

**MUSKEGON AREA TRANSIT SYSTEM  
PROPOSAL FOR SYSTEM-WIDE FARE POLICY ADJUSTMENTS  
TO BE PHASED IN BEGINNING AUGUST 1, 2017**

The Muskegon Area Transit System is proposing to make changes to fare policies and selected fares. Below is a summary of the changes proposed, followed by additional information regarding this proposal. A 30-day public comment period will be held from May 1, 2017, to May 30, 2017, regarding this proposal. During this period, interested persons may submit written comments to:

Muskegon Area Transit System  
Attn: Transit Systems Manager  
2624 Sixth Street  
Muskegon Heights, MI 49444

A public hearing will be held to gain input on these proposals at the Muskegon County Hall of Justice, 990 Terrace Street, Fourth Floor Board Chambers, on Thursday, May 18, 2017, at 3:30 pm. Please arrive early as all persons entering the Hall of Justice must pass security screening.

The proposed changes will:

- 1.) Change the Definition of the Terms “Elderly” or “Senior” as related to MATS Fare Policies and Service Eligibility from those “Age 60 and Over” to those “Age 65 and Over.”
- 2.) Implement Revised Procedures for Managing the MATS Fixed Route Discount Fare Card Program.
- 3.) Revise MATS Fare Policy Regarding Free Rides for Children through Five (5) Years of Age.
- 4.) Formalize MATS Customer Policy Regarding Unaccompanied Minors

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**Background**

- A. The Muskegon Area Transit System (MATS) operates fixed route and demand-response public transit service throughout Muskegon County. These services are funded primarily by federal and state grants, local community contributions, and fares paid by passengers of the system.
  
- B. The cost of providing public transportation services continues to increase. Through the recent period of economic downturn, MATS expanded services to provide additional mobility options to the community. Now, with improving economic conditions, the fare revenues that MATS relies on to support the system, as well as other local revenues, are not keeping pace with the local match need. The reality of increased operating losses to the MATS fund must be addressed.
  
- C. The MATS program is subject to a number of regulatory requirements and service provisions. One of these is the requirement that MATS offer discounted fares for the elderly, disabled, and Medicare card-holders during non-peak hours. MATS' existing approach to this requirement was developed many years ago and is no longer adequate and sustainable. To provide a better service under this regulation and to ensure a long-term sustainable approach to public transit, MATS needs to implement fare policies and procedural adjustments to allow continued improvement of the public transportation program.
  
- D. MATS has identified the first step in a series of action steps to be implemented to meet its regulatory requirements and to address the increasing costs and insufficient revenues that are impacting the system's responsiveness to community needs and long-term financial sustainability. The steps outlined in this proposal will begin to position MATS for future success in implementing public transportation improvements.

## **Proposed Actions**

### **1) Change the Definition of Terms “Elderly” or “Senior” as related to MATS Fare Policies and Service Eligibility.**

“Elderly” persons or “Seniors” are currently defined by MATS as those being age 60 or over. MATS proposes to change the age definition of Seniors and Elderly persons to be those age 65 or over, as permitted by its regulatory guidelines, and is used commonly throughout many public services. This change is proposed to take effect August 1, 2017.

This change will have two anticipated impacts on the customers of MATS. First, this change will cause a population of fixed route bus riders between the ages of 60 and 64, who currently access half-price fares on the fixed route bus service, to pay full fare (unless they qualify for some other discount) until they reach age 65 and become eligible for the MATS Senior discounted fare again at that age. Further, customers that are approaching the age of 60, but have not yet attained it, will need to wait additional time before being eligible for the Senior discounted fare.

The second impact of this change is that persons that may automatically qualify for access to the current MATS GoBus program at the age of 60 will now not automatically qualify (absent a disability or other qualifying characteristic) until they reach the age of 65. As the MATS GoBus program is very limited in capacity and carries few people between the ages of 60 and 65 that qualify solely on the basis of age, this impact is expected to be minimal. Persons between the ages of 60 and 65 that are currently registered as GoBus clients will remain eligible for the current service they receive, but new registrants will need to meet the higher age requirement or qualify through other means.

### **2) Implement Revised Procedures for Managing the MATS Fixed Route Discount Fare Card Program.**

Federal guidelines require MATS to provide a half price fare program on its fixed route buses for the elderly, persons with disabilities, and Medicare cardholders. Design and management of the discount program is largely a local decision. Over many years, the MATS system has been loosely designed and implemented and is believed to have resulted in liberal, inappropriate, or even fraudulent access to discount bus fares. The current system does not permit adequate MATS oversight and management of eligibility for the discounting process and exposes the MATS Bus Operator to unnecessary misunderstandings and conflicts at the farebox. As MATS is very dependent on the fares paid by passengers, and as most people can respect a well-run system, MATS proposes to make changes to the discount fare program.

MATS proposes the following changes to its fixed route Discount Fare program.

