

Appendix B: Fare Analysis

Fare policy affects all aspects of public transit, including ridership levels, service reliability, and operational revenues. The Marin Transit 2016-2025 Short Range Transit Plan (2016-2025 SRTP) took an in-depth look at Marin Transit’s fare structure, and proposed changes to the structure in response to the following:

- Implementation of Clipper on all Marin Transit fixed route services;
- The desire to simplify transfer policies between GGBHTD and Marin Transit;
- Consideration of regional proposed fare policies;
- Consideration of neighboring peer fare policies and actions;
- Anticipation of SMART service start-up and needed fare coordination;
- Rider response to new and emerging mobility management programs; and
- Funding shortfalls in the Marin Access paratransit program

After adoption of the 2016-2025 SRTP and based on its recommendations, the Marin Transit Board of Directors have taken the following fare actions:

Table B-1: Recent Fare Actions

| Fare Action | Date |
|--|--------------------|
| Define youth fare category as 5-18 | April 13, 2015 |
| Eliminate stored value card fare media | April 13, 2015 |
| Implemented the “COM” Card program with College of Marin which provided for a student pass program | July 27, 2015 |
| Amended Clipper MOU | September 21, 2015 |
| Adopted a Marin Transit fare credit for SMART passengers | May 16, 2016 |

Staff has been working with Clipper, GGBHTD, local social service agencies, the Marin Transit School Ad Hoc committee, and other relevant organizations to further develop the programs and fare modifications outlined in the 2016-2025 SRTP. The following Appendix reflects these updates and changes.

Guidelines for Setting Fares

Fare Policy Goals

The 2016-2027 SRTP established the following fare policy goals:

- Maintain cost effectiveness targets by service typology;
- Offer fare media that encourages ridership and simplifies payment;
- Keep Marin Transit fares in line with peer agencies;
- Provide non-cash options to support operational efficiency; and
- Maximize social equity by providing mobility for all within the county

Fare Setting Guidelines

To meet the above goals, staff proposes the following guidelines for setting fares for differing service types and passenger categories:

1. Passengers will be charged a fare for all Marin Transit services.
2. A base fare will be set for each service. Discounts may be applied to the base fare under specific circumstances (see 8 below).
3. Regular, all-day, fixed route-service should always have the lowest fares compared to other transit services.
4. Pricing for other services will pivot off the base fare for fixed-route services.
5. Monthly pass pricing provides an approximate 25% cost savings based on daily roundtrip travel.
6. ADA paratransit will be twice the fixed-route fare as allowed by law.
7. Fares on other services (e.g. yellow bus) will initially be evaluated based on the cost to provide the service net of dedicated subsidies.
8. Discounts will be provided in the following situations:
 - For prepayment (such as multi-ride passes)
 - When mandated (such as half fare for seniors during peak)
 - To support low-income populations
 - To incentivize ridership on a service that is more cost-effective for Marin Transit to provide
 - To support increased operational efficiency (i.e. reduce operating costs)
9. Transfers are free for travel within the County unless there is added value to the rider in making the transfer.
10. Premium fares can be charged for services that meet one of the following criteria: *shorter trip duration, higher quality of service, peak service, serves a hard to serve location.*
11. Fares will be simple to understand and implement.

Before implementing a fare change or new program, the District must evaluate fares and pricing in the context of other Marin Transit programs to ensure that they do not compete or lead to unintended changes in ridership patterns.

The proposed fare changes fall into two categories: price and payment mechanisms. Price proposals relate to the amount charged for travel on Marin Transit and Marin Access services. Payment mechanisms are the method by which a customer makes the payment. The proposed recommendations are listed below, and are segmented by category. Some recommendations fit in both categories because they include both a price component and a payment mechanism component.

Recommendations

Payment Mechanisms

Establish Marin Transit as its Own Operator within Clipper

Increasing the use of Clipper is a shared goal of the Metropolitan Transportation Commission (MTC) and Marin Transit. The District has outlined several actions to increase the use of Clipper in Marin County and simplify the system maintenance for MTC and its vendor, Cubic. The District must achieve these changes before it can consider any changes related to the structure of fare policies (zonal vs flat fare, directional transfer, time duration of transfers, etc.). These actions will give the Marin Transit rider more confidence in the system, and provide clarity for the rider when transferring to the regional GGT and SMART systems.

