Fare Capping and Fare Proposal

Board Meeting

December 1, 2022

Item #50

Metro

Public Comments >700

PUBLIC HEARING
November 14, 2002

102 attended
77 testimony

630 comments

Service Councils, Advocacy Groups, Advisory Groups and stakeholders

2-hr Transfers

25¢

Free Fares

Rolling Weekly cap

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Modified Fare Restructuring Recommendation

Rider Category & Fare Product	Adopted Pricing	Public Hearing	Option 1: Same Base Fare (w/transfers)
Regular Fare			
Base Fare	$1.75	$2.00	$1.75
Day Pass / Daily Cap	$7.00	$6.00	$5.00
7-Day Pass / Weekly Cap	$25.00	$20.00	$18.00
30-Day Pass	$100.00	Not Offered	Not Offered
30-Day Pass Zone Upcharge	$22.00	$0.00	$0.00
Senior/Disabled			
Base Fare	$0.75 / $0.35	$1.00	$0.75
Day Pass / Daily Cap	$2.50	$3.00	$2.50
7-Day Pass / Weekly Cap	Not Offered	$8.00	$6.00
30-Day Pass	$20.00	Not Offered	Not Offered
K-12 Student & College/Vocational			
K-12 Base Fare	$1.00	$1.00	$0.75
College/Vocational Base Fare	$1.75	$1.00	$0.75
Day Pass / Daily Cap	Not Offered	$3.00	$2.50
7-Day Pass / Weekly Cap	Not Offered	$8.00	$6.00
K-12 Student 30-Day Pass	$24.00	Not Offered	Not Offered
College/Vocational 30-Day Pass	$43.00		
LIFE FREE Trips	**20 FREE**	**30 FREE**	**20 FREE**
Projected Revenues *($ in millions)*		**$ 174.1**	**$ 145.4**
Est. Projected Revenues @ full ridership *($ in millions)*		**$ 217.6**	**$ 181.8**

Based on Public Comment
Final Recommendation:

- Keep Base fare
- Transfers
- 7 Day Rolling Cap

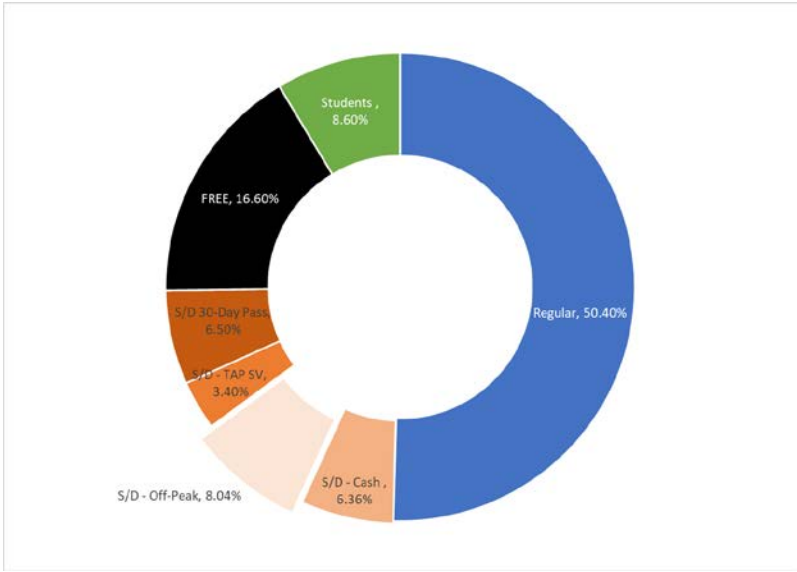
Senior/Disabled Fares

Fare based on time at boarding adds complexity

- Riders must be aware of the time to pay correct fare
- Operator conflicts with riders regarding time of day

FTA requires: 50% S/D discount during <u>off-peak</u>

- Metro Peak Fare **57%** off ($0.75)
- Metro Off-Peak Fare **80%** off ($0.35)
  - 7pm-6am & 9am-3pm weekdays, weekends, holidays
- $0.35 OWL (late night fare) since 1995 – **27 years**



