extending their ability to offer more transportation to more clients. The report outlines a second smaller program in which the Salvation Army purchased rechargeable Go-To smartcards – instead of tokens – to provide a more convenient transit pass to long-term clients.

As part of the demonstration, the Eligible Charitable Organizations collected survey information from clients about the purpose of transit trips, days of week and time of travel to establish a baseline of usage. Some of the agencies also provided testimonial letters supporting the pilot program and its outcomes. Those letters are attached to the report.

The legislatively mandated program is scheduled to expire – by law – on March 15th. Given the program's success, however, Metro Transit proposes to continue it throughout 2011 and expand it to additional Eligible Charitable Organizations serving homeless populations, capping our revenue loss this year at \$250,000. We commit to this with considerable concern since we face an uncertain financial future given the state budget deficit and underperforming MVST proceeds. We did, however, increase sales in 2010 in our Jobseekers program for the unemployed seeking work. We can use that revenue in 2011 to expand the homeless transportation program. If we do, indeed, approach the \$250,000 figure, we will re-evaluate at the appropriate time to see if we can do more.

I would be pleased to answer any questions you may have about the report or our commitment to continue the program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian J. Lamb'.

Brian J. Lamb
General Manager

Enc: Eligible Charitable Organization Discount Transit Passes Pilot Program

A service of the Metropolitan Council

January 14, 2011

Metro Transit

Eligible Charitable Organization Discount Transit Passes Pilot Program

Legislative Pilot Program Requirements

The Minnesota Legislature by Minnesota Laws 2009, Chapter 36, Article 3, Section 27, directed the Metropolitan Council to establish a pilot program and policies to sell transit fare media at a 50 percent discount to eligible charitable organizations for use by homeless individuals.

Eligible Charitable Organizations include charitable organizations described in section 501(c) (3) of the Internal Revenue Code that provides services to homeless individuals. Homeless individuals or persons are defined by Minnesota Statute; section 116L, subdivision 5.

The pilot program shall terminate on March 15, 2011. The pilot program must include:

1. An organization located in Minneapolis that provides a homeless shelter, a homeless street outreach program, and sober housing to American Indian women recovering from chemical dependency.
2. An organization located in Minneapolis that provides transitional apartments for homeless families as well as walk-in services for single adults, including meals and a food shelf.

Legislative Reporting Requirements

By January 15, 2011, the chair of the Metropolitan Council shall prepare a report and submit it to the chairs and ranking minority members of the Senate and House of Representatives committees having jurisdiction over transportation. The chair shall prepare and submit the report with existing agency staff and resources. The report must be made electronically and available in print only upon request.

The pilot program report must include:

1. A list of sales made under this subdivision, including organization name and volume of fare media purchased
2. Costs of providing the discounted service and revenue impact on the Council's transit system.

The report must be prepared in consultation with representatives from the charitable organizations participating in the pilot program.¹

¹ Metro Transit has worked closely with the participating organizations in the development and administration of this program throughout the last 15 months and understands the report reflects their experience as a worthwhile effort. The participating organizations were invited to provide a letter of their perspective with this report and those letters received are attached.

Pilot Program Participants

The following organizations participated in the pilot program policy and procedure development:

ECO Organization	Address	Contact Person(s)
Sharing and Caring Hands	525 N 7 th Street, Mpls	Charlotte Kinzley
Avenues for Homeless Youth	1708 Oak Park Ave N, Mpls	Peter Fischer
Catholic Charities	1200 2 nd Ave S, Mpls	Pamela Kinsella
Freeport West	2219 Oakland Avenue, Mpls	Dorothy Abellard
St. Stephens	2211 Clinton Ave S, Mpls	Kenza Hadj-Moussa, Cathy Heying
Salvation Army	1010 Currie Ave N, Mpls	Carina Ruhlandt
Youthlink	41 N 13 th St, Mpls	Jamie Wetter
Dignity Center/Hennepin UMC	511 Groveland Ave, Mpls	Mary Martin

