

## **HRT Fare Policy Adopted June 25, 2009**

**Purpose:** The purpose of this fare policy is to establish goals, objectives and guidelines for setting or restructuring HRT fares. HRT staff and the Commissioners will look to this policy when they make decisions about adjusting fares. All such decisions will also be made in accordance with HRT's enabling legislation and FTA fare policy requirements

**Goals:** The goal of this Fare Policy is to support HRT's overall objective to be an innovative regional provider of inter-modal transportation opportunities at a high level of quality, safety, and efficiency, thereby, promoting regional mobility as the cornerstone of economic development and quality of life in Hampton Roads.

**Objectives:** The following two (2) Fare Policy Objectives are designed to support HRT's fare policy goal. Together, these objectives are intended to balance the desire to keep fares affordable for HRT customers with the need to maximize fare revenue to help maintain and expand transit operations. The current fare structure presented below was developed subject to these objectives. Furthermore, future adjustments to HRT's fare structure must also be developed and evaluated subject to these two (2) objectives.

### 1) Customer/Community Related Objectives

The following three (3) guiding principles directly support HRT's broader goal of promoting transit use and providing high quality public transportation services.

- a) Promote ridership on all modes of HRT transportation: HRT seeks to encourage and facilitate transit ridership within HRT's service area. HRT's fare structure should therefore be devised to be attractive to the widest possible range of existing and potential rider groups. In addition, fare media distribution channels should be developed to ensure convenience and facilitate reasonable access to fare media for all rider groups (subject to the cost efficiency objective outlined below).
- b) Equitable fares: To be equitable, fares must take into account the needs of various population densities, socioeconomic users and types of services offered. The Fare Structure should, therefore, support the travel patterns and requirements of transit riders throughout the service area and should also reflect differences in the level and mode of the service provided.
- c) Enhance mobility & access: The Fare Structure should enhance the ability of riders to access the system and move through it with ease. To do so, the Fare Structure should be easy to understand and should promote a unified system by simplifying and, where effective, unifying fares across modes.

## 2) Financial Objectives

The following two (2) guiding principles are intended to ensure collection of sufficient fare revenues to support operation of HRT services, as well as, fare collection cost efficiency.

- a) Maintain/increase fare revenue stream: Because fare revenue is a critical component of HRT's operating budget, any increase to, or restructuring of, fares should ensure that the total fare revenue stream is maintained at an appropriate level, consistent with HRT's current financial requirements and the current economic condition
- b) Minimize fare collection costs: HRT's fare pricing, fare policy, fare media distribution channels, and fare collection technologies should be developed and operated to minimize the costs associated with fare collection, fare media distribution and revenue processing without sacrificing a high degree of accuracy.

**Guidelines:** The following guidelines outline the recommended steps for developing, evaluating and implementing fare adjustments.

1. Recommendations for adjustments in the fare structure will be developed by HRT staff. Decisions on fare adjustments are made by the Transportation District Commission of Hampton Roads. A public hearing is required for any change in fares.
  - a. Once fare increase(s) or service reductions(s) have been approved by HRT's commissioners, appropriate ads should be placed in local newspapers 30 days prior to the effective date of the fare increase. In addition, transit grams are placed on all revenue vehicles. For major service reductions a public hearing will be held approximately 30 days prior. A major service reduction is defined as any change in service of 25 percent or more of the number of transit route miles on a route or any change in service of 25 percent or more of the number of transit vehicles miles of a route computed on a daily basis for the day of the week for which the change is made.
2. When making recommendations for adjustments to the fare, HRT's staff will consider:
  - The expected rate of increase in the cost of transit operations
  - Ridership and revenue trends
  - Local economic trends
  - Service adjustments
  - The value of the service to the rider
  - HRT's financial situation, and
  - HRT's fare policy goals and objectives

This guideline lists the primary factors to be considered in making recommendations for adjustments to the fare structure. The list of factors to be evaluated is not meant to be exclusive; other factors will need to be considered from year to year. It is further recommended that staff develop, maintain and monitor a set of fare policy performance measures in order to more accurately track the impact and effectiveness of the current fare structure and adjustments in fare structure.

3. HRT will review its fare policy and pricing on a biennial (every other year) basis with the expectation that fares will be adjusted every two years to keep pace with the rate of increase in the cost of transit operations. The first review in this sequence will occur in 2010 with the first fare adjustment to become effective on July 1, 2010. Recommendations for fare adjustments will be developed prior to the budget process for the following fiscal year.
4. For fare changes that do not result in a material change to the fare structure, HRT should develop pricing schedules for two consecutive fare changes (separated by up to two years in time). HRT should then be permitted to seek simultaneous approval from the Commission for both fare changes and would not require a second public outreach process to approve the second fare change. The pricing structures for both fare changes should be made available to HRT riders (e.g., on the HRT web site). The timing and magnitude of the second fare change should not be binding on HRT should the assumptions underlying the second fare change become invalid (e.g., unexpected cost increases). Any changes resulting in either an increase the proposed fare prices or acceleration the timing of the second fare change would require renewal of the Commission approval and public outreach processes. Finally, should two consecutive fare changes be approved, HRT may postpone future reviews of fare policy until one to two years after the second fare change has gone into effect.
5. By Federal law, Handi-Ride fares cannot exceed twice the regular fixed-route fare for the same trip.
6. Increases in the farebox recovery ratio should be pursued primarily by improving the ridership productivity of the system and by improving internal operating efficiency.
7. Prepayment of fares on the fixed-route system shall be encouraged. Accordingly, passes should be priced below the cash fare (on a per trip basis).

