GCRTA Fare Analysis

Interim Report
Summary of Project and Draft Recommendations

August 6, 2019

Presentation to the GCRTA Board of Trustees
External and Stakeholder Relations & Advocacy Committee

PURPOSE AND GOALS OF STUDY

One of five studies that supports the Strategic Plan

Enable GCRTA to better understand its ridership, and the relationships between changes in fares, fare structure, fare collection, ridership and revenue

Based on research, suggest changes to GCRTA fares and fare collection to better support GCRTA's goals and strategic vision, as well as reflect best practices in the US

Based on research, provide GCRTA with improved tools to analyze impacts of fare changes and meet FTA requirements

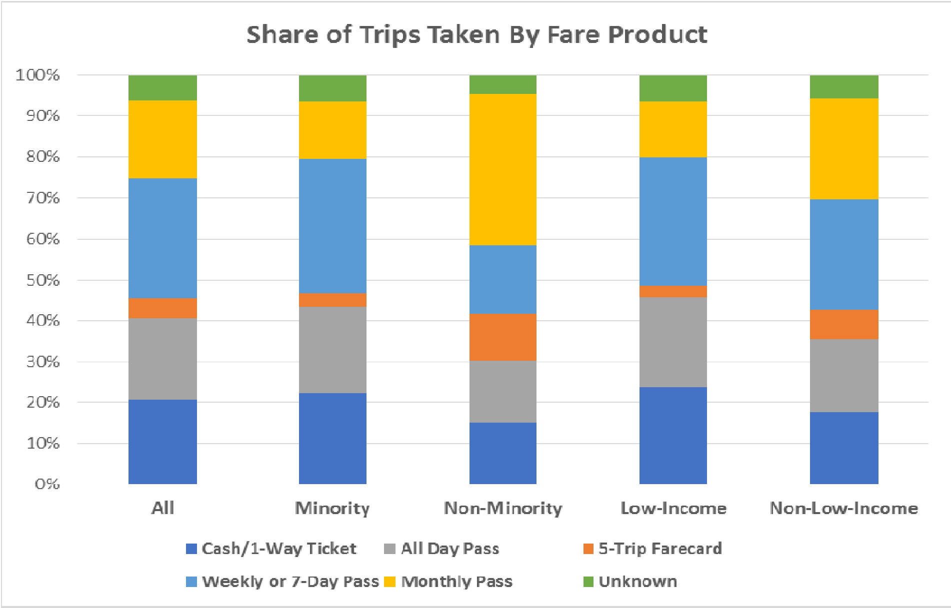
RESEARCH EFFORTS

- Onboard Rider Survey
  - Focus was statistical information to meet Federal Transit Administration requirements:
    - Minority riders[1] vs. all riders
    - Low-Income riders[2] vs. all riders
  - *Normally travel* vs. *Pay for this trip*
  - 3,719 surveys collected Nov. 9 – Dec. 3, 2018, all day, weekdays and weekends.
- Opinion Survey
  - Questions rephrased & additional questions on policies and effectiveness
  - 546 surveys collected -- Online and Public Outreach
- Peer Review
  - Major Ohio Agencies
  - Similar size, operations and climate

1. Everyone who stated a race other than White/ Caucasian.
2. Everyone with a household income less than either the HHS poverty line or $25,000

