



Study Session Notice & Agenda

February 9, 2023

Joint Study Session Agenda
Valley Metro RPTA and Valley Metro Rail
Thursday, February 16, 2023
Board room/Webex, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

Study sessions provide a less formal setting for the Boards of Directors to discuss specific topics, at length, with each other and Valley Metro staff members. Work study session provide an opportunity for staff to receive direction from the Boards and for the public to observe the discussions.

At the request of the Boards of Directors, this study session will provide an overview on Valley Metro's Existing Fare Policy and Fare Programs, as well as conceptual industry fare alternatives, such as full fare-free or partial fare-free transit and discounted fare programs.

1. Fare Policy and Fare Programs Review

Alexis Tameron Kinsey, Director of Government Relations and Kenneth Kessler, Chief Financial Officer, will provide an overview of Valley Metro's Fare Policy and Fare Programs, including industry transit fare concepts and alternatives.

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print, audiocassette, or computer diskette) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org.

Fare Policy and Programs Review

Boards of Directors Study Session
February 16, 2023



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Boards of Directors Request



Boards' Request:

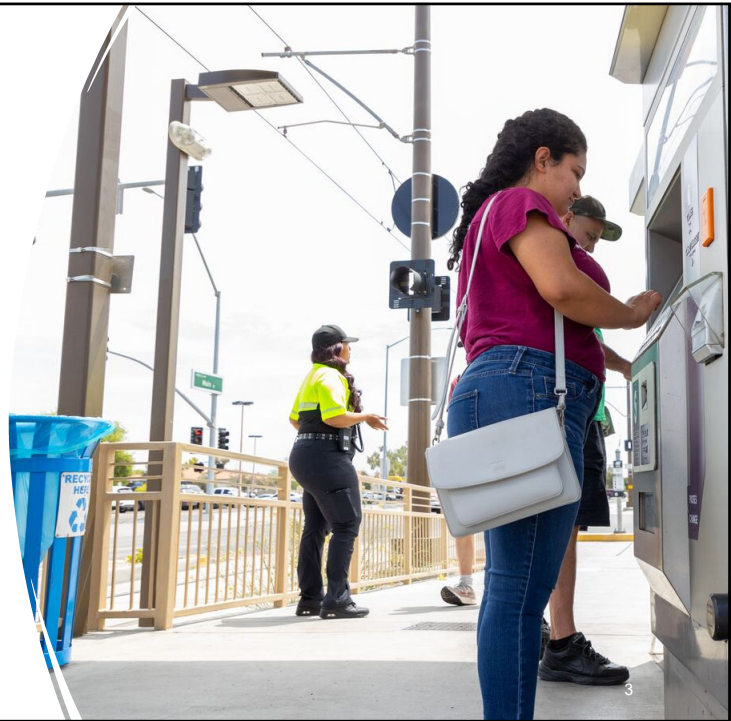
Provide an overview of Valley Metro's fare policy, including the following:

- Industry trends and transit fare alternatives, such as full or partial fare-free transit options or discounted fare programs (e.g., students, veterans, seniors); and
- Review Valley Metro's existing fare policy and existing fare programs.

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Study Session Outline

- **Policy Context**
 - Fare Policy Concepts
 - Purpose of Fare Collection
 - Fare Policy Goals
 - Status of the Industry
- **Overview of Valley Metro's Fare Policy & Programs**
 - Existing Fare Policy Goal
 - Existing Fare Programs
 - Fare Collection Modernization Project
- **Board Discussion**
 - Considerations for Board Direction



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Transit Fare Policy Concepts



Access, Mobility & Equity



Operational Efficiency



Financial Health



Community Impacts



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Purpose of Fare Collection

- Support funding for transit operations
- Demonstrate transit's value to community quality of life
- Manage peak travel times for commuters
- Influence behavior
- Regional cohesion



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Fare Policy Goals



- Central debate: Should public transit be treated as a public good or a service that users should pay their “fair share”?
- There is no one-size-fits-all approach.
 - Transit fare policies exist on a spectrum of policies and programs that may include programs for discounted fares for select riders.
- Valley Metro's Board-adopted policy:
 - Recover 25% from fares to support transit operations (May 2007)

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State of the Industry



Full Fare-Free Transit

- Does not collect fares from any riders.