1. Transition the current transfer rules for Marin Transit service away from a time and direction rule to a simple time-based rule. Current rules double charge trips that require a transfer between routes traveling in opposite directions. This change will not only simplify the transfer process and avoid double charging, but it also simplifies the transfer logic within Clipper that currently takes considerable time and resources to update.
2. Establish Marin Transit as its own operator. Under this strategy, all Marin Transit riders would be charged a flat fare and only a single tag would be required. Single-tag operation would allow local riders to use the rear doors for alighting, increasing operational performance and allowing the District to pursue further policies to reduce vehicle dwell times such as all-door boarding.
3. Establish a free transfer credit to Golden Gate routes and maintain a \$1.50 transfer credit to SMART rail service.
4. Provide the District with pass products and institutional programs to allow all fare media to transfer to electronic payment.
5. Increase the network of Clipper retail outlets and ticket vending machines with particular focus on increasing the availability of locations to load value in the Canal, Marin City, and Novato.

The District has been working with MTC to scope the work needed to implement an independent fare structure within Clipper. Concurrently, rider surveying is being done to better understand what incentives are needed to transition cash users to Clipper. Based on the results and findings of these two efforts, the District will decide if the investment in Clipper change is recommended.

Simplify Fare Payment Structure and Transfer Rules with Golden Gate Transit

Currently, Marin Transit supports Golden Gate Transit's zone-based fare structure by allowing passengers who are transferring to or from a regional route to pay their fare on the first vehicle they board and receive a transfer to continue their trip. This requires Marin Transit fareboxes and Clipper units to be programmed to support zone-based fares. While zone-based payment makes sense for a regional provider, the local services are based on a flat fare and the zone designations add confusion and uncertainty for the local rider. The zone structure also contributes to operational delays as drivers need to make adjustments to the farebox to ensure passenger are charged the correct fare and their transfer functions as expected.

As outlined earlier in this Appendix, the zonal fare structure is perceived as a barrier to expanding use of the Clipper system and contributes to operational issues associated with Clipper. Clipper patrons riding locally currently must tag-on when boarding and tag-off when exiting the bus. This is necessary to appropriately calculate the zone-based fare. If patrons forget to tag-off, the Clipper system assumes the patron will ride to the furthest zone in the system. Since the furthest zone is either San Francisco or Santa Rosa, the normal

\$1.80 charge to the adult increases to \$7.60. The tag-off process also forces patrons to use the front door when exiting, which increases dwell time at stops and adds to operational costs.

To remedy many of the issues related to operating a flat fare payment in a zone structure, the District should continue to pursue a new organizational arrangement with the Clipper program that provides users with a single tag, flat fare payment option. This would give local riders more transparency and confidence in the electronic media and allow Clipper patrons to use the rear door during exiting.¹ It would also eliminate the need for drivers to manually assign origin and destination fare zones in the farebox and take away the potential for invalid transfers.

Group Pass Programs

Marin Transit should continue to explore partnerships with other agencies and local employers; universal pass programs with certain local employers may be an option particularly with the advent of the SMART train. Since adoption of the previous SRTP, Marin Transit has implemented a student pass program with College of Marin. This program requires contributions from all students as part of their semester fees and in turn allows unlimited rides with their student ID as a flash pass. Group pass programs offer opportunities for attracting new transit riders and improving operational efficiency of the service. It's possible that if Marin Transit is successful in obtaining the stand-alone operator status in Clipper, the District could use the Clipper card for future group pass programs.

Formalize Partnerships with Social Service Agencies

To maximize social equity and ensure mobility for all, Marin Transit has worked with social service agencies to provide discounted or free rides to communities of concern. Specifically, Marin Transit has long partnered with Homeward Bound to offer free tickets and more recently provided discounted passes to the Department of Health and Human Services. In FY 2013/14 Marin Transit provided 53,587 free rides valued at \$96,457 to Homeward Bound clients. The Department of Health and Human Services currently purchases 50 adult monthly passes each month with a face value of \$4,000 for a discounted price of \$3,000.

These partnerships have formed on a case-by-case basis, typically with the social service agency approaching the District. Alongside these discounted programs, many non-profit organizations purchase \$2.00 tickets with no discount to distribute to their clients. Marin Transit should consider adopting a single program available to all social service agencies that provides a standard discount and requires some contribution from the agency receiving the tickets.