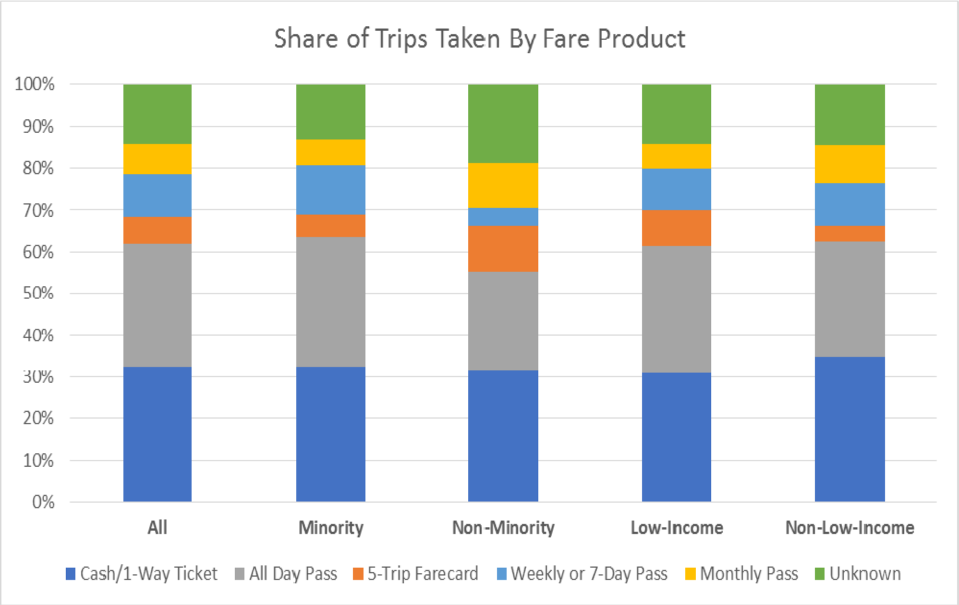
SURVEYS – FREQUENT RIDERS

- Travelers normally using transit 5 days per week and making at least 10 total trips – 59% of all trips
  - Best choice is generally the Monthly Pass
  - Many riders, especially Minority or Low-Income, use Weekly Pass. Adults pay 13% more if they ride all month
  - About 45% of frequent riders pay with cash or an All Day Pass
  - Some use of 5-Trip Farecard, especially by Non-Minority and Non-Low-Income riders



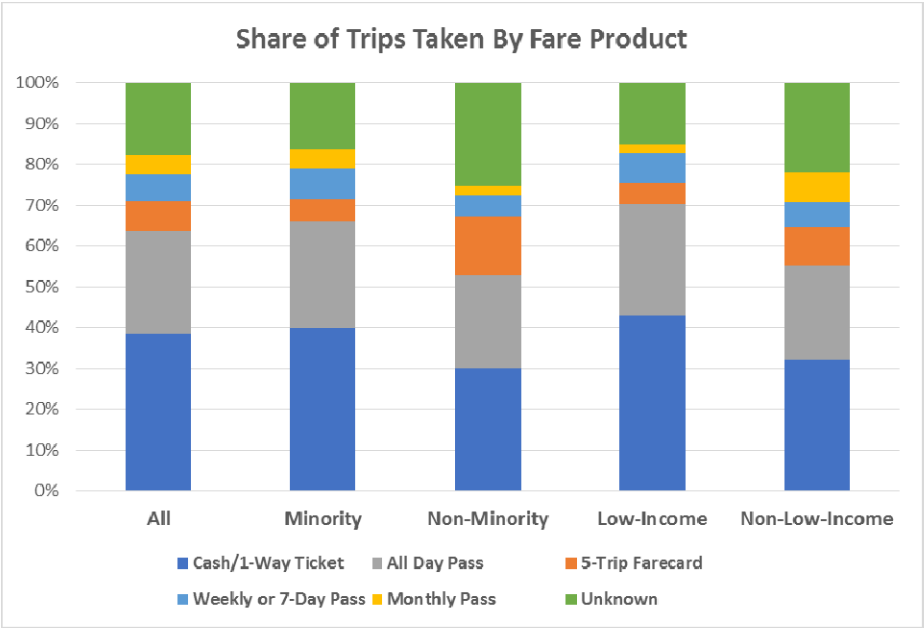
SURVEYS – LESS FREQUENT HEAVY USERS

- Travelers normally making 3+ trips per day – 8% of all trips
  - Best choice is generally the All Day Pass
  - About 30% of riders pay with All Day Pass, and another 30% pay with cash
  - Cash use is slightly higher among Non-Low-Income riders