<u>Mitigation Strategies</u>

- Fare capping is a mitigation factor for affordability
- Expand outreach/marketing of reduced fare programs to Senior/Disabled communities
  - Access Services - Ride Metro Free
  - LIFE Program – Free 20 trips each month and fare capping
    - Currently, 13.3% of LIFE participants are Senior/Disabled riders
    - About 6.5% of new enrollees are Senior/Disabled riders

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Policy Change Elements (A-G)

A. Implement Fare Capping
B. Transition Metro Passes to Fare Capping
    - *No upfront payment for passes*
C. Modified Fare Restructuring
    - *Day/Weekly pricing based on industry standard "multipliers"*
D. LIFE Program
    - *Free 20-trips every month & fare capping*
E. Lower Fares on Metro J Line (Silver) and Express Bus
    - *One fare for all Metro services*
F. Increase life of the TAP card and Continue Free cards for Reduced fares, TAP app and Apple Wallet
G. Adopt comprehensive fare policy
    - *Consider during budget process, recalculating fares every 4 years based on CPI*

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Efforts to convert Cash Paying Riders to TAP

Cash to TAP Conversion Campaign

- Timing: November 2022 – October 2023
- GOAL: Convert cash-paying riders to TAP
- Messaging:
  - The benefits and savings of using a TAP card to ride transit
  - How easy it is to find TAP near you (Ralph's, LA Public Libraries, Continental Currency locations)
- Messages will be updated as research results unfold

Market Research to understand how to convert cash paying riders to TAP

- Timing: September 2022 – March 2023
- GOAL: Understand what would motivate cash paying riders to switch to TAP
  - Understand rider fare payment habits, awareness of LIFE and Reduced Fare Programs, and test fare capping marketing message for seamless transition
- Strategy:
  - Mix of focus groups, in-depth interviews and surveys (online & at high cash paying bus stops)
  - Target: Cash Riders, TAP Riders, Non-English Speakers
  - Meetings & Focus Groups with Bus Operators to gain insight on cash riders

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Phased Marketing Campaigns

Phase 1
Oct

- In-depth research to understand how to convert cash paying riders to TAP starts

Phase 2
Nov- Dec

- TAP Regional Campaign to convert cash payers to TAP begins (update per research results)
- Public Outreach and Presentations to Advocacy & Advisory Groups
- Public Hearing on Proposed Fare Changes on November 14, 2022
- In-Person Surveys & Focus Groups with riders on fare payment habits and test of initial launch messages

Phase 3
Spring 2023

- Extensive outreach to explain benefits of fare capping and how it works to riders
- Reduced fare programs campaign
- Free TAP Card distribution (high cash paying bus stops)

Phase 4:
Summer 2023-ongoing

- Ongoing fare capping campaign, Reduced Fare programs, and continuing of efforts to convert cash paying riders to TAP

Recommendations

A. RECEIVE & FILE comments from the public hearing conducted by the Board of Directors on Monday, November 14, 2022 (Attachment A & A1);
B. ADOPT Option 1 - a modified fare restructuring plan including fare capping, new fare pricing, and fare policy changes – Requires 2/3 majority (Attachment B);
C. APPROVE the results of the fare equity analysis for the modified fare restructuring plan (Attachment C);
D. ADOPT resolution in accordance with the California Environmental Quality Act (CEQA) finding that the purpose of the modified fare restructuring plan is to pay operating expenses (Attachment D);
E. APPROVE the finding that the proposed fare restructuring plan is statutorily exempt from CEQA under Sections 21080(b)(8);
F. AUTHORIZE the Chief Executive Officer to file a CEQA Notice of Exemption (NOE) for the fare restructuring plan with the Los Angeles County Clerk; and
G. AUTHORIZE the Chief Executive Officer to extend the sale of promotional passes at 50% of the cost of full price passes through June 30, 2023, as a continuation of Motion 36: Emergency Relief (Attachment E), or until fare capping is launched, whichever is earlier.

Thank you!

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