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smart card technology – used by both human service agencies to provide benefits and accepted by public transit service providers to pay for services – would simplify the existing burdensome administrative processes for both the agencies and the transit systems.

**What We Did...**
During the first phase of the project, researchers examined the various types of smart card technologies, programs being implemented, and the potential issues associated with implementing and operating transit smart cards. Use of the LSC was explored, as well as the possible integration with transit smart card applications.

As the major research objective during the second phase, researchers conducted a pilot test with the Temple Workforce Center and Temple Transit. Because of the inability to interface directly with the LSC vendor, Transactive Corporation, during the pilot test, researchers developed a surrogate for the project using an existing barcoded identification card.

**What We Found...**
In the pilot test, researchers found positive support from the transit system and the social service agency to cooperate in the exchange of benefits for transportation services. There is also broad-based interest among state human service agencies and policy makers to expand the LSC program to include services other than TANF. However, the status of the arrangements for providing LSC services is a stumbling block. During the second phase of the project, the private firm that provided administration for the LSC program since its initiation announced its intentions to no longer provide those services. At that point, no additional “accounts” within the LSC program were created, thereby preventing creation of a “transportation account” for the purposes of the pilot test or any other application. The Year 2000 problem also took the time and attention of the program provider.

The State of Texas is restructuring the LSC program. During 2000, some program services will be provided with state employees and others through contractual arrangements. Once the new program structure is in place, there are a number of human service agency programs in line to execute pilot programs. No new pilot program is anticipated before 2001.

Until the new LSC program structure is in place there is not an opportunity to implement an integrated use of smart cards by public transit providers and human service agencies. However, researchers found that several of the metropolitan transit authorities in the state accept credit card payments for pre-paid fare media (monthly, weekly, daily passes). Most of the public transit systems in the state offer some form of pre-paid fares as well. Once the LSC program is able to allow for establishment of a “transportation account” in the system, an early action integration could use the LSC for pre-paid fare media for certain human service programs, facilitated by the arrangements already in place to process credit or debit cards.

**The Researchers Recommend...**
Smart card technology is available to meet the needs of both public transit systems and human service providers. Because of the variety of options and choices that can be made, researchers recommend that there be a continuing dialogue between the public transit industry in the state and state agencies charged with implementing the newly structured LSC program and pilot tests for expanding the program. The Texas Comptroller of Public Accounts provides coordination of information about electronic benefits transfer (EBT) and regularly schedules tests for expanding the program. Just as the retail grocery trade is involved in these meetings, the public transit providers should monitor EBT activities through this channel. This information is important to both urban and rural transit providers. As metropolitan transit authorities plan their own smart card programs, knowledge of the LSC program technology choices can help ensure compatibility.

As more human service agencies are able to utilize the LSC to provide benefits, there will be greater opportunities to use the LSC for transportation services. At a minimum, the LSC could be used to purchase pre-paid fare media from transit systems. In an ideal situation, social service agencies and small urban and rural transit systems could share in the costs of a system that uses the LSC as the fare media.
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1234 5678 9123 4567 891

The Smart Card

Lone Star Card

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