Partial Fare-Free Transit

- Does not collect fares from specific groups of riders, on certain routes or transit services, during certain times, or in defined areas.

Discount Fare Transit

- Section 5307(d)(1)(D) of the Federal Transit Act; some agencies go above and beyond by providing discounted fare programs to qualifying groups (e.g., active military and veterans, students (K12, college) and lower-income riders.

Not Fare-Free Transit

- Collect fares due to needed farebox recovery to support operations, potential impact to service and cohesion with regional partners



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Peer Transit Agencies – Snapshot



Denver RTD (CO)

- Requires fares, however has fare-free on two central routes and for certain populations:
 - Children, active-duty military, law enforcement, RTD employees/dependents/contractors and ADA paratransit riders and their aides.
- Policy goal(s):
 - Increase efficiency of transit with faster service and all-door boarding.
- Undergoing a fare study and equity analysis
 - May include an exploration of fare-free transit alternatives.



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Peer Transit Agencies – Snapshot



Utah Transit Authority (UT)

- Has experimented with various fare alternatives, including:
 - Fare-free transit in certain zones, on a new BRT line and a month of free fares in February 2022 (“Free-Fares February”).
- Policy goal(s):
 - Attract ridership;
 - Improve air quality by removing cars from road.
- Without an evaluation or formal feedback, success of fare-free programs have been difficult to determine.
 - Initiated a regional fare-free transit evaluation in late 2022.



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Peer Transit Agencies – Snapshot



King County Metro (WA)

- Does not have fare-free transit.
- Administers two subsidized pass programs supporting low-income riders.
- Policy goal(s):
 - Direct subsidies to riders with greatest need; prioritize mobility needs of people of color, residents with low incomes, limited or non-English speaking communities, immigrants and refugees;
 - Retain fare revenue and regional cohesion.
- Conducting large-scale impact evaluation to inform recommendations for changes or expansion; publish findings in 2024.



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Overview: Existing Fare Policy and Fare Programs



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Current Fare Options



LOCAL BUS / LIGHT RAIL				EXPRESS / RAPID BUS	
Full Fare		Reduced Fare*		Full Fare	
1-Ride	\$2.00	1-Ride	\$1.00	1-Ride	\$3.25
All-Day	\$4.00	All-Day	\$2.00	All-Day	\$6.50
7-Day	\$20.00	7-Day	\$10.00	31-Day	\$104.00
15-Day	\$33.00	15-Day	\$16.50		
31-Day	\$64.00	31-Day	\$32.00		
STREETCAR					
Full Fare		Reduced Fare*			
1-Ride	\$1.00	1-Ride	\$0.50		

*Available for youth ages 6 through 18, seniors 65 and older, persons with disabilities and Medicare card holders. Qualified persons may obtain a Valley Metro Reduced Fare Identification Card as proof of eligibility. Seniors and youth may show any valid photo ID indicating a birth date issued by a governmental agency. Children ages 5 and younger ride free when accompanied by a fare-paying caretaker or guardian.

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Fare Programs

For Commuters: Platinum Pass

For Students/Youth:

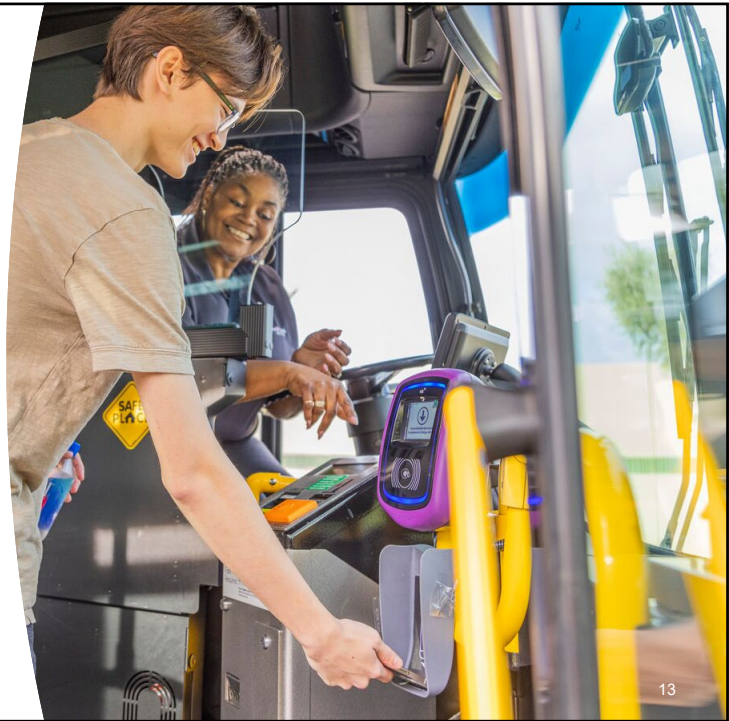
- Semester Pass
- ASU Student U-Pass
- Tempe Youth Pass
- Group Field Trip Pass

