

Providing Discounts on Bank Cards/Interagency Cooperation



Agenda

- **Discounts and open-loop**
 - The problem
 - A solution
 - Cal-ITP Benefits
 - Digital Identity Verification
 - MST Implementation
- **Far North Group Interagency Collaboration**



Providing Discounted Fares on Bank Cards

Transit agencies have many customers who are eligible for discounted fares. How can they provide them on bank cards?

Cal-ITP and CDT built an **eligibility verification system** that is **compatible with contactless payment**. The result is a seamless user experience where riders simply tap to pay and automatically receive their discount.

Transit operators don't need to apply the discounts manually or verify credentials on board.



Transit discounts today



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Current practices are time consuming, costly to operate, and hard to navigate.

For **program participants**:

- Inconvenient in-person appointments
- Paper-based documentation
- Storage of personal data
- Policies that vary by jurisdiction
 - Many different accounts and processes
- Requires riders to carry closed-loop card and discount eligibility ID to verify eligibility when boarding



For **government agencies**:

- Significant staff time spent on verifying eligibility
- Different procedures for each program
- Security risks from many integrations
- Long lead time for new programs/policy changes
- On-board verification slows boarding process



A Solution: Digital Identification & Benefits Delivery Program



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Digital Verification is easier to use, more secure, interoperable, and cheaper.

People can access benefits like they access everything else - through the internet.

- Common login information for many different benefits programs
- Access at any time, from any place

Government programs are more secure and operate with more data at less risk.

- Interoperable, replicable verification procedures
- Access to more identity providers and information sources



A market sounding helped CDT identify best-practices and receive feedback on the opportunities.



These companies answered questions like:

- What is the role California can play in advancing digital identification and benefits delivery?
- What are the technical requirements of such a system?
- What are the relevant industry standards we should consider?
- How have existing programs been structured, and what was learned?
- What aspects of the user experience are most important?
- What unforeseen challenges might we face?

Companies presented **their own products and services**, and gave comments on our envisioned solution.

Cal-ITP Benefits

Automatically enroll and receive discounts

- Easy online enrollment
- Discount eligibility linked to contactless bank card
- Discounts automatically honored when riders tap to pay
- Standardized, statewide definitions of discount-eligible groups



MST Implementation



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Demonstration scope

Launched in 2022, the Monterey-Salinas Transit (MST) demo includes:

- Transit riders
 - Who are seniors (65+) OR have an MST Courtesy Card AND
 - Have a bank card (credit/debit)
- Partners: Login.gov, CDT, Cal-ITP, MST, Littlepay



Key Players



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Identity Gateway: Verifies rider's eligibility for senior discount (65+ years old) using Login.gov



LOGIN.GOV

Identify Provider: Developed and operated by the US General Services Administration (GSA) to authenticate and verify individual's identity

littlepay

Transit processor: Charges correct fare when a rider taps to pay, accounting for eligible discounts



