

# Fare Study Introduction Part II

*Presented by:*

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# Fare Study Overview

## Deliverables



Document	Description	No. of Pages
Memo 1 & 2	Existing Fare Structure, Best Practices, Industry Review	61
Memo 3	Community Engagement Summary	17
Memo 4	Strengths, Needs, Opportunities, Challenges	12
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Reports Online at <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

# 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

## Fare 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

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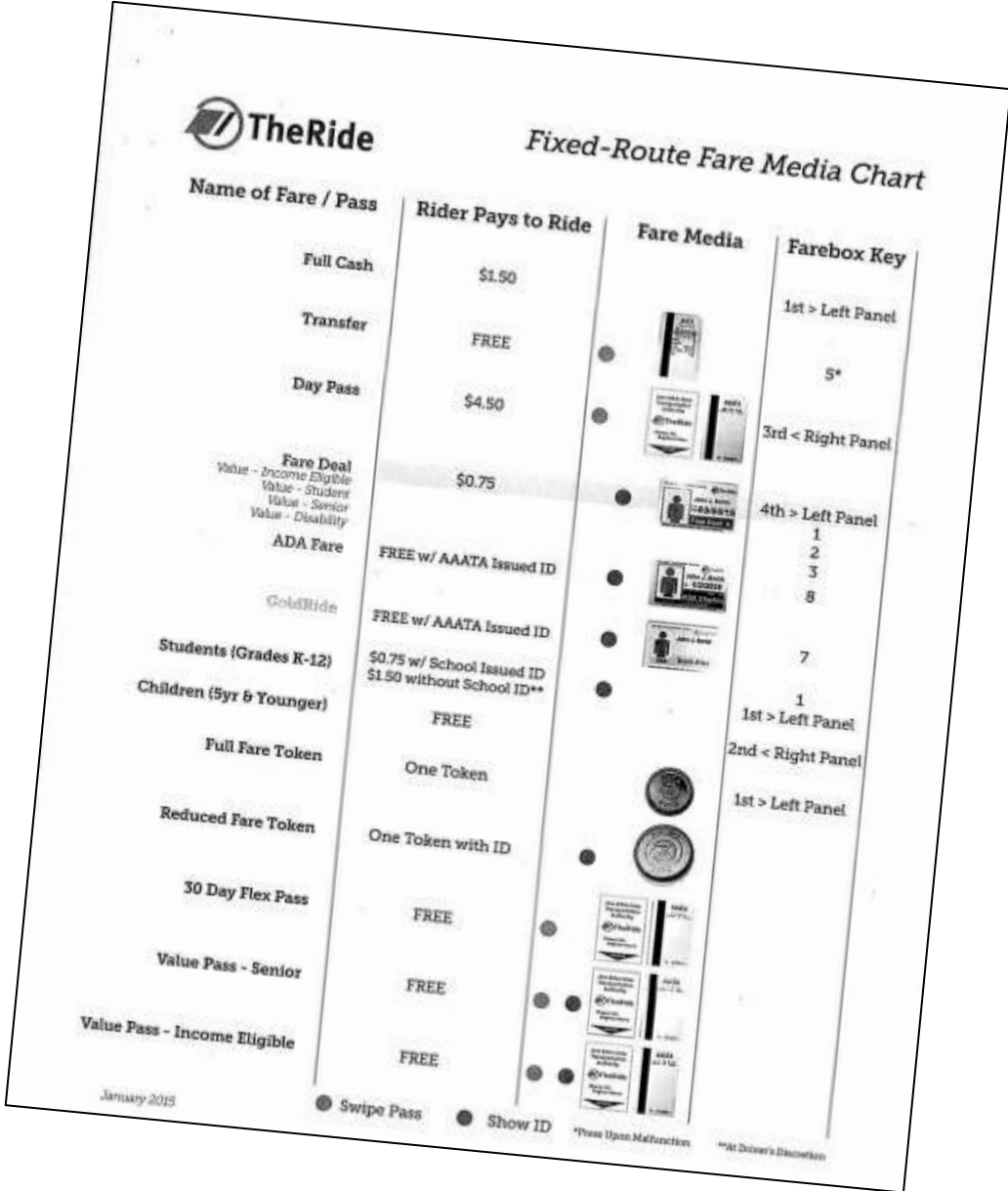
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# #1 Introduce Fare Structure