Marin Transit staff has recently convened many organizations within Marin County who work with the homeless population to explore the option of piloting a universal pass program for Marin County's homeless population. The model for such a program may come from Santa Clara County's Universal Pass for Life Improvement from Transportation (UPLIFT) Program that provides quarterly Valley Transportation Authority (VTA) transit passes for adults who are homeless or who are at risk of losing their housing due to lack of transportation. The goal of UPLIFT is to help people find housing or employment by improving access to public transit. The program, a partnership between and subsidized by the County of Santa Clara, VTA, and the City of San Jose, is operated at no cost to the clients or referring organizations.

¹ Marin Transit would need to be added to the Clipper program as a separate operator instead of part of the Golden Gate System. This change to the Clipper system would need to be approved by MTC, the program manager for the regional fare collection program.

Price Changes

Adult Fares

There are two changes proposed to the adult fare structure: (1) a decrease in the Clipper rate from \$1.80 to \$1.50 and (2) decreasing the price of the monthly pass from \$80 to \$50. The reduced Clipper adult rate is simply targeted as increasing use of Clipper and matching the value to the universal North Bay transfer credit amount.

Marin Transit's adult monthly pass price is the highest compared to monthly passes of peer agencies. Additionally, the price gap among Marin Transit's adult, youth, and senior monthly passes is quite significant; adult passes are twice as expensive as youth passes and more than three times as expensive as senior passes.

Low Income Fares

One of Marin Transit's fare policy goals is to maximize social equity by providing mobility for all in the County. To this end, Marin Transit provides discounts to low income students on fixed-route services and to low income seniors and disabled persons on some Marin Access programs. However, no low-income discount is given to adult fixed-route riders although we know that about 61% of Marin Transit local riders earn less than \$25,000 a year. Staff has developed three possible options for the Board of Directors to consider in regard to ensuring that low income adults have access to transit services:

1. Marin Transit can work with social service agencies to ensure that transit riders are aware of all transit subsidy programs available within the county (e.g. HHS provision of transit passes for clients participating in work programs). Additionally, Marin Transit can offer purchasing discounts to these social service agencies.
2. Marin Transit can ask to be a part of a regional program under development by the Metropolitan Transportation Commission (MTC). MTC recently completed a Regional Means Based Fare Study to identify the needs of low income transit riders and potential solutions. Funding sources and methods for implementing such a program are currently under consideration by MTC. One of the most challenging aspects of providing a specific fare reduction program is determining program eligibility and the expense of administering and managing eligibility certification.
3. Marin Transit can eliminate all specialized transit discounts and use the additional funds to decrease the base price of all transit service.

Senior Fares

The recommendation with respect to senior fares is to standardize senior fares and fare products to be 50% of the adult fare or fare product. Since the proposed Adult monthly pass is priced at \$50 and the current senior monthly pass is priced at \$25, there is no change proposed to these fares.

Youth Fares

Marin Transit currently provides a youth fixed-route fare that is 50% of the adult fare, or \$1.00 per trip. Daily, weekly, and monthly passes are also available at 50% of the adult pass price. Additionally, Marin Transit offers an annual and six-month Youth Transit Pass.

In FY 2015/16, over 3,900 youth pass "stickers" were distributed to 28 participating public and private schools. About 94% of these passes were distributed to income qualified students for free.

Comparing yellow bus to transit per trip fares shows that yellow bus riders pay between \$1.11 and \$1.94 while students riding school trippers or regular fixed-route service pay \$.90 to \$1.00. One of the recommended near-term action items in the Coordinated Countywide School Transportation Study, completed in 2015, was to better align supplemental transit and yellow bus fares. Specifically, the report stated that:

The discrepancy in pricing encourages schools and parents to campaign for or select a mode for their students based on pricing rather than based on the optimum service for the age of the student served. This problem could be eliminated if Marin transit revised its youth fares on public transit to be more consistent with yellow bus rates and other countywide transit agencies in the Bay Area.

A review of youth fares at other transit agencies (Table B-2) shows that only AC Transit and Muni provide youth discounts equal to or lower than the discount provided by Marin Transit. Other Bay Area transit youth fares range from 63% to 100% of the adult fare, with the average being 81%. SFMTA appears to be the only other Bay Area transit agency that offers a reduced fare for low income students.