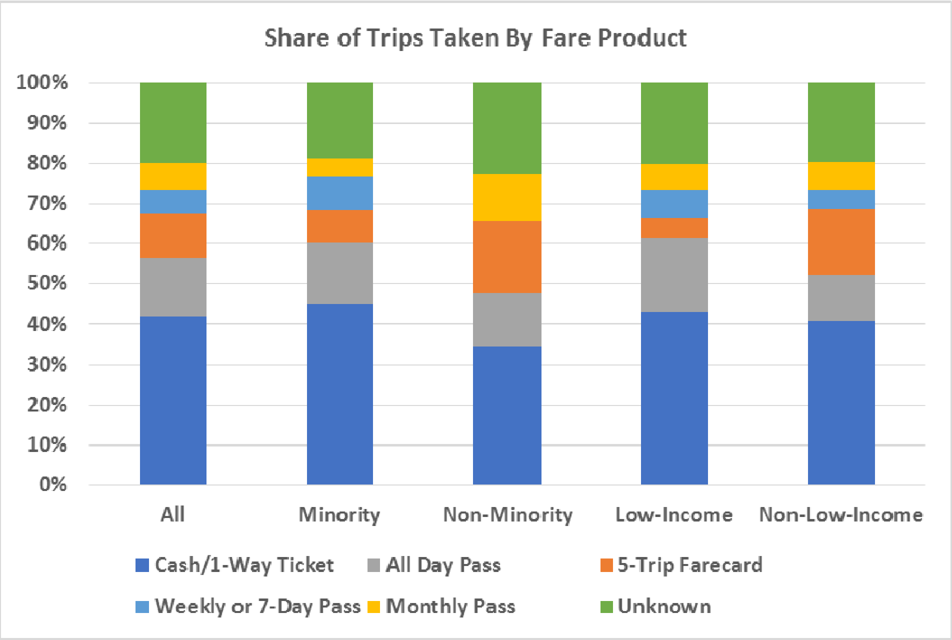
SURVEYS – LESS FREQUENT TRANSFERERS

- Travelers normally making One-Way or Round-Trip journeys with Transfers – 11% of all trips
  - Best choice is generally the 5-Trip Farecard, but only used by 7% of riders, with much lower use by Minorities and Low-Income Riders
  - Second best choice is generally the All Day Pass, used by 25% of riders
  - 38% of riders report using cash, paying for each boarding