Pilot Program Description

1. **Agreement** - an agreement was formulated to formalize the partnership between the Council and the ECO organizations. The agreement also assured that the ECO organizations met the legislative requirements:
 - a. The organization's 501 (c) (3) status is documented through a current IRS Determination letter or Form 1023 covering the period of the program.
 - b. The organization's "services for homeless individuals" documented through IRS for 990 stating the organization's purpose and/or organization bylaws describing services to homeless individuals.
 - c. Agreement to be signed by ECO organizations and Metropolitan Council establishing program terms including a firm understanding that the organizations will provide the discounted transit fare media only to those receiving "services to the homeless."
2. **Transit Fare Usage Documentation** – ECO organizations worked with Metropolitan Council to develop a simple form to be completed by clients for each transit fare received. The form was designed to be machine readable to streamline data tabulation.
3. **Transit Fare Media** - Tokens were chosen as the fare media to use for the pilot as they are durable and offer flexibility. Agencies can give a number of tokens to a client based on the client's specific need.
4. **Transit Fare Media Purchasing Process** – a process was developed whereby the ECO organizations fax an order form to Metro Transit Sales Operations. The order is filled and billed to the organization at the 50% discounted rate. Tokens are generally available for pick up at Metro Transit with 1 day of placing the order.

Costs of Administration

Administration of this program was handled with existing staff along with other similar orders for other programs. Administration costs were reduced with the cooperation of the participating organizations. These organizations agreed to pick up their orders, which eliminated delivery costs that would have been otherwise incurred.

Internal Metro Transit costs to administer the program for the 15 months between the end of September, 2009 and December 2010 totaled approximately \$4,600. Two organizational meetings and manual processing of survey forms were not included in these costs.

Estimated administrative efforts and costs for the program included:

1. Establishing initial agreement with participating organization including credit check, signatures and documentation review and approval. Estimated at five hours average for each of the eight organization agreements or approximately \$1,600. This is a one time cost per participating organization
2. Order processing consisted of receiving order via fax, reviewing payment status compiling and preparing the order for delivery and preparing invoice as well as cash application when payment received. These efforts are estimated to have averaged about 45 minutes per order for each of the 174 orders received or approximately \$3,000.

Summary of estimated administration costs:

Initial (one time) Set Up Costs	\$1,600	(approx \$200 per)
Ongoing Order Processing	\$3,000	(approx. \$18 per order)

ECO Sales and Ridership:

ECO Pilot Program Token Sales for the period of Sept. 30, 2009 through Dec. 21, 2010

Name	Tokens	Gross	Invoice Amt	Discount
Sharing & Caring Hands	45,200	\$71,190	\$35,595	\$35,595
Avenues for Homeless Youth	12,650	\$19,924	\$9,962	\$9,962
Catholic Charities – St. Paul & Minneapolis	26,550	\$41,816	\$20,908	\$20,908
Freeport West	14,750	\$23,231	\$11,616	\$11,616
St. Stephens Human Services	24,250	\$38,194	\$19,097	\$19,097
Salvation Army	6,750	\$10,631	\$5,316	\$5,316
Youthlink	23,650	\$37,249	\$18,624	\$18,624
The Dignity Center	5,100	\$8,033	\$4,016	\$4,016
Total	158,900	\$250,268	\$125,134	\$125,134

Ridership Characteristics

Through discussion with the participating organizations a process was developed to gather more detailed data on the ridership characteristics represented by this program. A brief survey form was

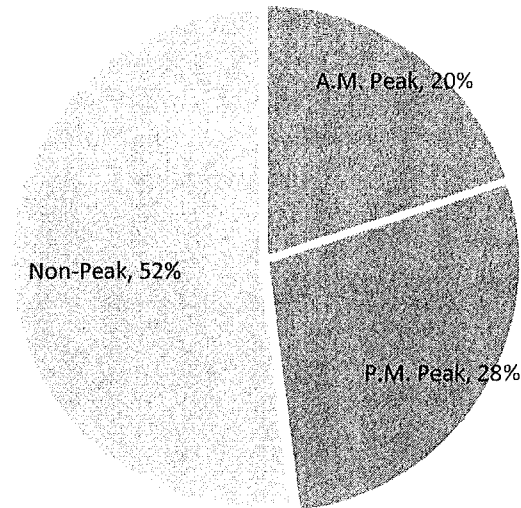
created for completion by the homeless who received the token(s). Participating organizations made their best efforts to gather the information. Due to many factors affecting individuals participating in this program, the completion rate of the surveys was an unknown when the program was established. Nevertheless, approximately 21% of the 158,900 tokens distributed resulted in survey forms being completed.

