



Briefing on Comprehensive Fare Study Status Update

Comprehensive Fare Policy
Mini-Workshop
March 26, 2024

Jing Xu
Assistant Vice President
Service Planning and Scheduling



Recap

- During the briefing in February 2024, we presented two recommended fare alternatives and the special fare program updates
- Today's goal is to reach consensus on one recommended fare alternative
- Immediate next steps
 - Public involvement/hearing process from April 2024
 - Board final approval on the new fare in summer 2024
 - Integration into FY2025 budget
 - New fare implementation on January 1, 2025

Effectiveness
(Fare Revenue, Ridership)

Simplicity
(Product Selection, Payment Process)

Equity
(Cost Fairness, Access Fairness)

Efficiency
(Fare Collection, System Integration)

DART Fare History

Effective Date	Base Fare	Comments
January 1984	\$0.50	Multiple fare rates for different cities and routes
February 1987	\$0.75	Two-year phased-in fare increase
February 1988	\$0.75	Rescinded second year rate increase
August 1997	\$1.00	Consolidated all fares and increased some fare types including paratransit
March 2003	\$1.25	Fare increase
October 2007	\$1.50	Across-the-board fare increase with a two-year phased-in approach for paratransit
September 2009	\$1.75	Fare increase for all base fares, excluding paratransit
December 2012	\$2.50	Fare increase for all based fares, excluding paratransit
August 2018	\$3.00	Introduced AM/PM passes that replaced 2-hour pass
January 2025	TBD	Simplified, consistent, equitable new fare policy

Two Recommended Fare Alternatives for Consideration

- The two recommended alternatives (\$2.50 and \$3.00) offer options that reflect varying interests in ridership and fare revenue
- Both accomplish simplicity improvement
- Both avoid Title VI impacts, nonetheless, both would require passengers to ride more often before unlocking fare capping benefit compared to existing



Financial Plan Considerations

- DART Financial Standards state “...Board will consider...fare modifications to maintain DART’s financial viability.”
- DART Twenty-Year Financial Plan incorporates assumptions as guiding practice to meet agency’s financial goals including bond covenant and fare revenue projections. Those assumptions may be adjusted each time the financial plan is updated annually based on the newest financial and ridership information
 - DART Twenty-Year Financial Plan 2018 reflected a 17% increase in fare revenue every five years
 - DART Twenty-Year Financial Plan 2024 reflects a 9% increase in fare revenue every three years
- The recommended fare change is designed to achieve DART's financial targets and promote the agency’s fiscal health and sustainability

