

Fare Policy Outreach 2011



● Thursday, Feb. 17, 2011

Why a Fare Policy Study?



- To create an orderly, transparent and rational process for regularly scheduled increases that provides stability for both patrons and the District.
- Former fare increases were ad hoc and did not adhere to any predictable policy
- Allows both the rider and the District to plan for inevitable fares increases

Why Now?

- District has significant deficits over the next several years due to reduced funding from a variety of sources
- Fares are one revenue source that the District controls
- District has already taken measures to reduce costs to ensure financial stability

Other Budget Actions



- Reduced more than 70 administrative staff positions (not drivers) including 1/3 of Executive Staff
- Curtailed management leave, District vehicles and travel budgets
- Board cut their salary and travel
- Cut service levels by 15%
- Sought concessions from drivers

Fare Policy Goals



- Simplicity—easy to use for all
- Appropriateness—good value
- Equity—fair to all
- Transparency—predictable
- Policy Supportive—of other goals (service, land use and social goals) and regulatory mandates

Proposed Fare Structure

- Monthly passes should be 36 times the base (cash) fare
- Transbay fares should be twice the local fare
- Discount fares (senior/disabled/youth) should be 50% of the adult fare

Fare Policy Principles



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- When existing prices diverge greatly from recommended structure, adjust fares over a multi-year period
 - Fare increases should be implemented on a set multi-year schedule
 - Cash fares should be set at levels that have easy coinage, centered on quarters and dimes

Fare Policy Principles



- Fare instruments should accommodate transferring
- There should be one discounted rate for all discount categories
- If any fare level is held below the level indicated by the fare structure, funds for this subsidy should be obtained and planned in the budget process

Fare Change Schedule Cycle



- 10-year cycle of increases based on raising fare 25 cents every 5 years
- Increases could be 10 cents in year 1, then 15 cents in year 3, 10 cents in year 6, etc.
- Pass prices would maintain the established relationship between fare types
- Increases would begin in August 2011, if approved

Fare Change Schedule Cycle



Proposed Multi-Year Transition for Senior/ Disabled and Youth Passes

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- Youth pass increases to \$20 in FY 11/12, \$26.50 in FY 13/14 and \$34.50 in FY 16/17 until it reaches alignment in FY 18/19
 - Senior/Disabled pass increases to \$26.50 in FY 13/14 and \$34.50 in FY 16/17, until it reaches alignment in FY 18/19.
 - Adult pass could be lowered until FY13/14 when it reaches alignment

Fare Media Options



- Free Transfers using Clipper Card
- Charging or not charging for Transfers
- Transfer rules (Time, Single Use, Directional)
- 31-day versus Monthly passes
- Day Passes instead of Transfers
- Discounted 7-day passes

Media Considered but not recommended



- Accumulator Pass—not available on Clipper at this time
 - Distance Based Fares—not effective for local service
 - Peak Period Fares—more appropriate for a peaked ridership pattern
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Board Schedule for Fare Change



- March 9, 2011: Set Public hearing on formal fare proposal
- April 27, 2011: Public Hearing
- August 1, 2011: Implement first round of fare changes

Tonight's Input Process



- Input Form (hard copy or computer)
- Talk to staff at Information Stations
- Dot-exercise at Information Stations
- Through Feb. 28, input can also be provided via online comment form, e-mail, voicemail, fax or US post