Data indicates slightly over half of the rides occurred in the non-peak hours, significant majority of rides occurred during the weekday rather than the weekend and reasons for use were varied with employment and housing cited most often as a reason for travel.

The following charts describe ridership characteristics as represented by the survey results.

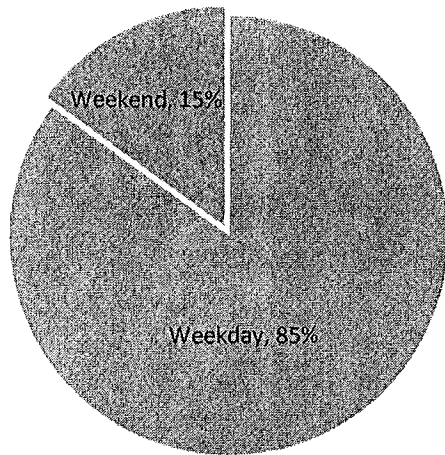
Slightly over half of the rides occurred in the non-peak hours.

ECO Program Ridership by Time of Day



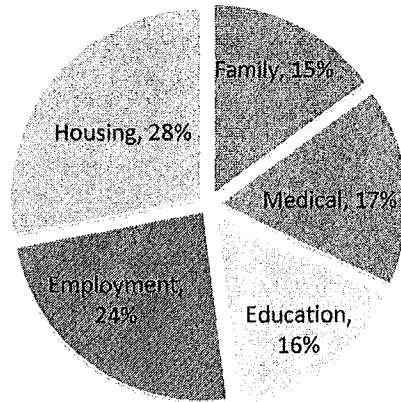
A significant majority of rides occurred during the week rather than the weekends.

ECO Program Ridership by Day of Week



Stated purposes of Employment and Housing accounted for over half of the rides.

ECO Program Ridership by Stated Purpose



ECO Go-To Card Pilot

In addition to the token distribution previously noted, Metro Transit partnered with the Salvation Army to address some needs that would be better served by using existing GoTo card technology. This program began in October of 2010 as a test case in development of the use of this technology.

GoTo cards were issued to the Salvation Army. Once per month the Salvation Army would advise Metro Transit of the value to be added to the cards via computer spreadsheet. Metro Transit would add the value electronically and then the cards would be available for continued use. This process eliminated the manual activity of providing and acquiring tokens and appeared to meet the needs of this customer group with the added benefit that some ridership characteristics are able to be accumulated by the system so no manual survey forms are required.

The requirement for a once per month addition of value of Transit Fares requires some assumptions of need by the Salvation Army but was not seen as overly cumbersome.

October 2010 through December 2010 Salvation Army Go To card purchases.

Quantity	Transit Fare	Gross Value	Discount/Invoice Amount
67	\$85 31-Day Passes	\$5,695	\$2,847.50
90	\$10 Stored Value	\$ 900	\$ 450.00
63	\$20 Stored Value	\$1,260	\$ 630.00
Total		\$7,855	\$3,927.50

These Go To cards were used in a total of 1,984 original boardings for the 3 months from October through December 2010.

January 11, 2011



CATHOLIC
CHARITIES

Providing Hope and Help

1000 University Avenue
St. Paul, MN 55102

Phone: 612-222-3333
Fax: 612-222-3334

Each year, 37,000 Minnesotans come to Catholic Charities because they have no other place to get help.

More than half of the people who visit our food shelves work at least one job. The number of people living in our emergency shelters who are homeless and work continues to increase.

Since the start of the pilot program with Metro Transit, we have saved \$20,908 by purchasing transit tokens at a discount. These tokens are given to our clients who are homeless.

Our clients want to work but need assistance getting to their jobs. In order to maintain jobs, many need regular medication and medical care for physical and mental disabilities. They lack the resources to find transportation on their own. Catholic Charities provides them with bus fare for medical appointments, work and job interviews.

Without the bus tokens, they couldn't get to their jobs or to medical appointments that help provide the care they need to maintain their jobs.

Demands on social services agencies such as Catholic Charities have reached levels never seen. While the need continues to grow, funding has, at best, remained flat. Ending poverty and homelessness requires a partnership and requires that government be at the table and help provide financial support.