For ADA/Low-income Communities:

- ADA Platinum Pass
- Phoenix DAR Pass
- Homeless Provider Program

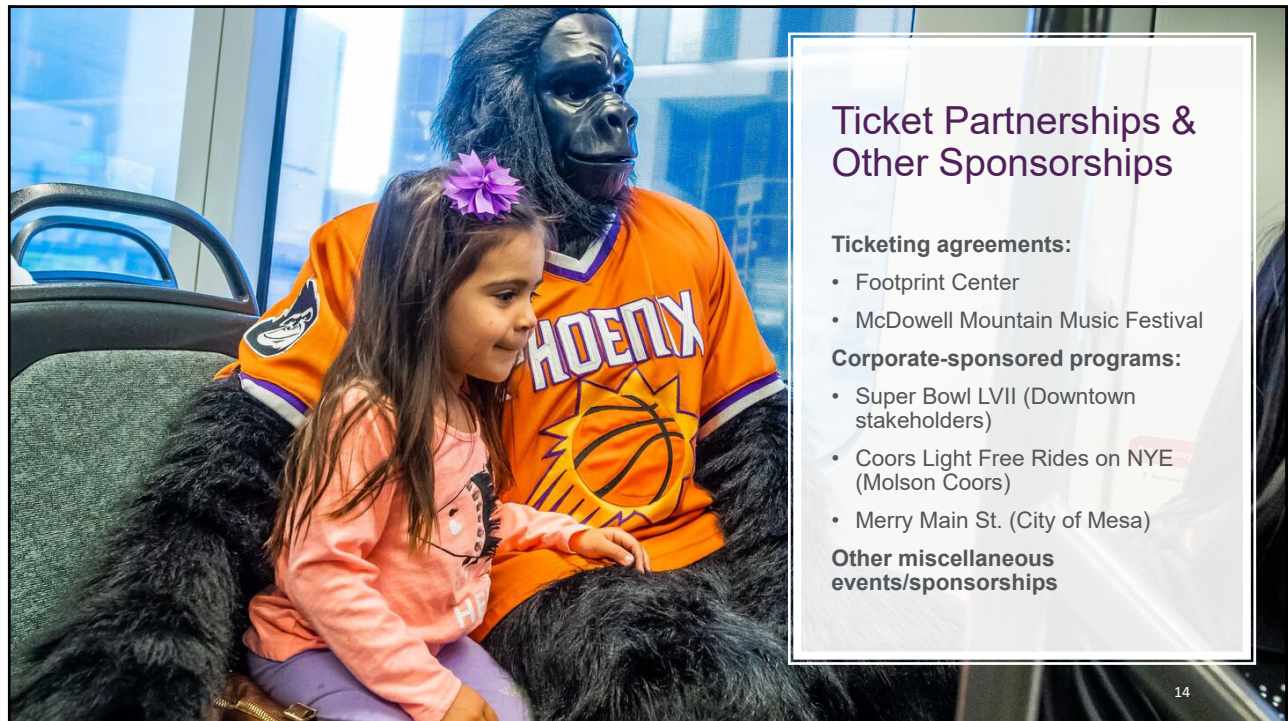
For Event-goers:

- Special Events Pass
- Ticket Partnership Program



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Ticket Partnerships & Other Sponsorships

Ticketing agreements:

- Footprint Center
- McDowell Mountain Music Festival

Corporate-sponsored programs:

- Super Bowl LVII (Downtown stakeholders)
- Coors Light Free Rides on NYE (Molson Coors)
- Merry Main St. (City of Mesa)

Other miscellaneous events/sponsorships

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Fare Collection System

Current vs. Future



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Fare Collection System

• Current system:

- Went live in 2007
- Scheidt & Bachmann proprietary equipment & software
 - Fareboxes, vending machines, magnetic stripe and smartcard fare media
- System has exceeded its useful life

• Future system:

- Mobile fare & readers – launched!
- Reloadable smartcards – late '23/early '24
- Streamlined fareboxes & vending machines
- Upgraded retail network

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Fare Capping – How does it work?