Table B-2: Youth Fare Comparison

| Agency | Adult Fare | Youth Fare | Youth Fare % Adult Fare | Youth Age |
|-----------------------------------|------------|------------|-------------------------|-----------|
| AC Transit | \$2.10 | \$1.05 | 50% | 13-17 |
| County Connection | \$2.00 | \$2.00 | 100% | Over 6 |
| Dixon Read Ride | \$2.00 | \$1.75 | 88% | 5-17 |
| Fairfield and Suisun Area Transit | \$1.50 | \$1.50 | 100% | 13-17 |
| Livermore Amador Valley Transit | \$2.00 | \$2.00 | 100% | Over 6 |
| Petaluma Transit | \$1.25 | \$1.00 | 80% | N/A |
| Delta Breeze | \$1.75 | \$1.75 | 100% | Over 4 |
| SamTrans | \$2.00 | \$1.25 | 63% | Under 17 |
| Santa Rosa City Bus | \$1.50 | \$1.25 | 83% | 5-18 |
| SolTrans | \$1.75 | \$1.50 | 86% | 6-18 |
| SFMTA | \$2.25 | \$0.75 | 33% | 5-17 |
| Sonoma County Transit | \$1.25 | \$1.05 | 84% | 6-18 |
| Tri-Delta Transit | \$2.00 | \$2.00 | 100% | Over 5 |
| Union City Transit | \$2.00 | \$1.25 | 63% | 6-17 |
| Vacaville City Coach | \$1.50 | \$1.25 | 83% | 6-18 |
| Napa Vine | \$1.50 | \$1.00 | 67% | 6-18 |
| VTA | \$2.00 | \$1.75 | 88% | 5-17 |
| WestCat | \$1.75 | \$1.75 | 100% | Over 6 |

Source: Statistical Summary of Bay Area Transit Operators, July 2015

In tandem with reducing the base Adult Clipper fare to \$1.50, the District is considering eliminating the youth fare category and all youth pass products except the Annual Youth Pass. This change would increase the base fare for youth from \$1.00 to \$1.50 when using Clipper and encourage youth to use non-cash payments.

Continuation of the youth pass program, and specifically the free distribution for those who qualify through the free or reduced lunch program, will ensure that students in need of transportation resources will not be impacted financially.

Consider Phasing Out Low Usage Pass Types

The senior 7-day pass and the youth 7-day and 31-day passes all have low sales volumes. Senior 7-day passes account for only 2% of all senior passes sold; youth 7-day passes and 31-day passes together account for less than 1% of all youth passes sold. This is probably the result of more cost-effective alternatives and limited locations to purchase this media. Concurrent with implementing the pricing changes described above, staff recommends that all 7-day (adult, senior, and youth) and the youth 31-day passes should be phased out to avoid unnecessary printing and handling costs.

Paratransit Fare

The Americans With Disabilities Act allows transit agencies to charge up to twice the base fixed route fare for rides on paratransit services. Marin Transit has historically charged the same base fare for both fixed-route and paratransit (with a premium of \$0.50 for non-mandated trips). However, paratransit services are significantly more expensive to provide than fixed-route services, and Marin Transit has historically faced financial challenges aligning the provision of service with the growing demand. To help support the added costs of paratransit, Marin Transit should gradually increase paratransit fares to achieve the maximum fare allowed under the ADA of twice the local base fare. To ease the impact of increasing the paratransit fare, the increase could come in two annual \$1 increases. To ensure that low income riders are not unduly disadvantaged by this increase, Marin Transit should consider expanding the low-income paratransit scholarship program.

Novato Dial-A-Ride Fare

The Novato Dial-A-Ride provides a more personalized curb-to-curb service for Novato residents, and the program regularly falls below the subsidy per passenger target. Fares on this service are the same as fixed-route, offering little incentive for riders to use fixed-route over Dial-A-Ride services. For reasons similar to those for paratransit, staff expect to propose a one-time fare increase for the regular adult rate from \$2.00 to \$4.00 and an increase for the senior/ADA rate from \$1.00 to \$2.00. The change will also eliminate free transfers from fixed-route services, and require riders to pay the difference in fares between fixed-route and Dial-A-Ride.