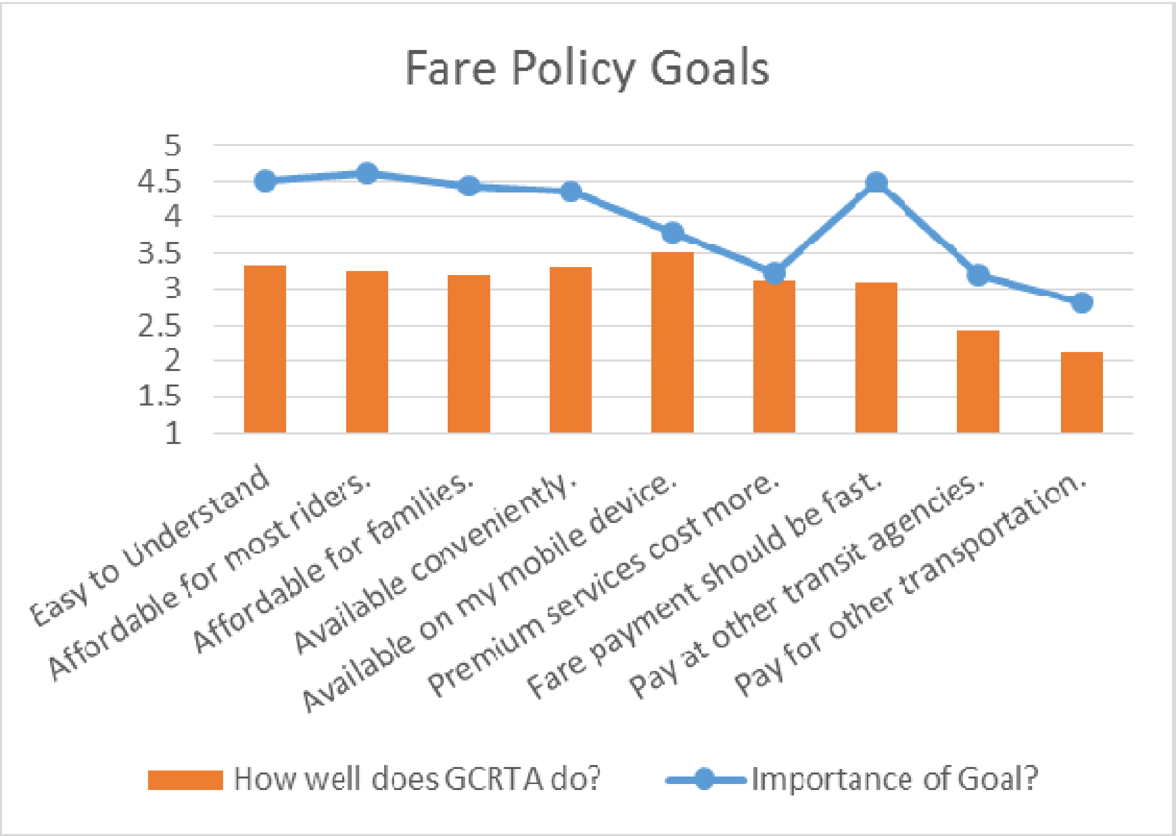


SURVEYS – LESS FREQUENT DIRECT TRAVELERS

- Travelers normally making One-Way or Round Trip journeys with no Transfers – 23% of all trips
  - Best choice is generally Cash or 5-Trip Farecard, used by 53% of riders
  - 15% use the Day Pass