## 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



TheRide Fixed-Route Fare Media Chart

Name of Fare / Pass	Rider Pays to Ride	Fare Media	Farebox Key
Full Cash	\$1.50		1st > Left Panel
Transfer	FREE		5*
Day Pass	\$4.50		3rd < Right Panel
Fare Deal Value - Income Eligible Value - Student Value - Senior Value - Disability	\$0.75		4th > Left Panel 1 2 3 8
ADA Fare	FREE w/ AAATA Issued ID		7
GoldRide	FREE w/ AAATA Issued ID		1 1st > Left Panel
Students (Grades K-12)	\$0.75 w/ School Issued ID \$1.50 without School ID**		2nd < Right Panel
Children (5yr & Younger)	FREE		1st > Left Panel
Full Fare Token	One Token		
Reduced Fare Token	One Token with ID		
30 Day Flex Pass	FREE		
Value Pass - Senior	FREE		
Value Pass - Income Eligible	FREE		

January 2015

● Swipe Pass ● Show ID

\*Press Upon Manufacture \*\*At Driver's Discretion

## #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

DRAFT

## #3 Options, Proposals, Analysis



# 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

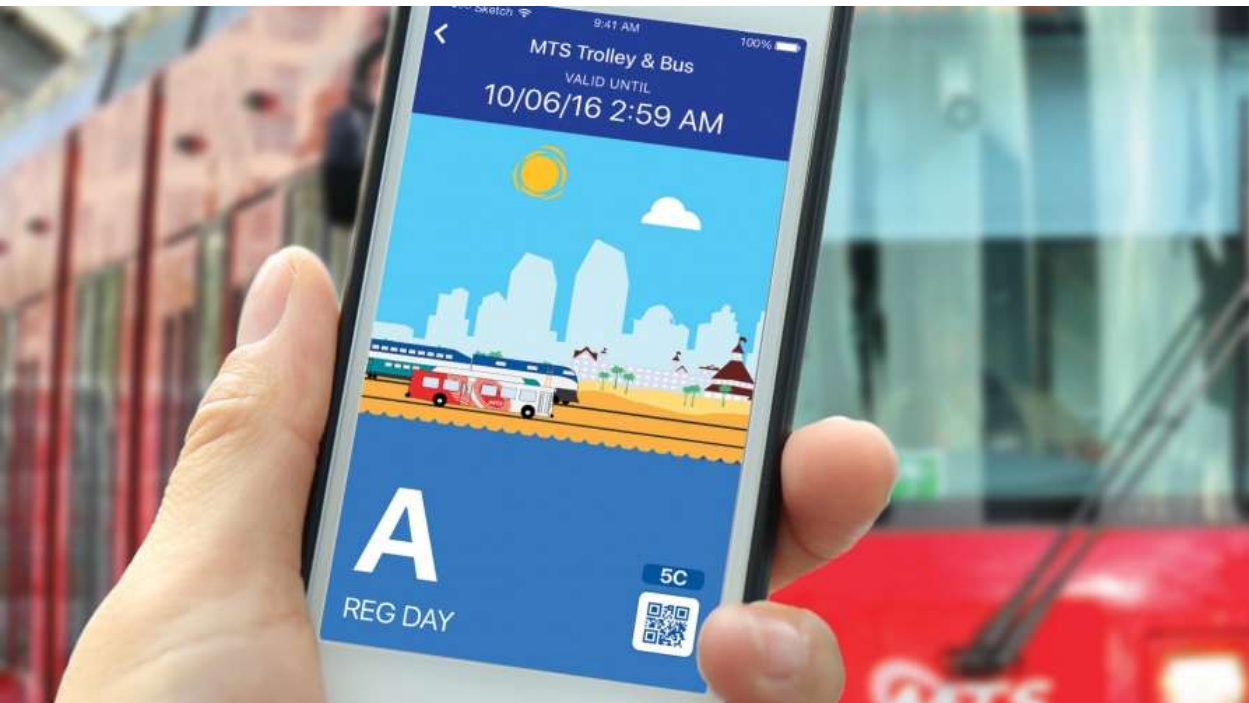
## What Riders Want From Fares

- 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

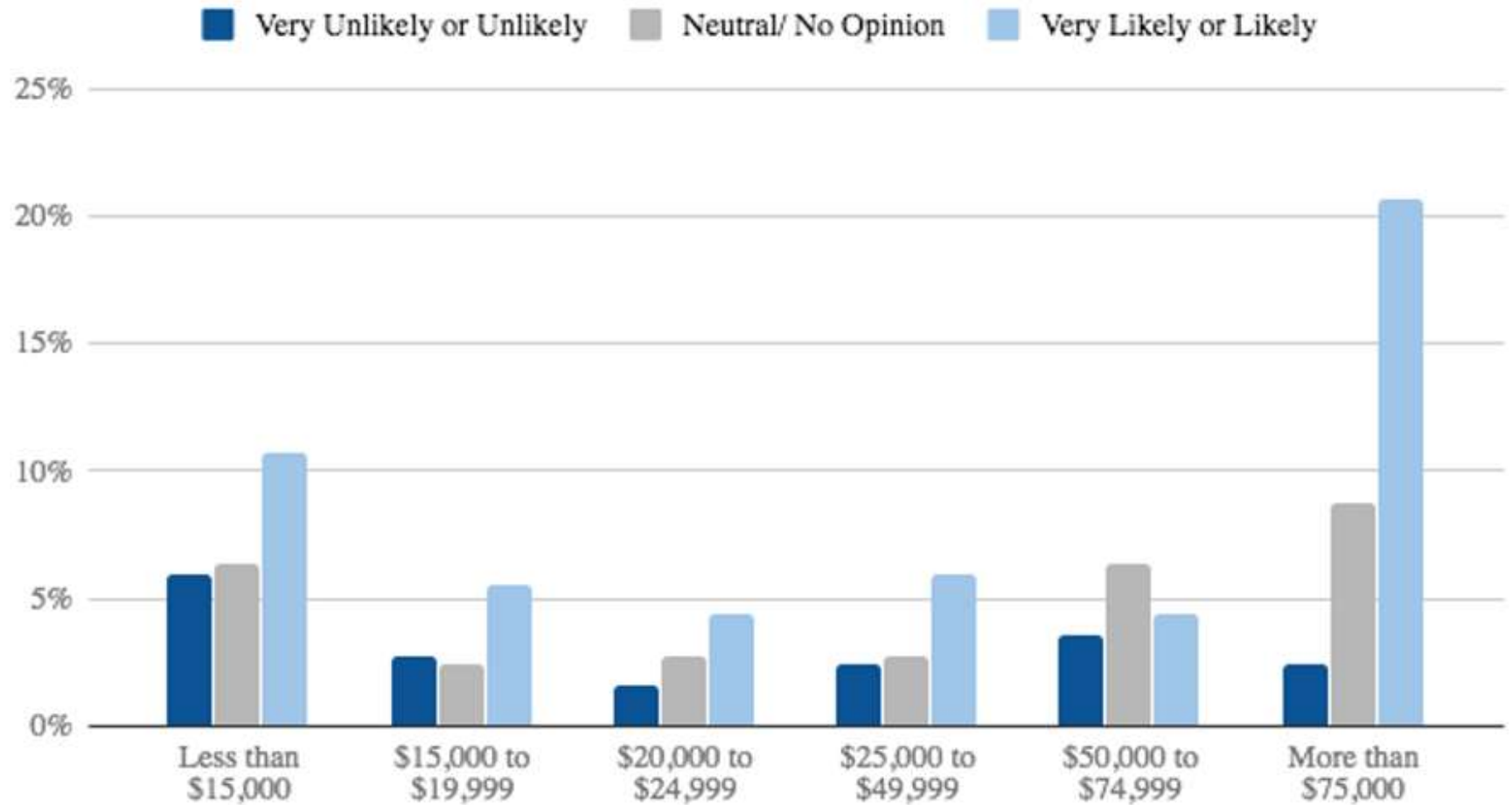


Riders want to use mobile tickets, mobile app payments, smart cards, tap credit/debit cards