Long Term Financial Impact

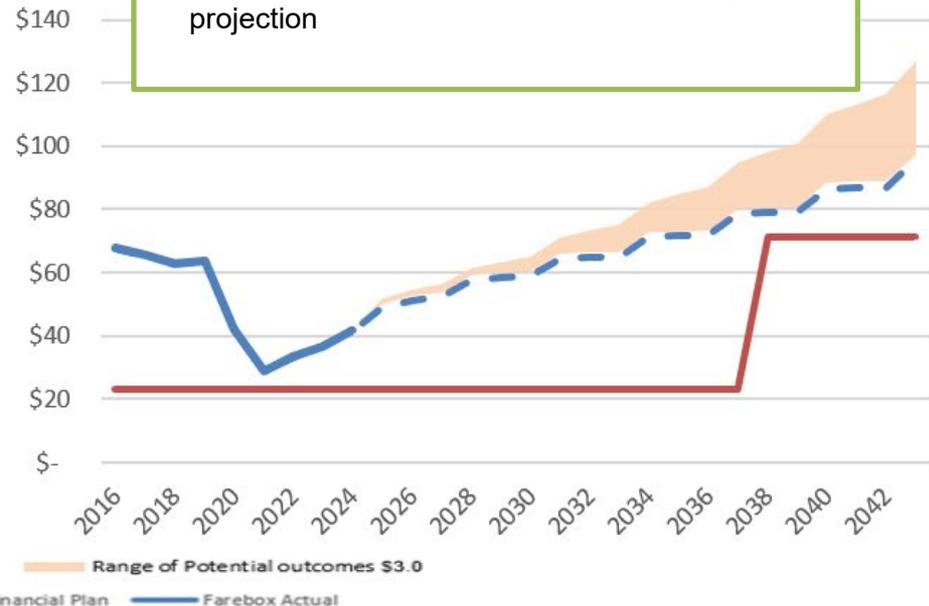
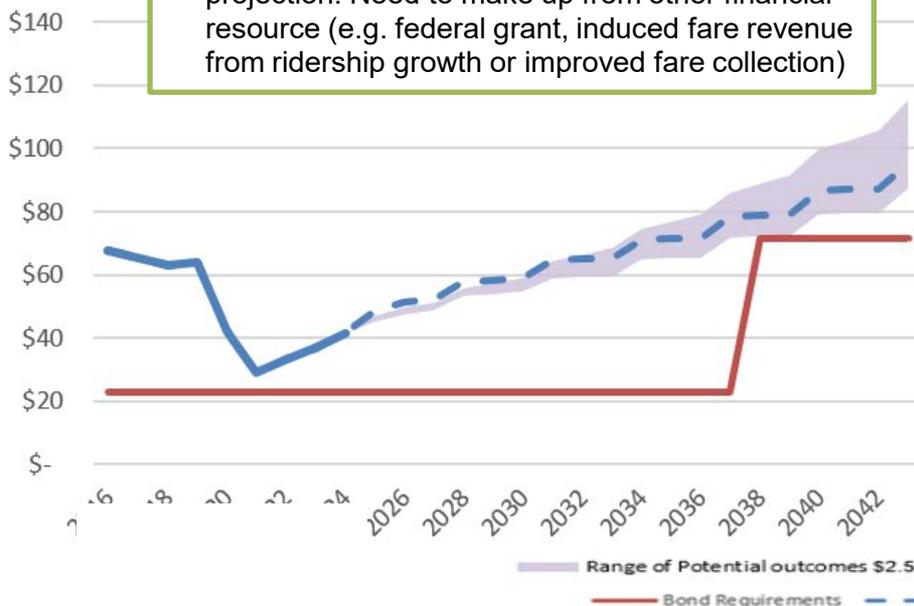
- For each recommended fare alternative, the project team has developed long term financial impact as a range (shaded area) based on optimistic ridership projection (average 3% annual ridership increase every two of three years) as well as conservative ridership projection (roughly 0.5% annual increase every two of three years)

Base Fare \$2.50

- Meets bond covenants
- \$110M above financial plan's projected fare revenue if based on optimistic ridership projection
- \$122M shortfall** if based on conservative ridership projection. Need to make up from other financial resource (e.g. federal grant, induced fare revenue from ridership growth or improved fare collection)