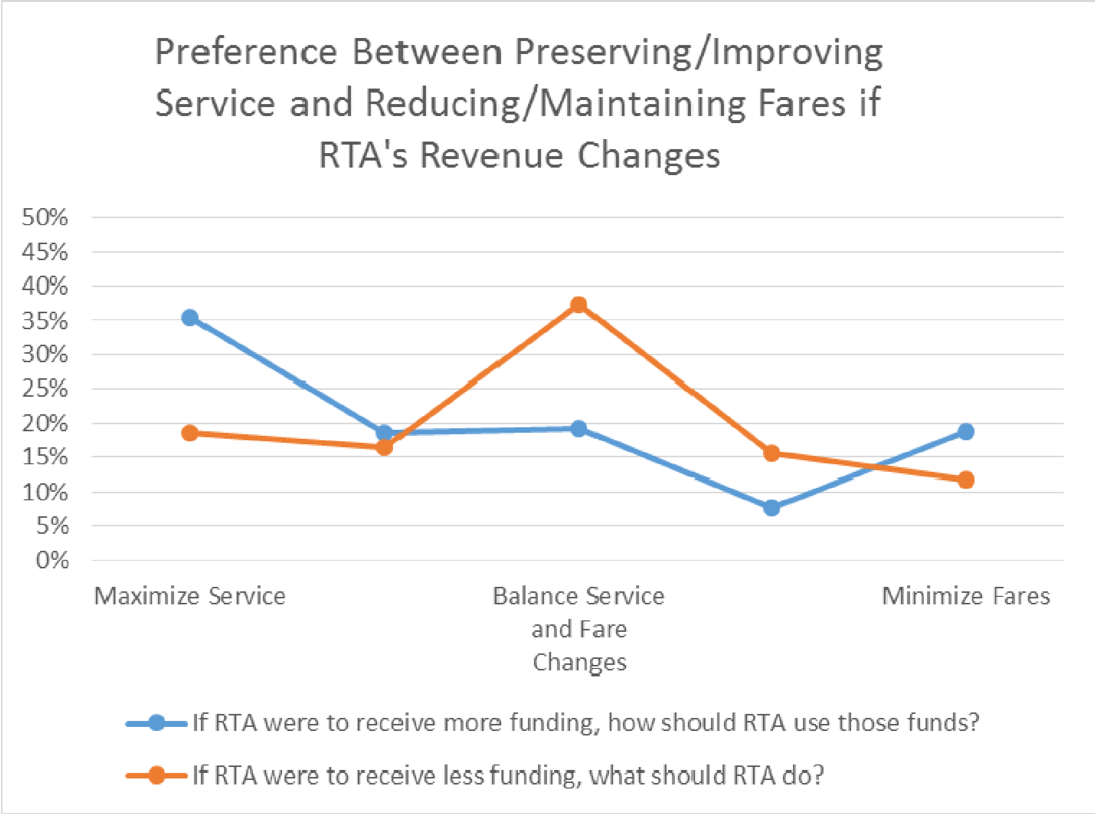
OPINION SURVEY – FARE POLICY GOALS



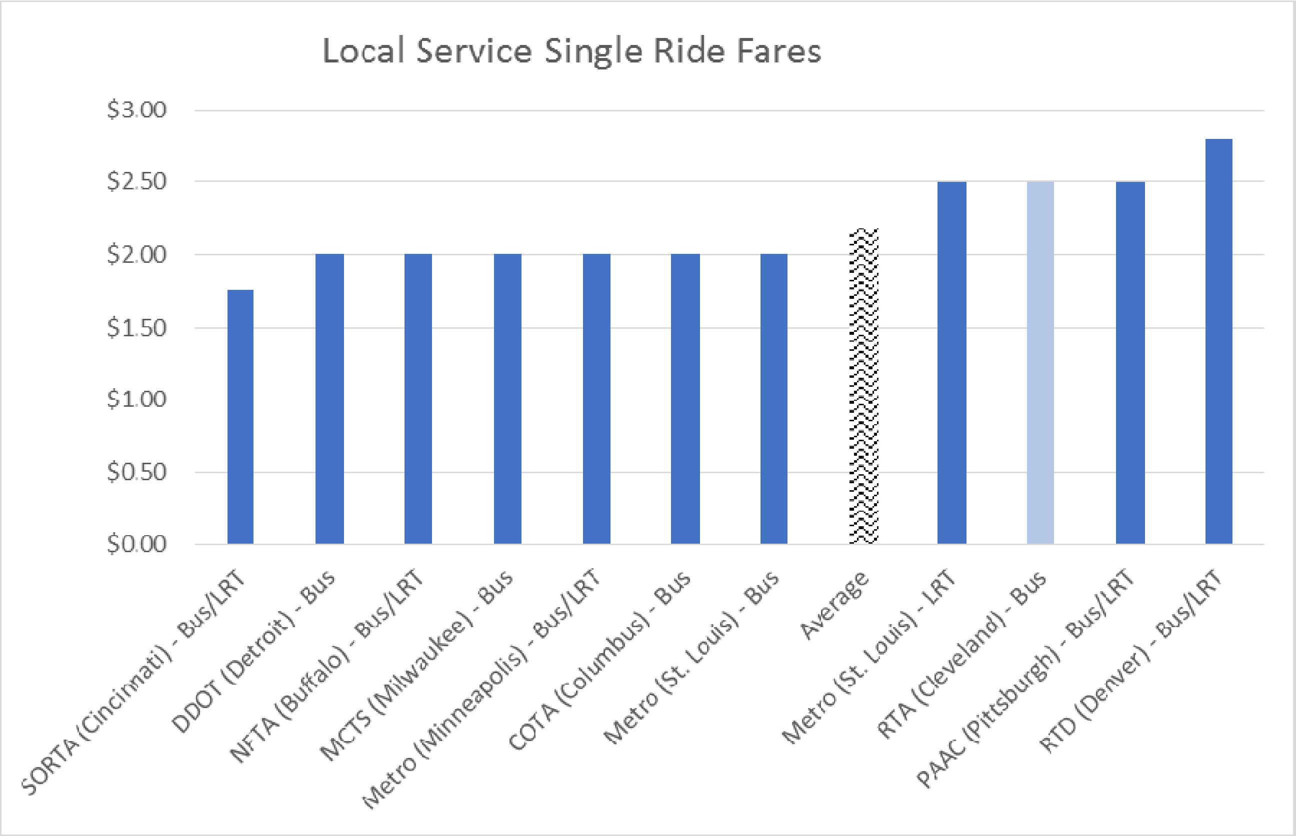
- Large differences indicate where the public sees a gap between importance and performance