Providing people with transportation to their jobs and to medical appointments that allow them to keep their jobs only makes sense. It is a small investment that pays significant long-term dividends.

We respectfully ask the legislature to fund this program.

Sincerely,

Tracy Berglund
Director of Housing

ending homelessness

st. stephen's HUMAN SERVICES

November 30, 2010

Minnesota House of Representatives
State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

To Whom it May Concern:

The Self-Sufficiency Discount Transit Pass bill has made an enormous difference for the clients we serve at St. Stephen's. In 2008, we interviewed over four hundred individuals experiencing homelessness about the importance of public transportation. Research from the interviews concluded that in addition to using the bus for job searches, public transportation is critical to meet needs in vital areas that include but are not limited to:

- Food (grocery stores, community meal sites)
- Health care (doctor appointments, trips to the pharmacy)
- Housing (apartment search, connect with social services)
- Education (adult education, interaction with children's schools)
- Family (tend to relatives, support)

Information collected by agencies who have participated in the Discount Transit Pass program has found similar outcomes, as reflected in the final report. St. Stephen's Human Services works with a wide range of clients, from families living at shelters who need Employment and Housing Services to single adults with multiple barriers who work with our Street Outreach team. Helping with transportation costs is often the only way an individual can come out of homelessness.

One of the St. Stephen's programs is the zAmya theater project. zAmya employs currently and formerly homeless youth and adults to create a script, rehearse and then perform a play that educates people about homelessness. This year, three young homeless actors joined the troupe and they received bus tokens to travel to and from rehearsals and performances. The actors are paid a stipend for their work with zAmya and most put it on a resume as job and leadership experience that can help move them out of poverty and homelessness. This is just one of the many examples of how this program is literally changing people's lives by enabling them to become more self-sufficient.

Thank you for your support. We hope to keep working with you over the session to make this pilot project a permanent program. The success over the last year for both nonprofit organizations and Metro Transit makes it clear that it is a winning combination for all involved.

Sincerely,

Cathy Heying
Human Rights Program Coordinator

2211 Clinton Ave S Minneapolis, MN 55404 T 612 874 0311 | F 612 874 0313 | ststephensmpls.org
Alliance of the Streets | Free Store | Employment & Family Services | Housing Services | Human
Rights
Kateri Residence | Programs to End Long-term Homelessness | Shelter | Street Outreach | zAmya Theater
Project

ending homelessness

st. stephen's HUMAN SERVICES

November 30, 2010

Minnesota Senate
Capitol Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

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Human Rights Program Coordinator

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Kateri Residence | Programs to End Long-term Homelessness | Shelter | Street Outreach | zAmya Theater
Project



January 5, 2011

To Whom It May Concern:

Freeport West has participated in the discount token program since its inception at Metro Transit.

Freeport provides a continuum of services which includes an array of supportive programs for homeless and at risk youth. The youth we serve rely heavily upon public transportation and most often do not have the means to always pay for their transportation needs. As a participant of Freeport our youth receive tokens for many different reasons. A token can be the difference between getting to a much needed job, to and from school, to shelter or back to Freeport to access basic needs and services.

2010 presented many financial challenges for many businesses; finding ways to maximize costs and services was critical. This past year Freeport was able to save approximately \$11,000 as a direct result of the discount token program. Due to your help, the funds we didn't spend on tokens were applied to other programming. This program allowed many organizations including Freeport the opportunity to provide assistance for transportation needs in a realized economical manner. Affordable transportation will continue to be a need for our participants. It would be a huge benefit to our organizations to see this program continue beyond the pilot period.

Freeport also wishes to acknowledge and say thank you to Metro Transit for their support of homeless and at risk youth.

Sincerely,

Ramona Wilson
Executive Director

RW/dma

2219 Oakland Avenue South Minneapolis, MN 55404
P 612 824 3040 F 612 824.0379

7722 Park Avenue Minneapolis, MN 55404
P 612 874 1936 F 612 874.6516

905 Selby Avenue Saint Paul, MN 55104
P 651 222 3504 F 651 225 1041

www.freeportwest.org



DOING THE MOST GOOD

The Salvation Army

Founded in 1865 by William and Catherine Booth

December 24, 2010

Tom Randall
Metro Transit
560 6th Avenue North
Minneapolis MN 55411

Shawn Dillon
General

Mark Jones
Regional Coordinator

Colonel Lyle Spivey
Divisional Coordinator

Dear Mr. Randall:

William Miller
Executive Director

Earlier this year, The Salvation Army was chosen as one of the participating agencies in Metro Transit's pilot of the Eligible Charitable Organization reduced-fare (ECO) program. As you know, this program allows agencies to purchase media fare at half-price and distribute it to clients.

