



METRO FARE COLLECTION COMPARISONS

6/28/2021



FARE-FREE

- Garnered recent attention
- Chapel Hill implemented
 - Fare revenues were <10% of budget
 - Studying resuming fares
- Kansas City Area Transportation Authority largest city to have implemented
 - Fare revenues were <10% of budget
 - Much of the fare replacement came from Kansas City
- Europe has more examples
 - Estonia
 - Aubagne, France
 - Luxembourg

FARE-FREE TYPICAL IMPACTS

Benefits

- Reduce barriers
- Increase ridership
- Reduce administrative costs

Challenges

- Loss of operating revenue
- Ridership gain often from biking/walking
- Additional service for capacity
- Increased security challenges



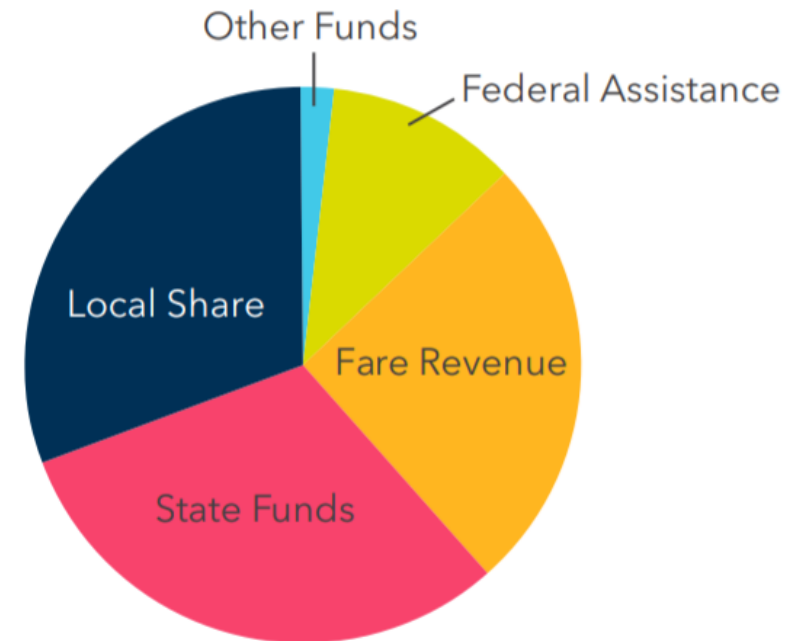
FARES

- Fares Comprise about 24% of Metro's Revenue (\$18.5 m)
- Eliminating fare collection reduces operating expenses (\$0.5 m)
- Pre-covid Federal and State operating assistance remained stagnant.*
- Replacement of revenue would fall fully on Madison and partners