OPINION SURVEY – PREFERENCE IF RTA REVENUE CHANGES

- If RTA were to receive more funding, Respondents had a preference to maximizing service over cutting fares.
- If RTA were to receive less funding, Respondents had a preference for balancing service decreases and fare increases.



PEER AGENCIES – SINGLE RIDE FARES



Denver RTD just raised its lowest fares to $2.80, but that includes a 3-hour pass.

Detroit just raised its lowest fares to $2.00, but that includes a 4-hour pass.

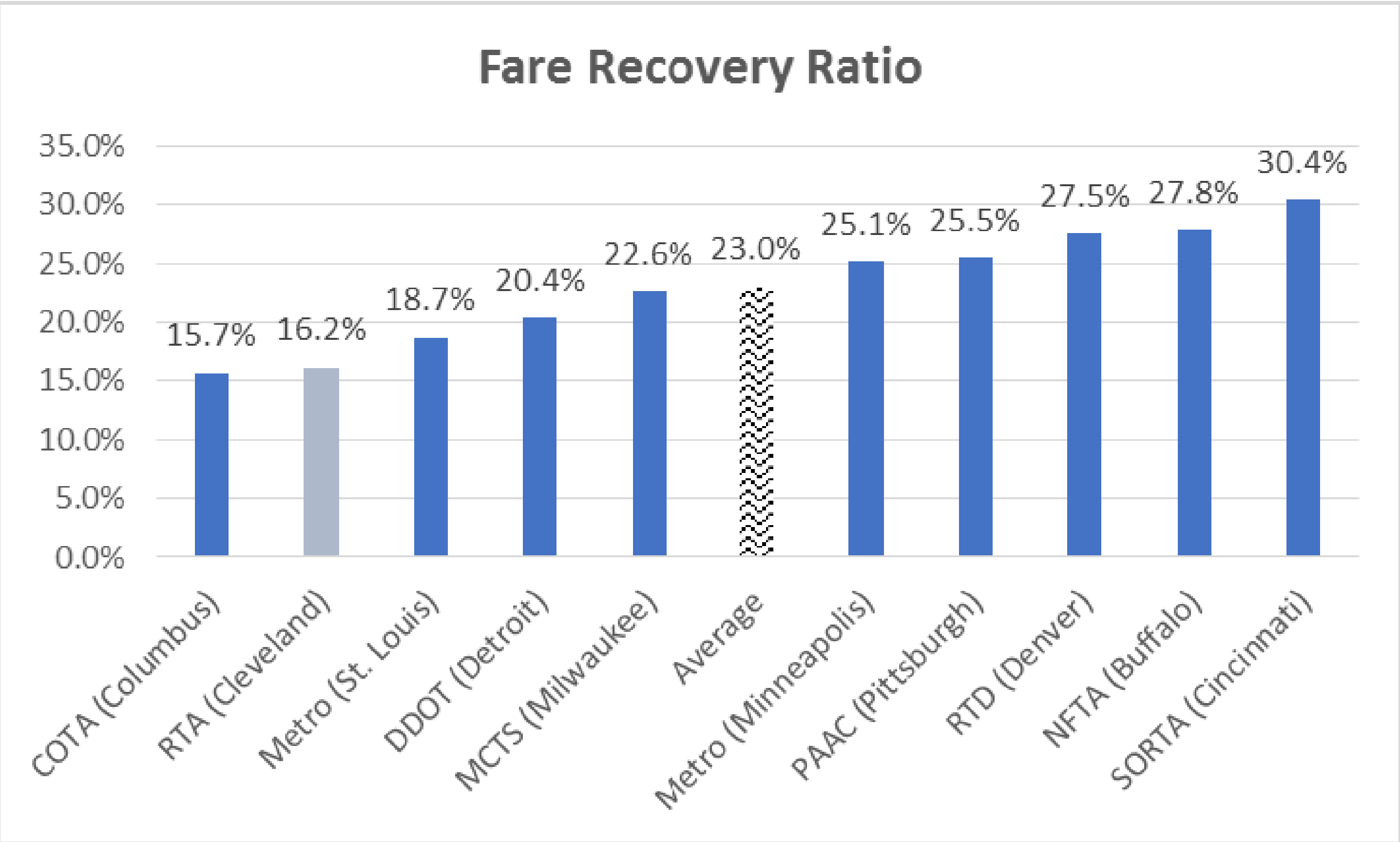
Agencies with Transfers:

- PAAC -- $1.00 (smart card only)
- MCTS -- $0.00 (smart card and mobile only)
- SORTA -- $0.50
- COTA -- $0.00
- Metro (StL) -- $1.00

PEER AGENCIES – SURCHARGES

	Premium Service	Peak Period	Maximum Distance or Airport
RTA (Cleveland)	$0.25	NA	$1.00
NFTA (Buffalo)	NA	NA	NA
DDOT (Detroit)	NA	NA	NA
PAAC (Pittsburgh)	NA	NA	NA
MCTS (Milwaukee)	$0.50	NA	NA
Metro (Minneapolis)	$0.50	$0.50	NA
RTD (Denver)	$2.25	NA	$7.50
SORTA (Cincinnati)	NA	NA	$2.50
COTA (Columbus)	$0.75	NA	NA
Metro (St. Louis)	$0.50	NA	NA

PEER AGENCIES – FAREBOX RECOVERY RATIO



Agencies' Farebox Recovery Ratio is a political decision regarding what is a fair share of the operating cost to borne by the riders rather than the public. Targets are driven by statutes and the availability of other sources of funding.

GCRTA recovery of operating expenses from the farebox @16.2% is almost the lowest of all peers.

PEER AGENCIES – ADA PARATRANSIT FARES

- Each ADA Paratransit passenger trip is much more expensive to provide than a fixed route passenger trip. Most agencies' fares are close to the federal limit of twice the fixed route fare, with no discounts.

	Paratransit to Bus Fare Multiple	Multi-Ride	Unlimited Ride Pass
RTA (Cleveland)	**110%**	No discount	**$110 / month**
NFTA (Buffalo)	200%	$35 for 10	NA
DDOT (Detroit)	167%	NA	NA
PAAC (Pittsburgh)	126%	NA	NA
MCTS (Milwaukee)	200%	No discount	NA
Metro (Minneapolis)	175%	No discount	NA
RTD (Denver)	179%	NA	NA
SORTA (Cincinnati)	200%	NA	NA
COTA (Columbus)	175%	NA	NA
Metro (St. Louis)	200%	NA	NA

TRANSFERRING

Issue – Some Riders, especially Low-Income and Minorities, Pay Excessively for Transferring

