

# CITY OF MADISON TRANSPORTATION PLANNING AND POLICY BOARD

## ACTION ITEM DETAIL – AUGUST 16, 2021

**ACTION TITLE:** Metro Transit Future Fare Collection Policy

**PRESENTER:** Metro Transit, Justin Stuehrenberg

### ACTION SUMMARY

Approval of a policy direction on how fares are to be collected in the future.

### BACKGROUND

As Madison begins to implement Bus Rapid Transit (BRT), it is critical that a new system of fare collection be identified. To that end, the City of Madison recently completed a detailed examination of various fare system types, including a fare-free system. This detail was presented in whole or in part at various meetings, including Transportation Policy and Planning Board on May 3 and June 28, a public information meeting on July 21, and a public hearing on August 2.

Based on the feedback received, it was clear that cash collection continues to be a major point of concern. Therefore, the policy outlined below does not include a transition from accepting cash. However, as the new system is implemented, if cash usage drops precipitously as staff expects, staff may bring a future action to complete the transition away from cash.

As this project straddles the line between policy and implementation, it also straddles the line in jurisdiction between the Transportation Planning & Policy Board (TPPB) and the Transportation Commission (TC). Therefore, this action by the TPPB will be related only to the policy around fare collection, and a future action by the TC will be required to award contracts and set rates. This project is expected to follow the following general process:

1. TPPB action on this policy direction
2. Staff to prepare and release and Request for Proposals based on this policy
3. Vendor selection, including TC approval of the contract to ensure compliance with this policy
4. Staff works with vendor to identify list of implementation details
5. TC action on those details
6. Final implementation

### DESCRIPTION

Staff is recommending that the TPPB approve a fare collection policy in accordance with the following principles:

- A new fare system is to be operational on or before the start of BRT operations in the Summer of 2024
- New system to be implemented on both BRT and Local (non-BRT) routes
- Allow users to add monetary value to accounts to be used for transit travel
- Allow users to validate their account media at any door of the bus
- A reduced fare program is to be created for eligible users, with the ability to pay balances after a ride
- Cash to continue to be accepted on board local buses for single ride fares only
- BRT stations to include cash reload kiosks that can dispense new fare media
- Contract with retailers to enable reloading accounts with cash at those retailers
- Utilize fare capping to allow users to pay up to a limit, with rides after that limit being free
- Accepts payment via mobile phone and other third party media enabled by the new fare system
- Integrate with Identification Cards used by major partners to be used as fare media as technology permits
- Create a time duration transfer period to replace transfer slips
- Accept payments via this new system on Paratransit providers

Future TC actions would approve include implementation details related to transit fares that are not covered by this TPPB action, such as:

- Approval of vendor contracts
- What registration is required by users, if any
- Fare amount for full fare and reduced fare program
- Eligibility requirements for the reduced fare program
- Minimum balance of reduced fare program accounts
- Cost and replacement criteria for fare media
- Fare cap amounts and time duration
- Transfer period duration
- Retailer selection criteria
- Approval of third parties to integrate with

### **EQUITY GOAL IMPACTS**

The creation of a reduced fare program and the introduction of fare capping have great potential to enhance equity. By lowering the cost overall and the barriers of an upfront lump sum payment, low income users can realize the benefits of a pass program much more readily. This policy proposes to continue cash collection, which was a desire and equity concern voiced by the community.

### **FISCAL & PROCUREMENT DETAILS**

The total cost of this fare collection system has not been determined, but is expected to be fully covered within the budgets for the Metro Technology upgrade project and the BRT project. Metro staff will prepare a Request for Proposals over the coming months, with the plan to have a vendor selected in early 2022.