

**Cascades East Transit
Proposed Fare Policy Change Recommendations
April 16, 2014**

Background

As part of the Regional Transit Master Plan process conducted in 2012-13, COIC staff and the Regional Public Transit Advisory Committee (RPTAC) conducted a fare study (peer review) and developed fare policy recommendations. COIC staff analyzed fares for comparable types of service on transit systems in Oregon. Staff gathered information on population served, area served, route miles, etc. in order to help provide context for the comparisons.

The reasons for conducting the study and proposing the changes were:

1. COIC has not changed its fare policy since Cascades East Transit (CET) opened.
2. CET has experienced steady budget cuts over 2 years, and in the absence of dedicated local funding should look to new revenue generation opportunities.
3. CET dial-a-ride fares are low compared to industry averages.
4. Passengers often state a preference for paying higher fares versus losing services.
5. Community Connector shuttle fares are not sensitive to distance traveled – e.g. a rider traveling from La Pine to Madras pays the same fare as a rider traveling from Bend to Redmond.
6. Discounting an already-subsidized fare through the existing Private Non-profit Agency Program increases the burden on the system without providing sufficient revenue to pay for the cost of providing rides.

Fare Change Process To Date

The original fare policy change recommendations included significant increases in certain fares as well as a restructuring of the Community Connector shuttle fare system. Staff presented the recommended fare policy changes at the June 2013 COIC Board meeting and the Board requested that the proposal be revised in order to avoid drastic increases in fares and potential ridership loss. A revised proposal was then developed in consultation with the Regional Public Transit Advisory Committee (RPTAC), and COIC requested feedback in January 2014. The revised proposal and feedback from the community were discussed – but not acted upon – at the January 21, 2014 and March 18, 2014 RPTAC meetings, with the group coming to consensus to consider a third, revised version of the fare change proposal.

Proposed Fare Changes – Version 3

Attached is a revised proposal to change the COIC Fare Policy and Schedule. It includes less drastic increases to fares. The proposed changes are designed to increase the overall farebox recovery rate from approximately 11% to 15% of system costs. These changes are proposed for approval or revision at the regular RPTAC meeting on May 13, 2014, from 11:15am to 1:15 pm at the Redmond Public Library, 827 SW Deschutes Ave., Redmond, OR. This place and time has been selected to optimize the ability of CET riders to attend.

In summary, the attached changes (see page 8 for the revised fare table):

- Raise Zone 2 and 3 (Madras, Prineville, Redmond, LaPine, Sisters) public dial-a-ride fares from \$1.25 to \$1.50 per one-way trip
- Eliminates day and monthly passes for Zone 2 and 3 dial-a-ride services.
- Changes the Non-profit Agency Fare Discount program to only apply to local fixed-route services .



Regional Fare & Service Change Policy-Draft Revision

Policy #: CET-002

Adopted: 2/3/11

proposed April 2014

Purpose: The fare policy is used to provide direction in making decisions about changes in the fare structure and major service changes. The policy guidelines specify the process COIC will use when considering changes to the fare structure and major fare changes for its public transportation services. This Fare Policy applies to the fixed-route, regional demand response and Bend Dial-a-Ride services.

OBJECTIVES

1. To promote ridership by making the fare structure attractive to users
2. To encourage the farebox recovery ratio
3. To improve the efficiency of fare collection
4. To set out a public process to be used when the system considers major service charges.

GUIDELINES

1. Recommendations for changes in the fare or major service changes will be developed by staff and the Regional Public Transportation Advisory Committee (PTAC). In formulating recommendations, PTAC will conduct a meeting to receive oral and written comment from the public on whether transit and/or demand response fares shall be increased or major service changes should occur. At least fourteen days notice will be provided of this meeting by publication in a regional newspaper. The notice shall include the time and location of the public meeting; a summary of proposed language; specify the address where written comments can be mailed; and inform the public of alternative formats available to assist in this public process.

The COIC Board will review the PTAC/staff recommendation at a public hearing, after which Board may change the fares by formal adoption or amendment to the *Fare Schedule* as part of the *Regional Fare and Service Change Policy* by roll call.

2. When considering changes to the fare, the staff, PTAC, and the Board will consider:
 - *The inflation rate*
 - *Ridership and revenue trends*
 - *Local economic trends*
 - *Trends in automobile-related costs such as gas*
 - *Service changes*
 - *Economic impact on customers*
 - *Market conditions and opportunities*
 - *The CET's financial situation*
 - *The CET's goals and objectives*

This policy statement lists the most important factors to be considered in making recommendations for changes to the fare structure. The list of factors to be evaluated is not meant to be exclusive; other factors may need to be considered from year to year.