# Customer Engagement

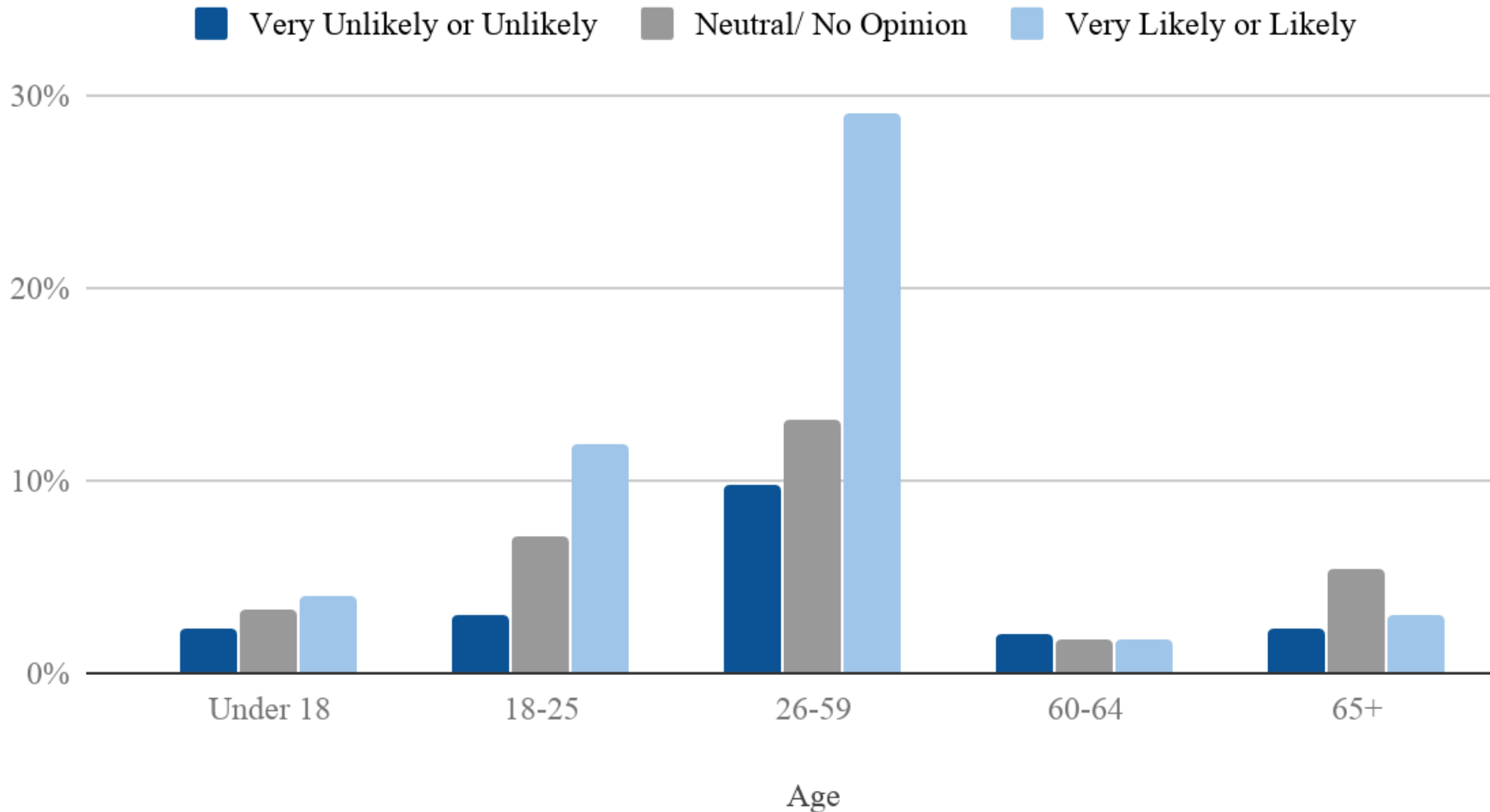


## Likelihood of Using New Fare Collection Technologies by Income



# Customer Engagement

## Likelihood of Using New Fare Collection Technologies by Age



# 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](http://www.theride.org/AboutUs/Initiatives/Fare-Study)

Thank you.