8. Fare promotions may be used to attract riders to new HRT services. Fare promotions can be a cost-effective method of attracting riders to new services (such as new bus routes and new rail lines). Fare promotions should not exceed a six (6) month period.
9. Fare payment options that effectively attract a different market segment or encourage increased use of HRT services by current riders shall be developed.
10. The design and number of fare payment instruments shall consider the ease of enforcement by bus operators, ease of understanding by customers and the ease of tracking with both the farebox technology and the back-office technology.

**Standard Procedures for Notifying the Public of Fare Changes:** HRT has developed guidelines for informing the public of adjustments to fares and service levels. These steps have been previously identified in a procedures document but are presented here as part of the fare policy.

Procedure Objectives: The fare adjustment procedures are intended to support the following objectives

- To inform passengers of the adjustment in the fare structure through transit grams and public hearings.
- Allow for public comment on fare changes
- To maintain ridership levels while making adjustments to fares

Materials: When implementing fare adjustments, HRT staff should consider utilizing the following materials and locations as a means of informing the public of proposed fare adjustments.

- Interior and Exterior Bus Cards
- Shelter Poster
- Display units in Customer Service Centers
- Website Updates
- Schedules: Updated schedules will be available for distribution at each board change (May/June, August/September, December/January). Schedules will be distributed throughout the region at participating outlets, including City Halls, Libraries and other facilities. Public Schedules are also available at all HRT Information Centers.
- Operators will be given a personalized information packet which will include copies of all schedules, to assist them and customers in the transition. Packets will be provided to operators one week prior to adjustments.

Public comment: A public hearing is required for any increase change in fares or a major service reduction is planned.

- Once fare increase(s) or service reductions(s) have been approved by HRT's commissioners, appropriate ads should be placed in local newspapers 30 days prior to the effective date of the fare increase. In addition, transit grams are placed on all revenue vehicles.

## DISCOUNTED FARE CATEGORIES AND DONATIONS

**Child and Youth Fares:** Up to two children, less than 38" in height, ride free with each adult paying full fare. Additional children must pay full youth fare. Children who are 38" in height or taller pay the youth fare. The Youth fare is available to children under the age of eighteen. At the discretion of the operator, a youth may be required to show proof of age. Valid forms for proof of age upon boarding are:

1. Elementary, Middle or High School ID
2. DMV Identification card
3. HRT Youth ID
  - i. HRT Youth IDs may be obtained for a nominal fee upon providing proof of age with a valid birth certificate or an Elementary, Middle or High School ID.

**Half-Fare Program – Fixed Route Services:** The objective is to provide reduced fares for fixed route services for seniors and people with disabilities in compliance with the Federal Transit Administration's half-fare requirements.

### Who qualifies for the half-fare program?

1. Persons aged 60 and older
2. Medicare cardholders
3. People who meet the Federal Transit Administration's (FTA)<sup>1</sup> 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."

What must be shown to qualify?: On boarding the bus, one of the following proofs must be shown to the driver to qualify for half-fare.

1. Medicare card with a matching photo ID (Medicaid cards are NOT accepted)
2. Official photo verification of age (valid driver's license, passport, State ID card)
3. HRT Half-Fare ID
4. HRT Para-Transit ID

**HRT Half-Fare ID Process:** All applicants must turn in a completed Seniors and Persons with Disabilities application for consideration. Half Fare IDs may be obtained by the customer at a minimal charge to cover the issuance costs. Because identification must be shown each time on boarding, all qualified individuals are to be encouraged to obtain the HRT Half Fare ID.

1. Age Verification
  - a. Individuals with one of the listed proofs of age may be issued an HRT Half Fare ID upon submission and acceptance of the Seniors and Persons with Disabilities application.
2. Disability Verification
  - a. Individuals who are disabled must submit a completed Seniors and Persons with Disabilities ID application. The form must be completed by a qualifying physician or the Veteran's Administration.
  - b. The application should generally be processed within 3 working days of submission.
  - c. If an application is disapproved, the reason for disapproval should be documented.

**Fare Media Donations:** HRT may offer fare discounts for purposes of joint marketing promotions and to support community activities. Donations will occur in the form of fare media and are subject to the participating department's budget. Any community group may request a donation. Authorization for free fare media must be given in writing by completion of the Special Circumstance Fare Media PS Distribution Form.

