Fare Study
Introduction
Part II

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Fare Study Overview

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Reports Online at [http://www.theride.org/AboutUs/Initiatives/Fare-Study](http://www.theride.org/AboutUs/Initiatives/Fare-Study)
Agenda

• Review major needs & opportunities
• Policy framework for fares
• Roadmap for continuing work on fares
• What riders want from fares
• Board feedback and questions
Major Needs, Challenges, Opportunities

- Simplify fare payment options
- Ensure discounting methods are equitable
- Adjust price of passes to promote ridership
- Clarify transfer policy, reduce use of change cards
- Improve use of data in decision-making
- Need for increased revenue due to rising costs
- Assert a strong position on fares in advance of RTA
- Develop strategic direction for fares
SWOT Analysis

Opportunity to simplify payment choices

• 50+ ways to pay
• Need to simplify for clarity
• Focus upon retaining and improving highly used fares
SWOT Analysis

Equitable discounts

• Build equity into discounting methodologies
• Align discounts with industry/regulatory standards
• Shift enforcement of discount fares off-board
• Constraint of discounts can increase revenue
SWOT Analysis

Pricing promotes ridership

• Passes can incentivize ridership growth
• Faster boarding time
• Minimizes transfer problems
• Opportunity to price correctly
SWOT Analysis

Clarify transfers and reduce use of change cards

- Clarification of transfer policy will reduce customer confusion and conflicts
- Consistency needed in transfer protocol
- Change cards are overused, resulting in inconvenience and risk of loss for customers, wear-and-tear on equipment
- Incentivizing cashless fare payments can help with both
SWOT Analysis

Other opportunities and challenges

• Rising costs (price of fares not changed since 2010)
• Misclassification / Unclassification
• Underreporting of ridership
• Uncertainty from RTA
Board Policy

• Ends
  • Affordability (1.1.1)
  • Equitable access (1.1.2)
  • Financial sustainability (1.3.7)

• Executive Limitations
  • Dignified, respectful, clear, non-intrusive procedures (2.1)
  • Federal compliance (2.5.2)
  • Adjusting fares is Board’s responsibility (2.5.8)
  • Importance of social, environmental, economic implications (2.8.4.2)
  • Community engagement for fare changes (2.10.4)
Need for Formal Fare Policy

• Rationale for timing of fare increases
• Indicators of need for fare increases
• The Board’s expectations for cost-sharing between users and taxpayers
• Clarify values to guide new fare products, discounts, third-party relationships
Roadmap for Fare Changes

Introduce Fare Structure
- Policy Development
- Options, Proposals, Analysis
- Phased Implementations

Fare Structure
- Included in budget documents for public and Board review, FY2020 and ongoing.

Policy Development
- Input from owners and beneficiaries
- Financial indicators
- Annual review of fares
- Operating procedures
- Discounting guidelines
- Fare recovery

Options
- Fares and prices
- Technology Recommendations
Analysis/Modeling
Public Review
Title VI Review

Fare Changes
- FY2021 budget adoption
- Ongoing review annually or as determined by policy
Roadmap for Fare Changes

**Introduce Fare Structure**
- Included in budget documents for public and Board review, FY2020 and ongoing.

**Fare Policy Development**
- Input from owners and beneficiaries
- Financial indicators
- Annual review of fares
- Operating procedures
- Discounting guidelines
- Fare recovery

**Options, Proposals, Analysis**
- Fares and prices
- Technology Recommendations
- Analysis/Modeling
- Public Review
- Title VI Review

**Phased Implementations**
- FY2021 budget adoption
- Ongoing review annually or as determined by policy
#1 Introduce Fare Structure

Include Fare Structure in Annual Budgeting

- Fare structure (fare categories, discounts, rates, fare media options, etc.)
- Fare operating procedures
- Use of transfers
- Pass programs
- Specialized discounts/promotional fares
- Proposed fare changes
- Adoption of fare changes
#2 Fare Policy Development

Policy Development

- Form a Board Task Force to amend Board Policy Manual, for example:

2.6.8 Adjust **transit passenger fares** or tax rates assessed by the Authority.

2.6.8.1 The CEO shall not request from the board a decision regarding fare adjustments without providing evidence that it meets the following criteria reasonably interpreted:

- Criteria A
- Criteria B
Staff Recommendations

- Options for fare price, media, technology
- Perform analysis and modeling of options
- Public review of options
- Complete required Title VI review
- Present recommended changes to fares
#4 Phased Implementations

Proposals

- Proposed fare structure for next budget year
- Multi-year fare structure proposal for phased implementation over subsequent years
- Annual public review
- Annual adoption with budget
Customer Engagement

What Riders Want From Fares

- Cash and cashless payment options
- Ability to pre-pay on demand
- Easier transfers without having to request them
- Less hassle with discounted fares
Customer Engagement

They Want to Use Technology to Pay

Riders want to use mobile tickets, mobile app payments, smart cards, tap credit/debit cards
Customer Engagement

Likelihood of Using New Fare Collection Technologies by Income

- Very Unlikely or Unlikely
- Neutral/ No Opinion
- Very Likely or Likely

Income Ranges:
- Less than $15,000
- $15,000 to $19,999
- $20,000 to $24,999
- $25,000 to $49,999
- $50,000 to $74,999
- More than $75,000
Customer Engagement

Likelihood of Using New Fare Collection Technologies by Age

- Very Unlikely or Unlikely
- Neutral/ No Opinion
- Very Likely or Likely

Age

- Under 18
- 18-25
- 26-59
- 60-64
- 65+
Next Steps

• Introduce fare structure in FY2020 budget
• Board Task Force on Fare Policy
Questions / Feedback

For more information, see Fare Study reports online at:
www.theride.org/AboutUs/Initiatives/Fare-Study

Thank you.