3. Except for special discount fares, the Bend Dial-a-Ride fare should exceed the fare of the fixed-route system to reflect the higher cost of a Bend Dial-a-Ride trip and to encourage use of the fixed-route system when possible. By law, Dial-a-Ride fares cannot exceed twice the regular fixed-route fare.
4. Increases in the farebox recovery ratio should be pursued primarily by improving the ridership productivity of the system and by improving internal operating efficiency.
5. Prepayment of fares on the fixed-route system shall be encouraged. Accordingly, passes should be priced below the cash fare.
6. Increases to the base fixed-route fare will be reviewed periodically and changes should be rotated by fare category. This policy directs that changes in the fare be incremental in nature to avoid large "catch-up" increases. Rotating fare increases by fare type allows customers to choose a fare type that is not increasing in cost that year.
7. Recommendations for fare changes will be developed prior to the budget process each spring for the following fiscal year.
8. Fare promotions can be used to attract new riders to the fixed-route system.
9. Discounted fares may be used to encourage ridership during traditionally low-demand periods.
10. Fare payment options that effectively attract a different market segment or encourage increased use of the bus by current riders shall be developed. The fare payment options should be made conveniently available to customers.
11. The design and number of fare payment instruments shall consider the ease of enforcement by bus operators and ease of understanding by customers.

CHILD FARES

Up to two children, five years and younger, ride free with each adult paying full fare. Additional children must pay full fare. Children six and older pay adult fare. Youths age six to eighteen may purchase discounted passes as noted in the fare schedule – Appendix A.

FARE MEDIA DONATIONS

CET offers fare discounts for purposes of marketing transit and to support community activities. Donations will occur in the form of fare media. Any community group may request a donation.

|| Authorization for free fare media must be given in writing by the ~~Bend Transit Manager or the Regional Transportation Manager~~.

Fare Discounts - Private Non-profit Agency Program

Cascades East Transit offers private non-profit agencies the opportunity to purchase full fare at a 50 percent discount for single zone **fixed-route** fare products only. This discount is granted in recognition of a community need for transportation services for individuals and families who are working with these agencies to seek employment, housing, and medical services. This policy applies to any private non-profit (501-3-c and 501-19-c) agencies that provide assistance to low income individuals. Agencies wishing to participate may complete the necessary application. Upon successful certification, agency staff may call Cascades East Transit to place a fare media order.

Agencies are eligible for a 50 percent discount toward the purchase of \$350.00 of full fare media per month.

WHOLESALE DISCOUNTS

Cascades East Transit offers private retail sales outlets and public agencies a wholesale discount on the purchase of fare media. This discount recognizes that these organizations play an important role in the distribution of fare media to CET customers. This policy applies to all private retail outlets that CET chooses to contract with for the sales of fare media. All public agency purchases will be issued according to the same discount structure. CET offers a 5 percent discount on the purchase of fare media for private retail sales outlets who purchase fare media for their customers. Monthly passes will be consigned. All fare media must be offered by the retail outlet. The retail outlet will not monitor for age, disability or other discount programs requirements.

GROUP PASS PROGRAM

A Group Pass Program is one in which the cost of transit fares is shared by a group. Dial-a-Ride is not inclusive of this program. All persons within the group receive the transit benefit whether or not they actually use the service. The employer enters into an annual contract for services with the COIC. In this way, the cost per person for the service is significantly reduced, and ridership within the group can be expected to increase significantly.

Qualifying Organizations: COIC will consider any organization, public or private, for a group pass program if it:

1. Includes at least 10 individuals
2. Is financially capable and legally empowered to enter into a contract with COIC and meet the financial obligations dictated by that contract. The group pass program will apply to all members in the organization.
3. COIC will consider qualifying organizations on a first-come/first-served basis, only if the COIC has the service and equipment capacity to serve that organization.
4. An Organization may enter into a contract for a group pass program with COIC for a subgroup of the organization.

Cooperative Organizations: Many organizations have fewer than 10 employees and wish to participate. In order to meet this growing need, COIC will allow associations to pool

member organizations into a single employee pool and enter into a group pass contract within the guidelines above. The association may be for government, profit or non-profit, but will be held responsible for the agreement and collecting required information and payment from the participants.

Pricing: A base rate per employee per month will be levied on individuals within the organization. The organization may choose to participate in a program for only one specific zone or multi zone. Based on the price per zone listed below, all employees regardless of number of hours worked, who have regularly assigned day shifts (between 7am-6pm, M-F) will be counted based on if they need a zone 1, zone 2, zone 3, or multi-zone to travel between work and home. Organizations with unusual employment structures for hours worked and or seasonality, such as schools may negotiate a more tailored pricing approach with COIC. Once each year the organization who has entered into a group pass contract with COIC will supply a list of all employees with the following information: last name/first initial, work location, home address, and standard shift. COIC will “certify” the correct employee count per zone and issue a certification to be used for billing the rest of the year.