Monthly Pass - \$64
Unlimited rides for month



Day Pass - \$4
Unlimited rides for day
\$124 in day passes for same period

Monthly Cap Met
16 Day Pass x \$4 = \$64

\$60 in Savings to Rider

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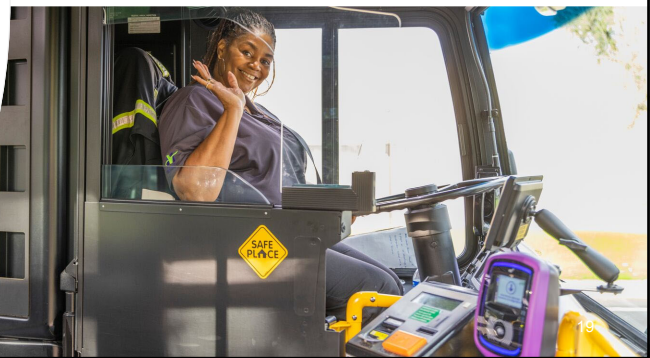
Board Discussion & Direction



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Considerations

- **Research additional peer agencies' fare policies and programs**
 - Review evaluation and impact studies, if available
- **Identify and evaluate future goals and fare policy objectives, including public outreach and input**
 - Access, Mobility and Equity
 - Operational Efficiency
 - Financial Health
 - Regional Impacts
- **Coordination with City of Phoenix and member cities**



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Future Goals – Path Forward



Get Organized

- **Step 1:** Set the context
- **Step 2:** Assess existing conditions
- **Step 3:** Review peer transit agencies
- **Step 4:** Identify opportunities and challenges



Make a Plan

- **Step 5:** Set evaluation goals and objectives
- **Step 6:** Determine performance measures
- **Step 7:** Establish selection criteria
- **Step 8:** Select fare-free transit alternative(s)



Evaluate

- **Step 9:** Measure impacts
- **Step 10:** Select preferred alternative

Stakeholder and
Public Outreach



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Q&A

Thank you



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VALLEY METRO REGIONAL PUBLIC TRANSIT FARE POLICY AND UNIFORM FARE STRUCTURE

FARE STRUCTURE

Effective March 24, 2022

Full Fare Regional Bus and Light Rail

Fare Type	Fare Structure	Fare Policy Rules/Multiples
LOCAL- BUS and LIGHT RAIL		
1-Ride	\$2.00	Base 1-Ride fare for bus or light rail
All-Day	\$4.00	2 x base fare
7-Day	\$20.00	5 x All-Day off-board
15-Day	\$33.00	16.5 x base fare
31-Day	\$64.00	32 x local base fare
EXPRESS/RAPID		
1-Ride	\$3.25	Base 1-Ride fare + \$1.25
All-Day	\$6.50	2 x Express/RAPID 1-ride fare
31-Day	\$104.00	32 x Express/RAPID 1-ride fare
STREETCAR		
1-Ride	\$1.00	Base 1-Ride fare for streetcar



Reduced Fare Regional Bus and Light Rail

Fare Type	Fare Structure	Fare Policy Rules/Multiples
REDUCED – BUS AND LIGHT RAIL		
1-Ride	\$1.00	0.5 x base fare, rounded down to nearest \$0.05
All-Day*	\$2.00	0.5 x local off-board All-Day, rounded down to nearest \$0.05
3-Day	Discontinued	
7-Day	\$10.00	0.5 x 7-Day rounded down to nearest \$0.25
15-Day	\$16.50	0.5 x local 15-Day rounded down to nearest \$0.25
31-Day	\$32.00	0.5 x local 31-Day, rounded down to nearest \$0.25
REDUCED STREETCAR		
1-Ride	\$0.50	0.5 x streetcar 1-ride rounded down to the nearest \$0.05

Reduced Fare Eligibility – Youth ages six to 18, seniors age 65 and over, persons with disabilities and people who have been issued a Medicare card by the Social Security Administration are eligible for Reduced Fares. Any photo ID showing an individual's age is acceptable proof of age for youth and seniors. The Valley Metro Reduced Fare Identification Card is available for \$5.00 and is also acceptable as proof of eligibility. No Reduced Fare is offered on Express/RAPID. A passenger using a Reduced Fare local bus/rail pass for Express/RAPID service is required to pay the difference in fares based on 1-Ride fares ($\$3.25 - \$1.00 = \$2.25$).