**Wholesale Discounts:** HRT offers private retail sales outlets and public agencies a wholesale discount on the purchase of bulk fare media. This discount recognizes that these organizations play an important role in the distribution of fare media to HRT customers. This policy applies to all private retail outlets that HRT chooses to contract with for the sales of fare media. All public agency purchases will be issued according to the same discount structure. HRT offers a 5 percent discount on the purchase of bulk fare media for eligible private retail sales outlets who purchase fare media for sale to the general public. To be eligible for the discount, the outlet must provide proof of business establishment, must allow the general public to purchase passes, must agree to sell the fare media at face value and must agree to purchase fare media outright at a minimum of \$4,000 per month or \$2,500 per month for the seasonal programs. Failure to meet the minimum monthly purchases will result in the previously received discount being billed back to the outlet. The retail outlet will conform to HRT's fare media sales policies, as established from time to time, including the monitoring for age, disability or other discount programs requirements.

**Retail Outlets:** HRT may provide delivery of fare media orders over \$3,000 to all Retail Outlets who sell HRT's fare media to the general public.

**Fare Media Bulk/Special Orders:** All fare media orders greater than \$300 are considered Bulk/Special Orders. These orders are required to be called or faxed in at least 3 working days prior to need and must be picked up at HRT's designated facilities or shipped via UPS or Federal Express (S&H charges apply).

## DEFINITIONS

Within the context of this policy, the following definitions apply:

- **Base Fare:** For purposes of the fare policy, the base fare will be defined as the single trip, full cash fare
- **Child:** Any rider under the age of 18 years old.
- **Child Fare:** Fare for any Child under 38" in height.
- **Day Pass:** Period pass valid for unlimited travel on all equally or lesser priced HRT fixed route services from the time of activation through the end of the service day on which the pass was activated.
- **Express Bus Route:** A deluxe fixed route bus route characterized by one or more segments of high-speed, non-stop operation, and with a limited number of stops which are generally provided only near route terminals.
- **Fare Media:** Fare Media shall be defined as all passes, tickets, cards or ID's sold or otherwise distributed for use on various HRT modes in lieu of or for reduced cash fares
- **Half-Fare:** Fare for disabled and senior (age 60 and over) riders. The cash half fare is priced at one-half of the full cash fare. HRT Half Fare ID, HRT ADA Certification ID or Medicare Card Required, Photo ID may be required to match the card to individual
- **Local Bus Route:** Any fixed route service not designated as an express, MAX or shuttle bus route is considered a local bus route
- **MAX Bus Route:** A premium fixed-route express service which operates on commuter configuration coaches.
- **Mode:** Defines the different types of services offered by HRT, which includes local bus, express bus, MAX bus, shuttle bus, light rail, ferry boat and Para-Transit.
- **Senior:** Any person age 60 or older (photo ID with proof of age required).
- **Seven (7) Day Pass:** Period pass valid for unlimited travel on all HRT fixed route services (excluding Express and MAX) for seven consecutive calendar days from the day of activation through the end of the 7<sup>th</sup> consecutive service day.

- **Thirty (30) Day Pass:** Period pass valid for unlimited travel on all HRT fixed route services (excluding Express and MAX) for 30 calendar days from the day of activation through the end of the 30<sup>th</sup> consecutive service day.
- **Youth Fare:** Fare for any rider under 18 years of age (photo ID with proof of age required).

## CURRENT FARE TARRIF

### ***Recommended Fare Structure***

<b>Mode</b>	<b>Regular Service (Bus and LRT)</b>	<b>Regular Service (Ferry)</b>	<b>Shuttles (Loop and NET)</b>	<b>VB Wave</b>	<b>Express Bus</b>	<b>MAX Bus</b>	<b>Handi-Ride (Paratransit)</b>
<b>Cash (no transfer)</b>							
Full Fare	\$1.50	\$1.50	\$0.50	\$1.00	\$2.00	\$3.00	\$3.00
Half Fare	\$0.75	\$0.75	\$0.25	\$0.50	\$1.00	\$1.50	
Youth Fare	\$1.00						
Ferry Roundtrip - Full Fare		\$3.00					
Ferry Roundtrip - E&D Under 38"	free	\$1.50	free	free	free	free	
<b>1 Ride Pass (Book of 10)</b>		\$15.00					\$30.00
<b>Day Pass -- Full Fare (Book of 5)</b>		\$16.50		\$10.00	\$18.00	\$24.75	
<b>Day Pass -- E&amp;D Fare (Book of 5)</b>		\$8.75		\$5.00	\$10.00		
<b>Period Passes</b>							
1 Day - Full Fare		\$3.50		\$2.00	\$4.00	\$5.50	
1 Day - E&D		\$1.75		\$1.00	\$2.00		
7 Day - Full Fare		\$17.00					
30 Day - Full Fare		\$50.00			\$70.00	\$95.00	
30 Day - E&D		\$35.00					

= Valid on bus, LRT and ferry

= Valid on ferry

= Valid on Loop and NET shuttles

= Valid on VB Wave; passes valid only on VB Wave

= Valid on Express bus service; passes valid on all lower priced services

= Valid on MAX bus service; passes valid on all lower priced services

= Valid on Handi-Ride

= Valid on all services except Express, MAX and Handi-Ride