The Salvation Army has primarily implemented this at the Harbor Light Center in downtown Minneapolis. The Harbor Light Center operates the largest homeless shelter in the state of Minnesota, as well as transitional housing programs and a state-licensed chemical dependency treatment program. Over the last 18 months, we have significantly increased our efforts to move people out of homelessness and into permanent housing—over 300 people moved into permanent housing from our shelter last year alone.

Metro Transit's ECO program has aided us in this effort by enabling us to stretch our limited funds. We have been able to increase the number of bus tokens and bus cards we purchase for clients because of the ECO program. As a result, clients can take transit to look for jobs, attend college or vocational training classes, access health care and look for housing. This also maximizes the capacity of our case workers who help clients look for housing and access health care and other community resources.

It is our hope that the ECO program will become a permanent part of Metro Transit's service in our community. A bus token may seem like a small thing, but affordable transportation can be a large barrier to finding housing or work in a city as large as Minneapolis. The ECO program bridges this gap for our clients on a daily basis.

We look forward to continuing our partnership with Metro Transit in the New Year.

Sincerely,

Envoy William Miller
Executive Director

WM/crr

THE SALVATION ARMY HARBOR LIGHT CENTER



Sharing & Caring Hands

DEDICATED TO SERVING THE POOR

525 North 7th Street
Minneapolis, Minnesota 55405
(612) 338-4640

November 30, 2010

Dear Members of Legislature:

We are extremely grateful for the ability to participate in the Discount Passes Pilot Program for eligible charitable organizations. This discount has enabled us to meet the increased need for transportation assistance for people in poverty. This year in particular, we have seen a rise in the number of people in need of basic services and having this discount has helped us to meet the growing demand.

Sharing & Caring Hands serves the homeless and those in poverty in the Twin Cities Metropolitan area. We provide shelter, food, clothing, and many others services to help support low-income residents in our community. Access to transportation is essential to the well-being and improvement of the lives of those in poverty. We see many people who have just been hired at a job and need transportation assistance until they receive their first paycheck. We see others who have medical needs or other important appointments for which they need transportation assistance.

We cannot overstate our appreciation for this program and for the benefits that we received as an organization and for those individuals we serve. Thank you for approving this pilot and we hope that this can continue and be broadened to serve a greater number of people in our community.

Sincerely,

Mary Jo Copeland

Founder & Director of Sharing & Caring Hands



January 13, 2011

Representative Michael Beard
Chair, House Transportation Policy and Finance Committee

Representative Frank Hornstein
DFL Lead, House Transportation Policy and Finance Committee

Senator Joe Gimse
Chair, Senate Transportation Committee

Senator D. Scott Dibble
Ranking DFL Member, Senate Transportation Committee

Dear Leaders and Members of the House and Senate Transportation Committees:

Avenues for Homeless Youth strongly supports and encourages making permanent or continuing the Discount Transit Passes Program that enables charitable organizations to purchase transit passes at 50% discount for use by homeless Minnesotans.

Avenues is a Minnesota charitable organization that provides shelter and transitional housing with supportive services to 150 homeless youth ages 16 to 21 every year. We do this through two programs – (1) a 16 bed shelter and transitional housing program in North Minneapolis and (2) the GLBT Host Home Program for 10 youth. You can learn about Avenues at www.avenuesforyouth.org.

Avenues was pleased to participate in the Discount Transit Passes Pilot Program, as established by the 2009 Minnesota Legislature. This pilot program enabled Avenues to increase by 36% the number of transit passes we provide to the homeless youth we support. Youth used the additional passes to get to appointments, school and work. At the same time, Avenues was able to expand other programming for our youth with the net savings from the program.

We were grateful for the opportunity to participate in the pilot and encourage the program's continuation. If you have any questions, please call me at 612-801-1935. Thank you for your consideration.

Sincerely,

Deborah Loon
Interim Executive Director