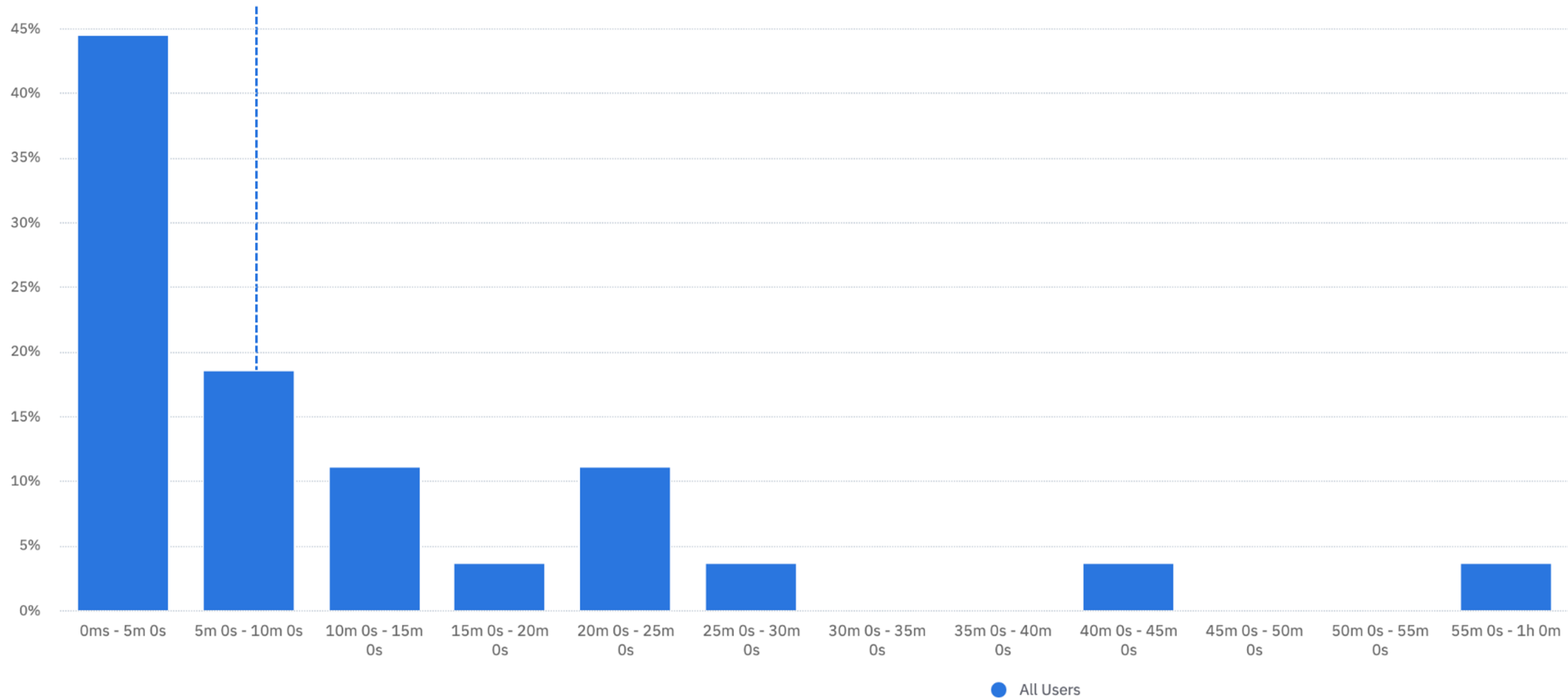
How it works

Eligibility verification flow for senior riders using Cal-ITP Benefits

- Inform yourself on MST's website
- Go to Cal-ITP Benefits to start the verification process using Login.gov
- Authorize Login.gov to temporarily share your information with Cal-ITP Benefits
- Provide you credit or debit card information
- Done! Discount will be applied next time you travel

DEMO

Average time user spends on Login.Gov



Eligibility verification flow for MST Courtesy Card Holders

Flow for riders with an active Courtesy Card using Cal-ITP Benefits

- Inform yourself on [MST's website](#)
- Go to [Cal-ITP Benefits](#) to start the verification process by selecting the "I have an MST Courtesy Card" option
- Enter in the 5 digit number on your Courtesy Card along with your last name
- Provide your credit or debit card information
- Done! Discount will be applied next time you travel

DEMO

What comes next?



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Envisioned Functionality:

This project is in the demonstration phase, and only operational at MST for seniors. We have two more demos in development.

We envision this system supporting verification for **multiple attributes** beyond age, including:

- Low-income status
- Veteran status
- Student / Educational affiliation
- People with disabilities (those utilizing Fixed-Route services)

This would allow you to support more of your fare policies on contactless, and offer more eligible riders discounts.



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How does my agency get on Cal-ITP Benefits?

Cal-ITP is working to make this service available to more agencies statewide. We only need a few things to get started:

- Agency acceptance (or planned acceptance) of contactless payments
- Overview of discount fare structure
- Languages the site must support for your riders, other than English and Spanish
- Permission to use agency logo - and the logo file
- General contact information