- Age-related eligibility for discount fares will continue to be available to Seniors and the Elderly who may access the discounted fare by showing the Bus Operator a valid government-issued photo ID with proof of age, or who may elect to apply for a MATS Discount Fare Card. The eligibility age for this discount will coincide with the MATS definition of the term Senior or Elderly.
- Persons with a disability may access the discount fare by applying for and obtaining a MATS Discount Fare Card. The definition of a person with a disability will be more strictly monitored, in accordance with federal regulatory guidance, as a person “who by reason of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including any individual who is a wheelchair user or has semi-ambulatory capabilities), cannot use effectively, without special facilities, planning, or design, mass transportation service or a mass transportation facility.”
- Medicare Card-holders of any age are, by federal definition, eligible to access the MATS discount fare program under the definition of “persons with disabilities.” Beginning October 1, 2017, Medicare Card-holders will be required to obtain a MATS Discount Fare Card to access the discounted fares. Medicare cards and temporary Medicare cards will no longer be accepted directly by the Bus Operator at the farebox as an eligible form of identification to access discounted fares.
- The new MATS Discount Fare Card program will operate as follows:
  - MATS will notify customers via public postings that all existing discount fare cards will expire, effective September 30, 2017.
  - A new MATS discount fare card application will be made available through the MATS Customer Care Center at the Herman Ivory Terminal, at the MATS Administrative Offices at the Louis A. McMurray Conference and Transportation Center, via the MATS website, and through other channels to be determined.
  - Customers will submit completed applications and supporting documents in person to the MATS Customer Care Center in the Herman Ivory Terminal at 351 Morris Avenue for evaluation. Applications will be accepted during regular posted Customer Care service hours. Upon submitting an application, the customer will submit, or allow MATS to obtain, a “passport”-style photograph that will be placed on file and issued as an integral part of the Discount Fare Card.
  - MATS Management will review applications to determine if automatic eligibility exists or if additional information, such as an interview, or a

- third-party review of the application is necessary. MATS will no longer accept the signature of an outside third-party certifying agency, in and of itself, to serve as adequate documentation of a qualifying disability.
- MATS will notify applicants of the status of their application within 30 calendar days of receiving a fully completed application, required photograph, and any supporting documentation. If an extended review process will be required, MATS reserves the right to issue a temporary discount card or to withhold the discount until the review is complete.
  - If an application is approved, a Discount Fare Card will be issued with the customer's name, photo, eligibility category, and card expiration date prominently displayed. The expiration date will be three years after issuance, unless a temporary condition is the reason for the discount eligibility.
  - MATS, or its designee(s), will serve as the sole determining party on approval or denial of the discount fare card application.
  - A letter will be sent and an appeals process will be made available for persons that are denied eligibility for the Discount Fare Card.
  - The initial discount card, as well as any scheduled renewal cards will be issued free of charge to the customer. However, a customer requesting a replacement card more than 90 days before its' scheduled expiration date will be charged a fee of \$10.00 for processing a replacement card.
- Persons seeking to pay the half fare in cash at the farebox or to use a discounted bus pass to board the bus, must show their issued MATS Discount Fare Card or a valid government-issued photo ID w/Proof of Age every time they board a bus to be eligible for the discount fare. Persons not displaying these credentials will be expected to pay the standard fare.

### **3) Revise MATS Fare Policy Regarding Free Rides for Children through Five (5) Years of Age.**

For years, it has been MATS Policy to permit children, from birth through age five (5), to ride free on fixed route buses when accompanied by an adult. MATS wishes to continue a similar, but modified policy moving forward, in support of its customer families with young children.

Under current policy, MATS bus operators are unable to determine the applicability of the free fare policy when presented with adults that are not truthful about the age of a child. This can result in unnecessary confrontation at the farebox. As a proxy for the "age" limit of this fare policy, MATS proposes

to implement an alternative that is used at other bus systems, including Grand Rapids and Lansing, and that can be objectively assessed by the Bus Operator at the time that customers are boarding the bus.

MATS proposes to eliminate the “age-based” child discount and instead provide free rides to “Children under 42” tall when accompanied by a fare-paying adult.” The height of 42” is a convenient height for MATS to use at this time, as it is slightly shorter than the top of the farebox on MATS heavy duty buses, and can be delineated by adding a measuring mark to the farebox at a height of 42” off the floor.

The proposed 42” height represents a height that would encompass most children from birth through age 4, and a sizable percentage of children age 5. According to the Center for Disease Control (CDC) growth charts for boys and girls (used to track child development), as interpreted by MATS, a height of 42” will include approximately the 80<sup>th</sup> percentile of boys at age 4 and approximately the 30<sup>th</sup> percentile of boys at age 5. It will include approximately the 90<sup>th</sup> percentile of girls at age 4 and approximately the 70<sup>th</sup> percentile of girls at age 5. At younger ages, this height includes the 95<sup>th</sup> percentile of all children.

MATS understands that the implementation of a height-based free fare for children may result in fewer eligible children. However, it also provides an objective and manageable system that both the MATS Bus Operator and parent will be able to accurately gage. This change is proposed to take effect on August 1, 2017.

#### **4) Formalize MATS Customer Policy Regarding Unaccompanied Minors**

Due to occasional conduct issues in the past, as well as liability interests, the Muskegon Area Transit System has had in effect a published policy on its Beach-Towne Trolley route that requires children under the age of 12 to be accompanied by a parent or guardian. As it is appropriate for MATS to apply its policies consistently, MATS is proposing to implement the requirement that children under the age of 12 be accompanied by a parent or guardian on all MATS services and in all MATS facilities. This change is proposed to take effect on August 1, 2017.