Zone 1	Zone 2	Multi Zone
\$5 per month per employee	\$8 per month per employee	\$20 per month per employee

Term of the Contract: Contracts will normally be for a one-year period, with annual renewals.

Pass Identification: Group pass participants are to have photo identification that is easily verified by the bus driver. The photo identification may be either the organization's, in which case it must have a COIC zone designated validation sticker, or issued by COIC. In either case, the cost of issuing the photo identification will be borne by the organization. Participating organizations will be responsible for administering the program within their organizations.

Marketing: COIC will provide trip planning assistance for the individuals of a group pass organization. Marketing of the service to individuals of a group pass organization will be conducted where it is determined to have a significant impact on ridership.

REDUCED FARE PROGRAM

The objective is to provide reduced fares for fixed route services for seniors and people with disabilities in cooperation with the Federal Transit Administration's half-fare requirements. Community Connectors and rural demand response service is also offered at reduced fares as per the fare schedule.

Who qualifies for the half-fare or reduced fare programs?

1. Persons aged 60 and older
2. Medicare cardholders
3. Persons who receive Supplemental Security Income (SSI), *based on disability*, or Social Security Disability (SSD) benefits, as long as they continue to receive these benefits

4. Veterans who are disabled, who receive a determination of at least 50 percent permanent disability or a non-service connected pension as determined through the Veterans Administration
5. People who meet the Federal Transit Administration's (FTA)¹ definition of people with disabilities "...means any individual who, by reason of illness, injury, age, congenital malfunction, or other permanent or temporary disability (including any individual who is a wheelchair user or has semi-ambulatory capabilities), are unable, without special facilities or special planning or design to utilize mass transportation and services as effectively as persons who are not so affected." See Dial-a-Ride Eligibility Policy for special assistance categories.

What must be shown to qualify?

On boarding the bus, a special Half-Price Pass or one of the following proofs must be shown to the driver if requested to qualify for half-fare.

1. Medicare card
2. Official verification of age (valid driver's license, passport, State ID card)
3. Letter of Authorization that you receive Supplemental Security Income (SSI) or Social Security Disability (SSD) benefits.
4. Verification that you receive benefits from the Veterans Administration at a 50 percent disability level or greater, or receive a disability pension from the VA
5. Dial-a-Ride certification (for those in some conditions are able to use the fixed route system for some rides)

Disability Verification: Individuals who do not have one of the proofs of eligibility listed must complete a Half-Fare Application to obtain the special pass.

Individuals with one of the listed proofs are to be issued a Half-Price Pass upon submitting a copy of the documentation. Because documentation must be shown each time on boarding, all individuals are to be encouraged to obtain the special Half-Price Pass.

LOW-INCOME POLICY – BEND DIAL-A-RIDE

The objective is to provide reduced fares, when possible, for individuals who qualify to use Bend Dial- a-Ride.

The definition of low-income is set in the Paratransit Eligibility Policy. The rate is included in the CET Fare Schedule.

MAJOR SERVICE CHANGES

A major service change is defined as a reduction in service that meets one of the following thresholds:

- Elimination of a route.
- Reductions of 25% of service hours on a route
- Loss of over 5 stops on a single route
- Reduction of demand response revenue service hours that exceed 10% of total weekly hours.

¹ FTA is a department of the United States Department of Transportation

APPENDIX A: FARE SCHEDULE

Cascades East Transit

Fare Type	Passenger Category	Price Zone 1	Price Zone 2, 3, or 4	Price Multi Zone
Single ride – no transfers*	Adult/Youth	\$1.50	\$1.25 \$1.50-	
	Senior/Disabled	\$0.75	\$1.00 <u>1.25</u>	
Day Pass – unlimited rides*	Adult /Youth	\$2.50		\$6.25
	Senior/Disabled	\$1.25		\$5.00
Day Pass ticket books* (zone 1 includes 6 rides/day passes. zone 2, 3, 4, multi-zone – price is for 2 books – 12 rides.)	Adult /Youth	\$12	\$12.50	\$60 <u>\$30</u>
	Senior/Disabled	\$6	\$10	\$60 <u>\$30</u>
Monthly Pass	Adult	\$30	\$35	\$100
	Youth	\$20	\$35	
	Senior/Disabled	\$15	\$25	
Bend Dial-a-Ride	One-Way	\$2.50		
Bend Dial-a-Ride low-income	One-Way	\$1.25		
<u>Dial-a-Ride 10-trip Punchcard</u>	<u>Adult/Youth</u>		<u>\$15.00</u>	
	<u>Senior/Disabled</u>		<u>\$12.50</u>	

PASSENGER CATEGORY KEY

Adults (19-59 years of age)
 Seniors (60+ years of age)
 Youth (6-18 years of age)
 Child (0-5 years of age)

Medicare clients please show your card for half fare discount on fixed route.

NOTE: Zone 4 is currently not applicable due to lack of service to Warm Springs.