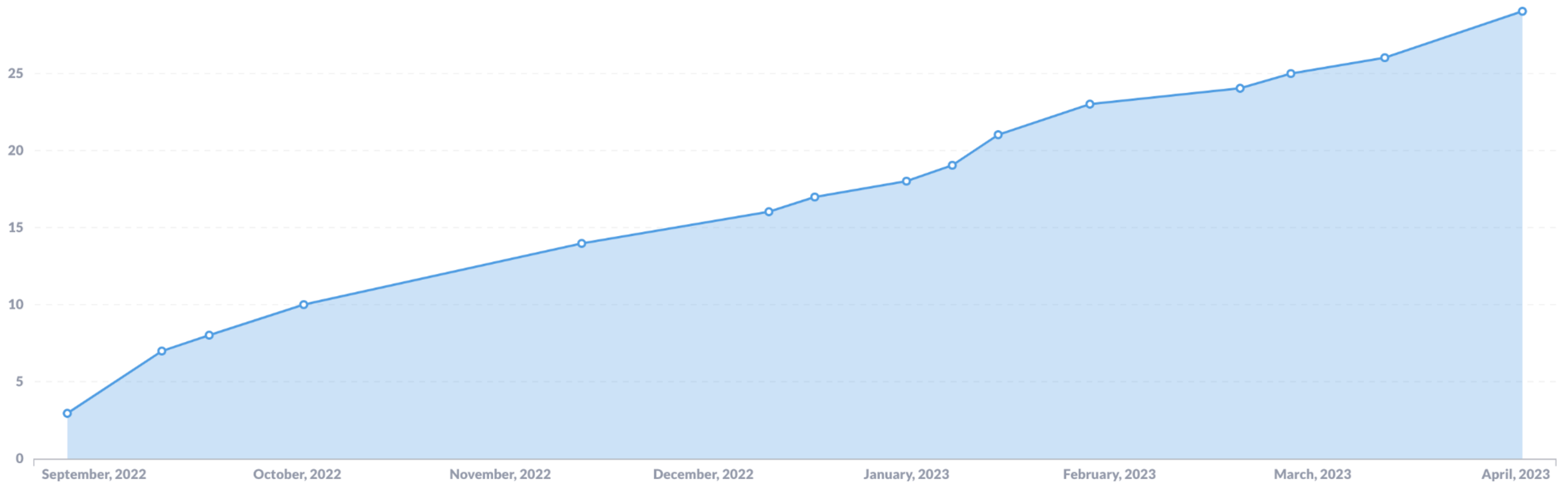
We are currently building an **interest list** of agencies that want to be part of the next phase of this project as we begin to scale.



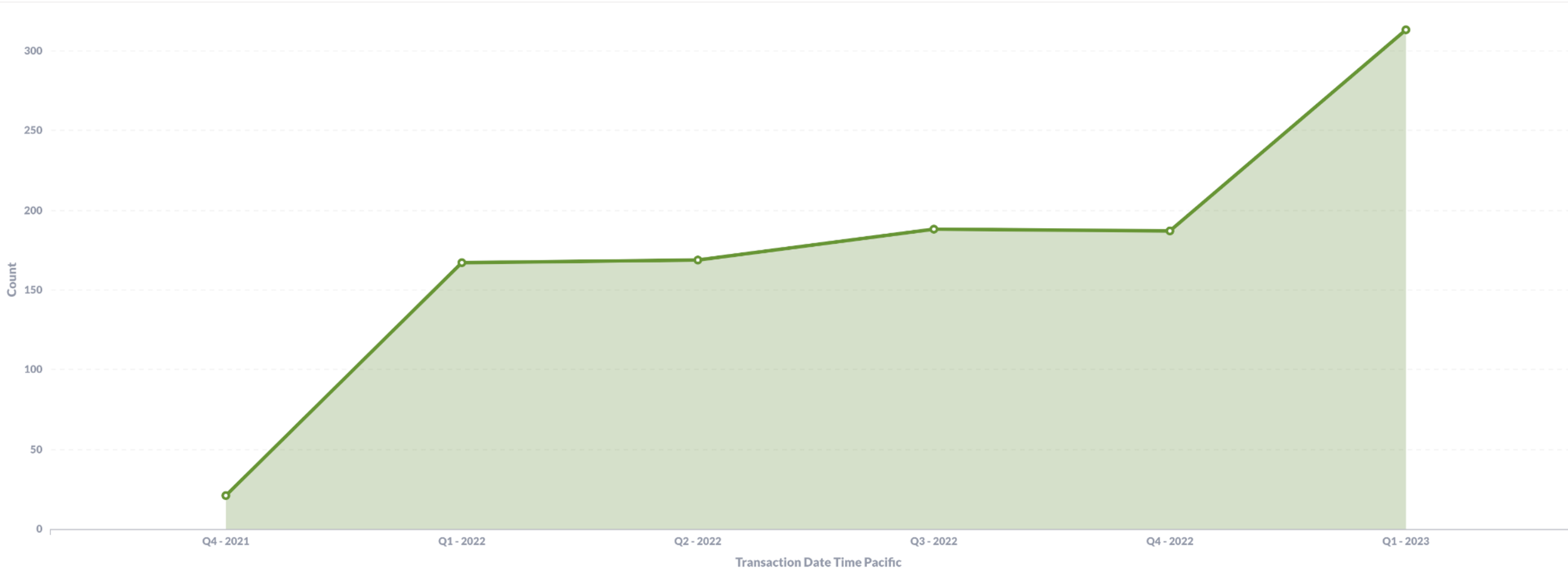
Please reach out to hello@calitp.org if you're interested in being added to the list.