Semester Passes – Regional Local Bus and Light Rail

Semester Passes can be purchased by high schools for students at no cost to students and by full-time students enrolled in high schools, technical, trade, college or graduate courses at participating schools. Passes are good for unlimited rides on local bus/rail service for the time period printed on the pass.



Fare Type	Fare Structure	Fare Policy Rules/Multiples <i>Fare calculations are rounded to nearest dollar</i>
SEMESTER PASS		
Spring/Fall	\$230.00	Local 31-Day pass x 4.5 months less 20% discount
Reduced Spring/Fall	\$115.00	0.5 x Spring/Fall Semester pass
Summer	\$154.00	Local 31-Day pass x 3.0 months less 20% discount
Reduced Summer	\$77.00	0.5 x Summer Semester pass

Full fare Semester Passes are valid on Express/RAPID for an additional \$1.65 per boarding. Reduced Fare Semester Passes are valid on Express/RAPID for an additional \$2.45 per boarding.

Free Fare

Children five years of age or younger are not charged a fare for local bus/rail or Express/RAPID service when accompanied by a responsible, fare-paying adult. Free fares do not apply to Dial-a-Ride service. Free fares are also provided via the Group Field Trip Program for preschool through elementary school classes using local bus/rail service during non-peak hours of service. Neighborhood circulators are also free to ride.

Changes in Fare Structure

For each fare change, the federally-required Title VI analysis evaluates the proposal for equity among ridership demographics. The analysis ensures that any fare change is administered in an equitable manner among all riders.

Proposed changes to fare structure are implemented to equitably support the cost of transit operations. The current regional fare recovery target is 25 percent, which is the ratio of fares collected for regional fixed route services divided by the operating cost of fixed route services. Locally-funded circulator services that do not comply with the regional fare policy are not included in the fare recovery calculation.

The Valley Metro RPTA Board of Directors must approve changes to regional fare structure and programs. The Valley Metro Rail Board of Directors can approve or be presented with information regarding changes relevant to the rail/high-capacity transit program, however, it is not required.



PROGRAMS

Platinum Pass Program (administered by City of Phoenix)

Platinum Pass is a transit credit card available to companies, agencies, or organizations for their employees, students, tenants, residents, or other individuals permitted to participate by the company, agency, or organization. The cardholder is charged the appropriate fare for each boarding on Local and Express/RAPID bus and rail service. At the end of the month, a bill and an itemized statement is issued for each boarding up to the monthly cap for each pass's usage. Passes are capped at the maximum price of an Express/RAPID pass. A detailed report of actual boardings charged each month can be purchased for an additional cost. The company, agency, or organization is solely responsible for the cost of the program.

Homeless Provider Program (administered by City of Phoenix)

Homeless service providers are eligible to receive Full Fare passes at half price. An agency or organization must be a homeless service provider with IRS 501(c)(3) status or a governmental agency that provides community or social service assistance to homeless persons. Clients must meet the definition of "homeless" or "homeless individual or homeless person" as set forth in Title 42, Chapter 119, Subchapter I, and Section 11302 of the United States Code.

Arizona State University (ASU) U-Pass Program (administered by City of Phoenix in collaboration with ASU)

The U-Pass is provided to ASU students by ASU. ASU pays a fixed rate per boarding to the City of Phoenix Regional Fare Depository for students based on the average Platinum Pass fare per boarding for the prior period. The rate is adjusted annually.

Ticket Partnership Program (administered by Valley Metro) *(updated 6/22/17)*

With the Ticket Partnership Program, patrons possessing tickets or identifiable media issued by event officials from a participating event will be able to ride Valley Metro Rail on the day of the event at no additional charge. Event tickets will be honored as valid Valley Metro Rail fare for a pre-determined time in advance of the event and through the end of the transit day. Participating event venues/events pay an amount per attendee commensurate with the current average fare to support regional fare recovery goals. A qualifying event generates a minimum of 5,000 attendees; similarly, for a venue, a single event at this facility must generate a minimum of 5,000 attendees. This program can be extended to bus route(s) if the aforementioned criteria is maintained and the service can be supported by operations. Valley Metro must receive notice of interest in the Ticket Partnership Program from event organizers at least four months in advance of the event and agreements must be completed by 60 days prior to the event.