Catch-A-Ride Fare

Currently, the Catch-A-Ride program is structured such that there is no minimum fare. Consequently, customers pay only if the cost of the taxi ride is greater than the subsidy provided by Marin Transit. As with many of Marin Transit's Mobility Management programs, Catch-A-Ride use is beginning to exceed available funding. By having riders pay a portion of the cab fare, the District can extend the funds to provide more rides. As Catch-A-Ride is a less expensive method for providing service to senior and disabled clients than paratransit, the minimum fare should be set to less than the paratransit fare to encourage ridership on this service.

Muir Wood Shuttle Pricing

Marin Transit partners with the National Park Service to provide a seasonal shuttle to Muir Woods from several off-site locations. Each partner agency pays 50 percent of the net cost of the service. In advance of the 2013 season, the District increased the Muir Woods Shuttle fare from \$3.00 per adult round trip to \$5.00

per adult round trip and provided fare discounts for youth and seniors. The National Park Service is implementing a reservation system to manage parking and congestion at Muir Woods. The system is expected to go live in early 2018, and will impose parking fees for those travelling to Muir Woods in private vehicles. The Muir Woods Shuttle is an integral part congestion management in and around the Muir Woods National Monument. NPS is planning to lower the shuttle fare back down to \$3.00 to provide further incentive for visitors to use the shuttle, and the Park Service will reimburse Marin Transit to offset the \$2.00 differential.

Table B-3: Proposed Fixed Route Fares

| Category | Current Fare | Proposed Fare |
|---|---------------|------------------------------------|
| Adult | | |
| Adult Cash Fare | \$2.00 | <i>No change</i> |
| Adult Clipper Single Ride | \$1.80 | \$1.50 |
| Adult 1-Day Pass | \$5.00 | <i>No change</i> |
| Adult 7-Day Pass | \$20.00 | Eliminate |
| Adult 31-Day Pass | \$80.00 | \$50.00 |
| Transfer to GGT, Cash | \$2.00 credit | <i>No change</i> |
| Transfer to GGT, Clipper | \$1.80 credit | \$1.50 credit |
| Seniors Ages 65+/Persons with Disabilities | | |
| S/D Cash Fare | \$1.00 | <i>No change</i> |
| S/D Clipper Single Ride | \$1.00 | <i>No change</i> |
| S/D 1-Day Pass | \$2.50 | <i>No change</i> |
| S/D 7-Day Pass | \$10.00 | Eliminate |
| S/D 31-Day Pass | \$25.00 | <i>No change</i> |
| Youth Ages 5-18 | | |
| Youth Cash Fare | \$1.00 | Eliminate (becomes \$2.00) |
| Youth Clipper Single Ride | \$1.00 | Eliminate (becomes \$1.50) |
| Youth 1-Day Pass | \$2.50 | Eliminate (becomes \$5.00) |
| Youth 7-Day Pass | \$10.00 | Eliminate |
| Youth 31-Day Pass | \$40.00 | Eliminate (becomes \$50.00) |
| 6 Month Youth Pass | \$175.00 | Eliminate |
| Annual Youth Pass | \$325.00 | \$400.00 |
| Annual Youth Pass – low income | Free | Free |

Table B-4: Proposed Marin Access Fares

| Program | Current Fare | Proposed Fare |
|---|---|--|
| Novato Dial-A-Ride | Marin Transit fixed route fares apply | Match paratransit fares |
| Rural Dial-A-Ride | \$2.50 | Match paratransit fares |
| Paratransit | \$2.00 | \$4.00 peak/\$2.00 off-peak |
| Paratransit Low Income Scholarship | Free | One-half paratransit fare |
| Paratransit beyond the ADA – geographic | \$2.50 | Match paratransit fares |
| Paratransit beyond the ADA – same day | Not currently available | 50% higher than paratransit fare |
| Catch A Ride | Free up to \$14.00 | Same as same day paratransit |
| Catch A Ride – low income | Free up to \$18.00 | Same as paratransit |
| Volunteer Driver | No Fare – Driver reimbursement \$.30/mile or \$.50/mile West Marin | No Fare – Increase driver reimbursement to IRS rate |

Marin Transit will not adopt any fare recommendations before it has notified the public and provided an opportunity for comment on the proposals and staff has prepared a Title VI fare equity analysis.