VFO – Grow Passenger Satisfaction, Increase Service Usage

- Immediate Actions
  - Undertake research to clarify knowledge and rationale regarding fare product choices
  - Public outreach and education targeted to low-income and minority communities
  - Improve distribution of 5-trip fare cards & related marketing
- Policy Changes / Clarifications
  - Fares should be based on a rider’s complete trip, without inviting fare evasion
- Considerations for Next Fare Change, unless 5-Trip Card Use Increases
  - Convenient 4-Trip ($10) reloads for smartcards
  - Charge a nominal fee for Transfers
  - Reduce Price of Day Pass
- Long-Term – Consider implementing Fare Capping

PASS PRICING / DISTRIBUTION

Issue – Some Frequent Riders, especially Low-Income and Minorities, Are Not Purchasing Passes or are purchasing Weekly over Monthly Passes

VFO – Grow Passenger Satisfaction, Increase Service Usage

- Immediate Actions
  - Undertake research to clarify knowledge and rationale of fare product choices
  - Public outreach and education targeted to low-income and minority communities
  - Improve distribution of passes & related marketing
- Considerations to Include in Next Fare Structure Change
  - Monthly passes should be priced closer to the cost of 4 weekly passes, e.g. $25 weekly with a $100 monthly
- Long-Term – Consider implementing Fare Capping

SURCHARGES

Issue – Complex Fares, Riders Paying a Fare Share, Minimizing Costs

VFO – Grow Passenger Satisfaction, Increase Service Usage

- Policy Changes / Clarifications
  - Fare differentials need to be significant enough to counter the confusion they cause and the costs that they impose, in no case less than 20%
- Changes to Include in Next Fare Structure Change
  - Park-N-Ride fare differentials should be increased to at least $0.50 or eliminated

PARATRANSIT

Issue – Current Fares Encourage Riders to Increase Use of Paratransit

VFO – Grow Operating Revenues, Maintain Expenses

- Immediate Actions
  - Tighten eligibility determination for paratransit
- Policy Changes
  - Paratransit fares should reflect the higher cost of providing paratransit trips but comply with FTA requirement of no more than two fixed route fares
  - Fares on paratransit and fixed route should encourage riders to use fixed route service
- Considerations to Include in Next Fare Structure Change
  - Unlimited ride passes on paratransit should be eliminated
  - Free rides on fixed route should be reconsidered, AFTER eligibility is tightened
- Long-Term – Paratransit fares should equal two fixed route fares

FUTURE OF FARE COLLECTION 1

Issues

- Increasing maintenance costs
- Travel is likely to be increasingly multi-modal & multi-operator
- Aging population will increasingly need transportation options

VFO – Advance Use of Technology, Grow Passenger Satisfaction, Increase Service Usage, Maintain Expenses

- New Approaches with Enhanced Technology
  - Riders pay for the transportation service that they want to consume, not for each trip RTA is willing to provide – Smartcards with Free Transfers
  - Riders don't need exact change or credit/debit cards – Account Based, Third-Party Retail
  - Riders can use multiple modes and operators – Regional Agreements
  - Discounts no longer depend on the ability to pay upfront – Fare Capping

FUTURE OF FARE COLLECTION 2 – TECHNOLOGY

- New agreements with agencies and private providers
- New agreements with retail stores
- New Technology Needed
  - Robust back-end with account-based, cloud-hosting – Offers greater flexibility of fare products and enhanced data reporting for agency decision-making
  - Wireless connectivity/real-time – Basis for Fare Capping as well as real/near-real time access to customer purchases and account reloads
  - Third-part Retail network – Convenient locations for riders to add value using cash
  - Open architecture – Multiple suppliers to reduce costs
  - Open payments – Riders pay with media forms they have, such as credit/debit, ID cards

NEXT STEPS

- Board Comments and Concerns
- Public Outreach
- Develop final short and long-term recommendations on fare policy, structure, technology and levels for Board review