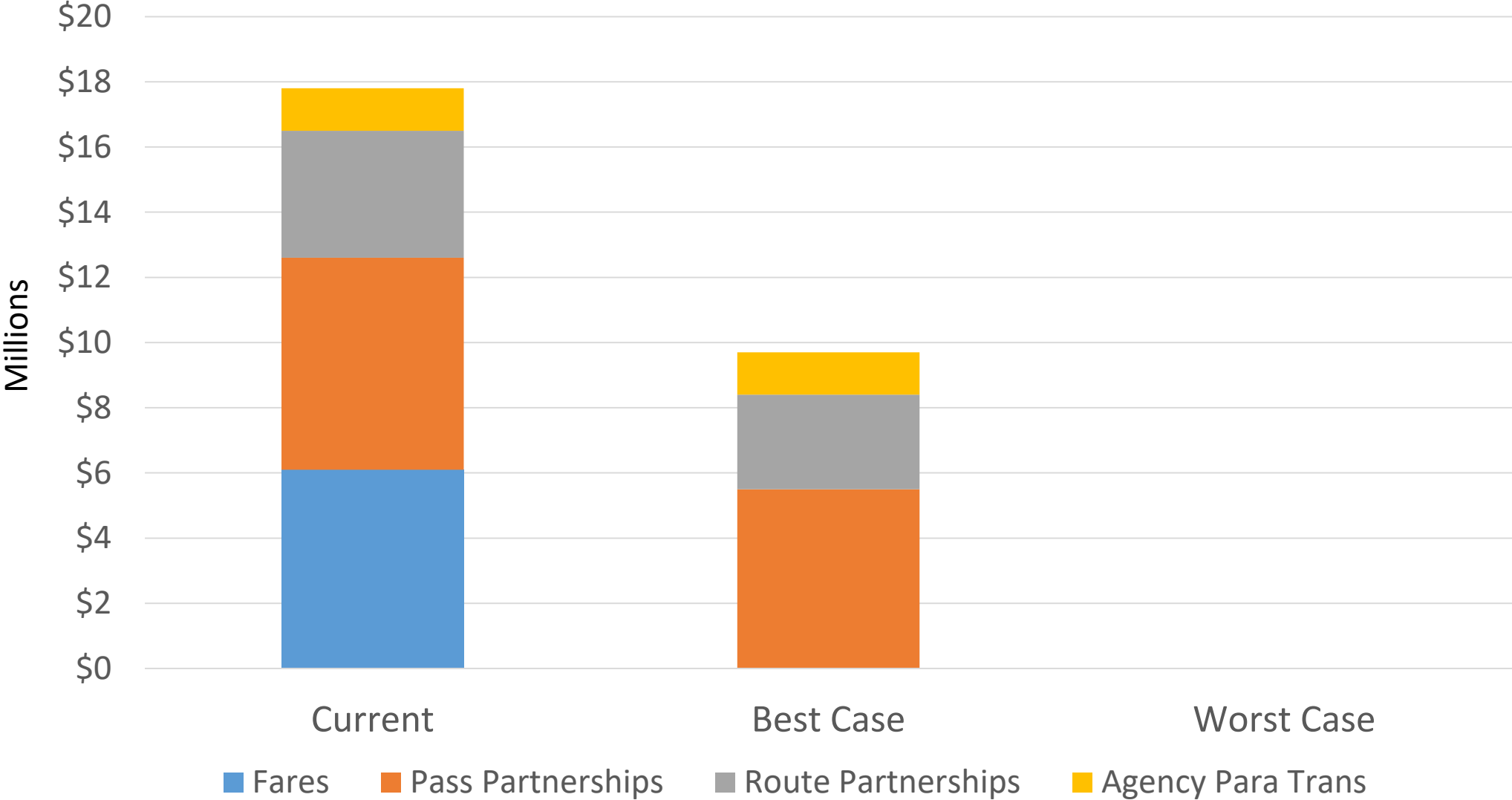
REVENUE 2019

● Local Share*	\$18,540,693
● State Funds	\$17,352,591
● Fare Revenue	\$13,905,945
● Federal Assistance	\$6,187,400
● Other Funds	\$1,245,306
Total Revenues	\$57,231,935

*City budget, revenues from contracting partners.



Fare Box Scenarios

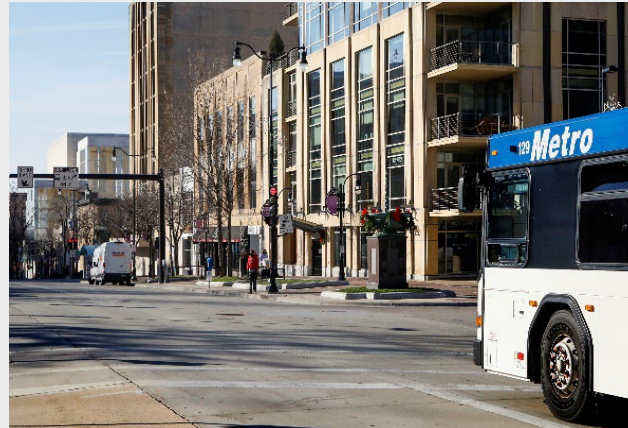


FARE-FREE IN MADISON



Strong existing ridership

- Fares make up large budget share (25%)
- Limited capacity
- Need more service



Offsetting cost opportunity

- Pass programs could go lump sum (\$6.5m)
- Reduce cost of collection (\$0.5m)
- Net gap from \$7.5m to over \$17.4m



Fare-free period in summer 2020 led to security complaints

Possible Mitigation Measures

- Vehicle Registration Fee
- Levy Limit Referendum
- Transportation Utility Fee
- Service Reductions

Imminent, and Implemented By Partners

Opportunity Costs of Expanding Service



FARE-FREE IN MADISON

- Not recommended by staff
- Seek other methods to reduce barriers
- Additional funding would be better spent enhancing service

IF FARES ARE COLLECTED FARE SYSTEM TYPES

- Traditional Farebox
- Account Based
- Proof of Payment

FARE TYPE RECOMMENDATION

- Staff recommends an Account-Based system on all Metro services
- Mitigation for cash collection required
- Allows uniform system for all
- All door boarding on all routes
- Allows new techniques (discussed later)

CASH COLLECTION RECOMMENDATION

- Create half fare low income program w/ post-pay/negative balance
- Leverage robust retail network
- Continue cash on board for local routes
 - No benefits of account based system
 - Phase out over 5 years @ farebox end of life
- No cash on BRT
 - Include a few reload kiosks, not all locations



FARE CAPPING

- Users pay \$2 per ride, up to cap
- Limit can be daily, weekly, or monthly
- Weekly caps drive weekend ridership
- Replaces need for passes
- Cap typically set at pass rate
- Benefit those who can't afford pass
- Lessens the sunk cost mentality of pass
- Slight reduction in expected revenue



<https://transitcenter.org/video/the-fare-capping-chronicles/>

FARE COLLECTION SUMMARY

- Account Based System
- All door tap readers on all routes
- Unlimited half fare + negative balance for low income w/ registration
- Retail reload network
- Limited Kiosks
- Cash on board
 - Local only
 - Does not accrue benefits
 - Phase out over 5 years
- Weekly + daily fare capping
- Mobile payments:
 - Custom App with NFC card emulation
 - Open mobile payments (Apple + Google)
 - No option for those without either capability
- Integrate with other ID cards
- Implement 2 hour transfer periods
- Limited single use paper cards
- Integrate with paratransit
- Open payments w/ contactless cards

NEXT STEPS/REMAINING DETAILS

- Public Information Meeting – July 21
- Public Hearing – August 2
- Recommendation to Council?

QUESTIONS/COMMENTS



1245

 metro transit
administration offices