**Group Field Trip Program (administered by Valley Metro Customer Service)**

Free fares are provided via the Group Field Trip Pass Program for preschool through elementary school classes using local bus/rail service during non-peak hours of service (8:30 a.m. – 2:30 p.m.). The pass allows for up to 35 students and adults to travel on bus or rail Monday – Friday for field trips. Trip planning and program administration occurs through Valley Metro Customer Service.

Tempe Youth Transit Pass Program (administered by City of Tempe)

The Tempe Youth Transit Pass allows youth ages six to 18 residing in the City of Tempe to ride local bus/rail for free. The pass issued is a Platinum Pass effective for 12 months and subsidized by the City of Tempe. If under 18, the young person must be accompanied by a parent or guardian with proof of residency. Passes can be applied and received from the Tempe Transit Store.

Rural Route Fare (administered by Valley Metro)

Rural Route fares are based on distance travelled. 1-Way travel within the same city is \$2.00; 1-Way travel within multiple cities is \$4.00. Reduced Fare is available to passengers meeting the Reduced Fare criteria.

Special Event Pass Program (administered by City of Phoenix)

The Special Event Pass Program supports major, special events and conventions in Maricopa County interested in sponsoring public transportation travel for their attendees. This program is available to events of two or more days in length and 100 or more participants (or cards). Operating as a Platinum Pass, the event sponsor is charged an up-front fee for the cards; customization of the card's exterior graphics is available with a 4 – 8 week lead time, depending on card volume. Post-event, the event sponsor is charged for actual rides taken via these passes, up to a maximum price of \$5.00/day. For events of four or more days, the daily cap adjusts to a lower rate consistent with average daily pricing of other pass types (see table below). Interested event sponsors must complete an application and eventually an agreement to take part in this program.

Special Event Duration	Daily Maximum (and Regional Fare Equivalent)
2 – 3 days	\$4.00 (All-Day pass price)
4 – 7 days	\$2.85 (7-Day pass price per day)
8 – 15 days	\$2.20 (15-Day pass price per day)
16 or more days	\$2.00 (31-Day pass price per day)



For Private Outlets (administered by City of Phoenix)

Private Sales Outlets are able to sell or offer fare media to their employees, students or clients. Private Outlets are provided with Transit Books and other marketing materials to help promote the sale of passes.

REFUNDS

No refunds are given for any fare media products or unused stored value. If a customer has registered an account, any remaining stored value will be transferred to a new card, should the customer's card become lost or damaged. In such a case, customer should notify FCS Customer Service immediately to deactivate the lost or damaged card.

VALLEY METRO PARATRANSIT (DIAL-A-RIDE)

Fare Type	Fare Structure	Fare Policy Rules/Multiples
Paratransit		
1-Ride	See base fares	2 x base fare of comparable transit service

ADA Paratransit (Dial-a-Ride)

There are several ADA Dial-a-Ride providers serving the Maricopa County region. ADA certified passengers pay a flat-rate fare for ADA trips to the Dial-a-Ride provider serving the area where their trip begins. ADA trip rates vary by provider.

ADA Platinum Pass Program

Valley Metro offers the free use of local bus and rail for individuals who are eligible for ADA Dial-a-Ride service and who reside in cities that have elected to participate in the program. ADA Platinum Pass program participants receive a photo ID card which operates as a Platinum Pass. If an individual is eligible to travel with a Personal Care Attendant (PCA), the PCA may also ride for free. If the pass used for Express/RAPID service, the passenger pays the difference in fares. The card itself is initially free, but there is a charge to replace a lost or stolen pass.

Non-ADA Paratransit (Dial-a-Ride)

A number of cities offer additional Dial-a-Ride services for seniors, persons with disabilities and other residents over and above ADA-required Dial-a-Ride. Non-ADA Dial-a-Ride is funded locally by the cities who offer it. Eligibility for service, service hours, service area(s), fares and other policies do vary.