Results from MST

Enrollment Trends Overtime



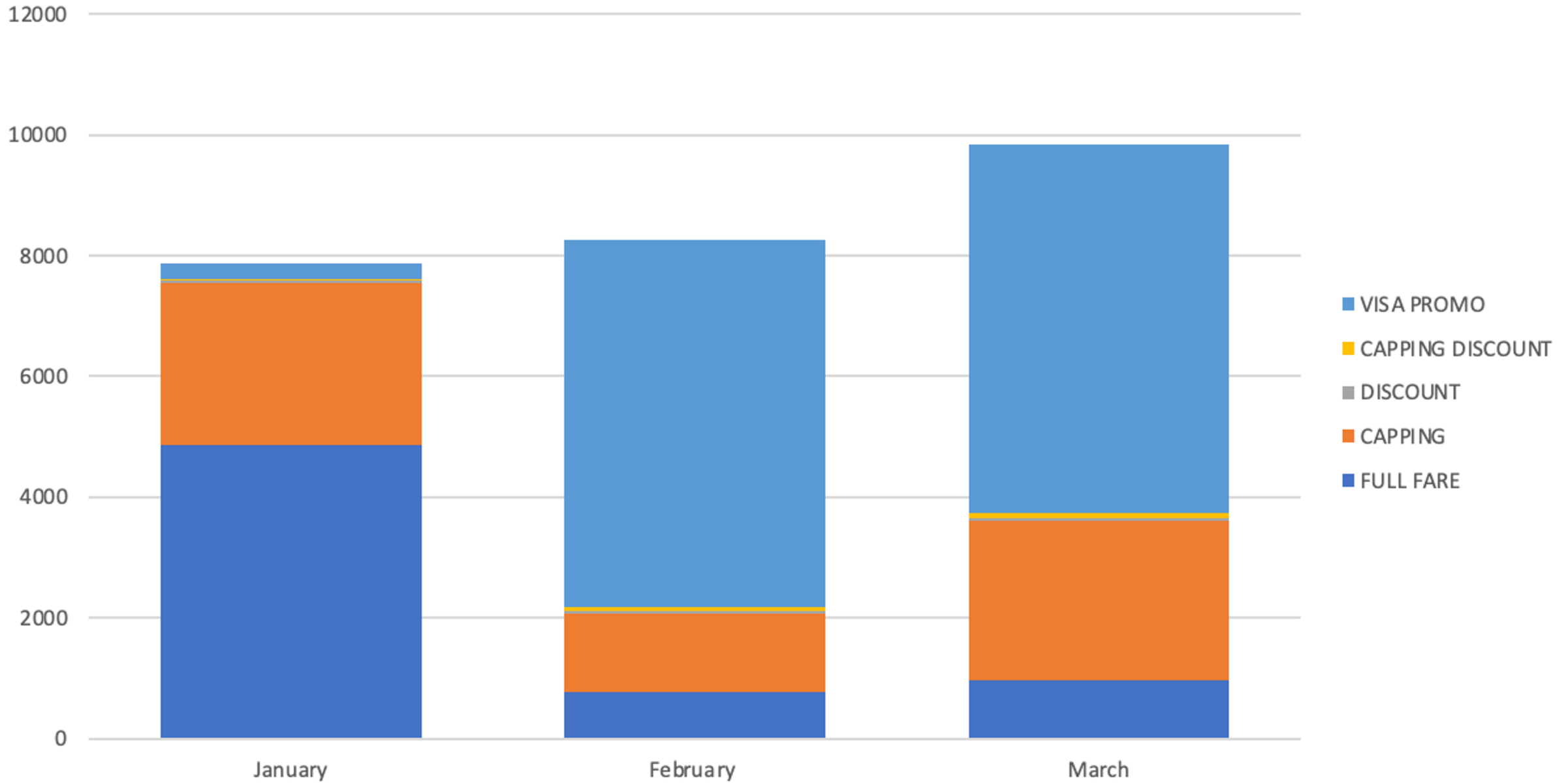
Transactions over time



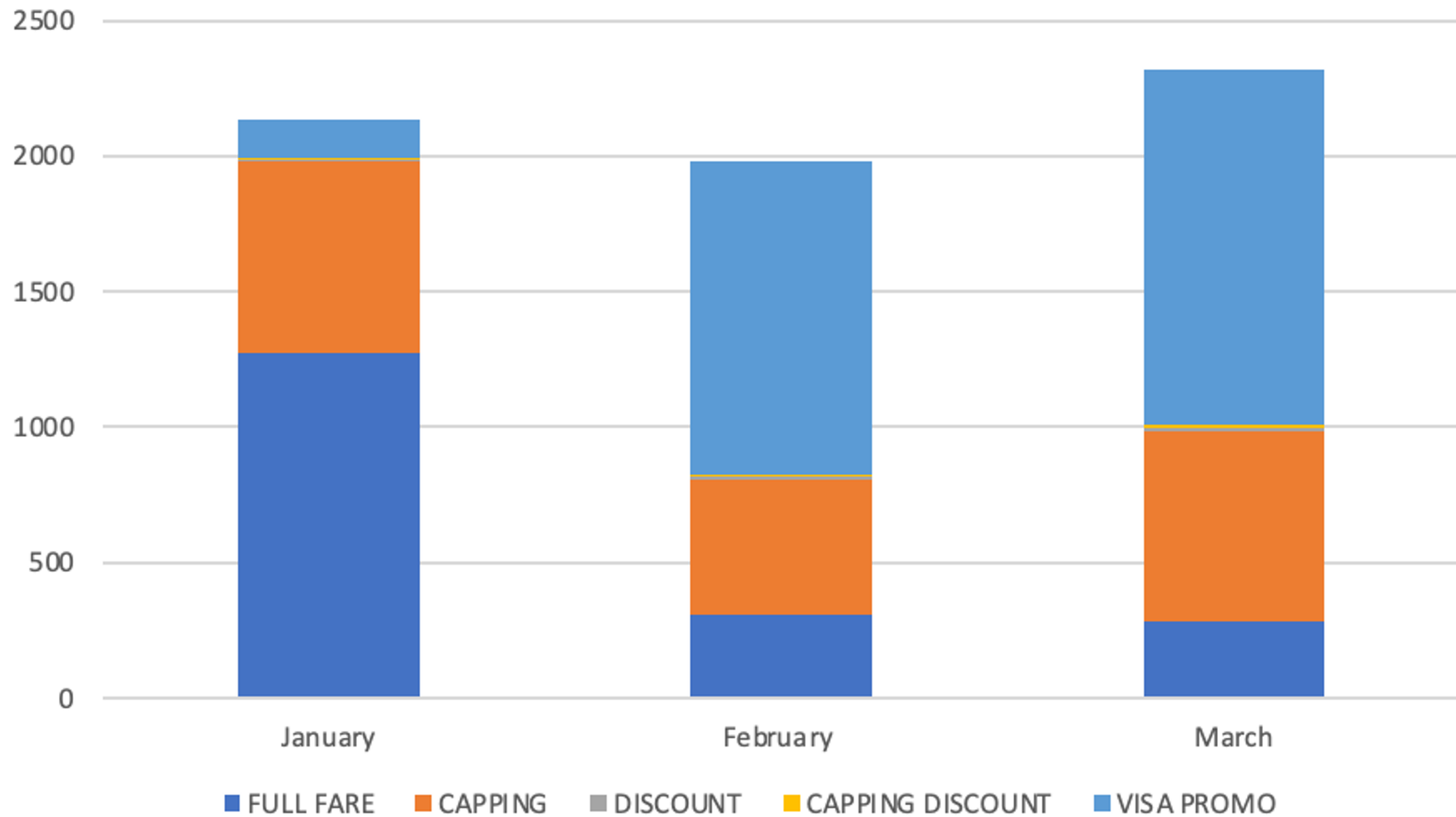
Contactless Demonstration

- Contactless:
 - Usage of contactless system, both regular and discounted fares increasing alongside ridership
 - Currently makes up 5.5% of ridership
- People using the contactless system benefit from fare capping
 - 2023 - about 26% of contactless trips are capped, 14% of cash fares are capped
- Older Adults are using contactless payments
- Minimal marketing during the demonstration period

Contactless Trips by Month



Unique Contactless Riders by Month



Goals

- **Save staff time** - both for fare payment generally and for providing discounts
- **Eliminate** the need for staff to deal with rider personal information
 - Just want a simple yes/no if they are entitled to a reduced fare
- **Expand to other fixed-route discount groups**

Financial Inclusion

General Cash App Performance at MST - Data from March 2022 through March 2023

- Cash App makes up 4% of all tap to pay transactions at MST
- Of all Cash App transactions at MST, 32% tap to pay by phone and 68% tap to pay by card.

Unique Cash App Cardholder Performance @ MST

- The number of unique Cash App cardholders tapping at MST each month grew 123% YoY from Feb 2022 to Feb 2023
- On average, each unique Cash App cardholder transacted at MST twice per month (AVG from Feb 2022 to Feb 2023).