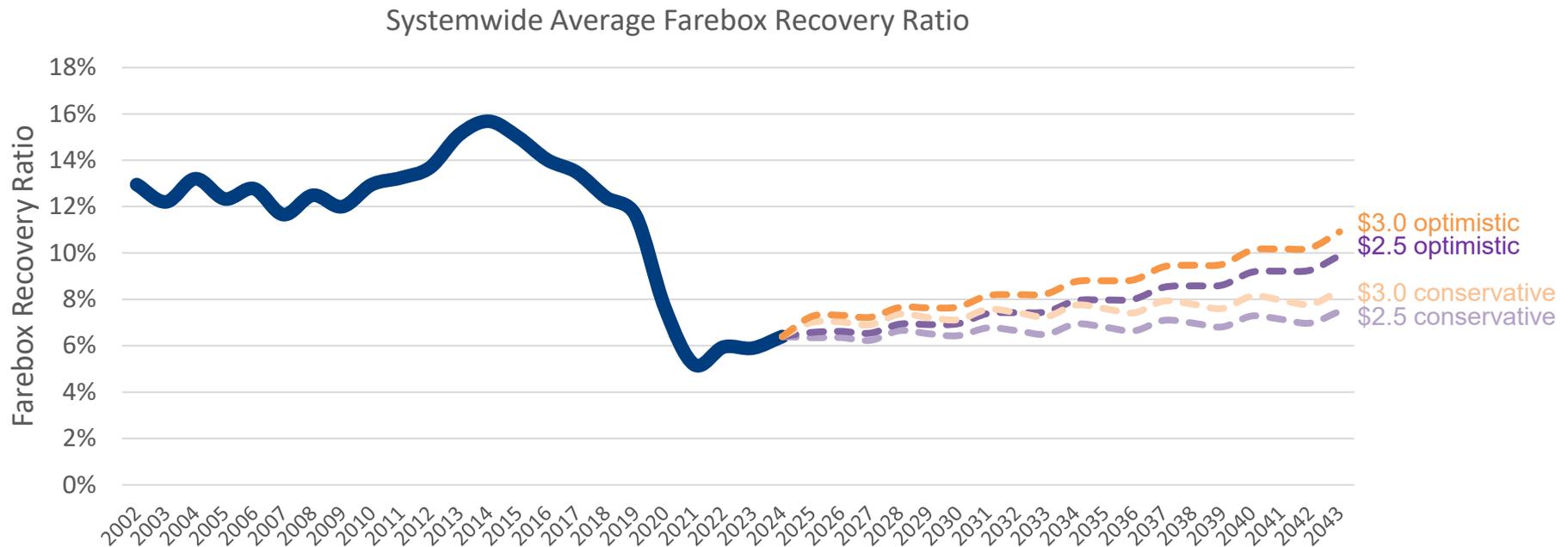
Base Fare \$3.00

- Meets bond covenants
- \$259M above financial plan's projected fare revenue if based on optimistic ridership projection
- \$30M above financial plan's projected fare revenue if based on conservative ridership projection



Farebox Recovery History and Projection

- DART's farebox recovery ratio had fluctuated between 12% and 16% pre pandemic. The sharply reduced ridership during pandemic made the farebox recovery ratio hit its lowest level at 5% in 2022 and began to gradually recover
- The two recommended fare alternatives (\$2.50 and \$3.00) would continue to build up the fare recovery ratio over 20-year horizon
 - For the same set of ridership projection, we see relatively small differences (within 1%) in farebox recovery ratio between the two fare alternatives
 - Ridership growth appears to be the primary driving factor behind higher farebox recovery ratios



Summary of Recommended Fare Alternatives

		Alternative 1 (Base \$2.50, Day \$5.00, Monthly \$105.00)	Alternative 2 (Base \$3.00, Day \$6.00, Monthly \$126.00)
Effectiveness	Fare Revenue <i>What is the fare revenue impact in the Model Year? Does it meet the long-term bond requirement?</i>	-\$2.0M/Y	+\$0.8M/Y
	Ridership <i>What is the ridership impact in the Model Year?</i>	+1.5M	-0.4M
Equity	Cost Fairness <i>Does the average fare cause disparate burden to the Title VI protected demographic groups?</i>	No Disparate burden	No Disparate burden
	Access Fairness <i>Are DART fare products available in geographically equitable locations?</i>	Rating will be the same across all alternatives. Upgrades to fare media would be proportional in minority and low-income geographies to avoid Title VI implication.	
Simplicity	Product Selection <i>Does this help riders select the right fare product for their needs and increase user-friendliness?</i>	High	High
	Payment Process <i>Does this help to streamline the payment process?</i>		
Efficiency	Fare Collection <i>Does this reduce DART costs for fare collection and accounting?</i>	Rating will be the same across all alternatives. Rating will be dependent on option of upgrade, technology availability, and implementation timing.	
	System Integration <i>Does the cost of system upgrade/capital improvement generate a long-term savings?</i>		

Project Timeline

Task	Timeline	Board Touchpoint
Project Kickoff	Late Fall 2022	October 2022
Existing Conditions	Winter 2023	January 2023
Peer Agency Review	Winter/Early Spring 2023	January/March 2023
Outreach	Spring/Summer 2023	January/March/June 2023
Evaluation Methodology	Early Spring 2023	March 2023
Alternative Development	Spring/Early Summer 2023	June 2023
Alternative Review and Evaluation	Fall 2023	October 2023
Preliminary Recommendation	Winter/Early Spring 2024	Dec 2023 – March 2024
▶ Public Input/Hearing	Spring/Summer 2024	April – June 2024
Board Action on New Fare	Summer 2024	July/August 2024
▶ Implementation Prep	Fall 2024	--
Implementation	Winter 2025	--

Public Input/Hearing Process

Item	Description	Board Touchpoint
Call for Public Hearing	Initiate the public involvement process for fare change	April 16, 2024 same night action item
Pre-hearing Public Meetings	Launch a number of public/community meetings across the service area to inform the fare change and collect public input	--
Public Hearing	Conduct the formal, legally required public hearing for fare change	June 18, 2024
Approval on the New Fare	Report to the Board about the public feedback as well as the Title VI analysis on the new fare; Obtain final approval on the new fare	July 16, 2024 August 13 & 27, 2024

Implementation Prep Activities

Service Planning

- Overall management and coordination
- Public outreach, stakeholder and media exchange

Communication

- Develop and execute strategic marketing campaign
- Public outreach, stakeholder and media exchange
- Outreach to city staff and elected officials

Finance

- Fare payment system configurations
- Budget and financial plan update
- Public outreach

Innovation

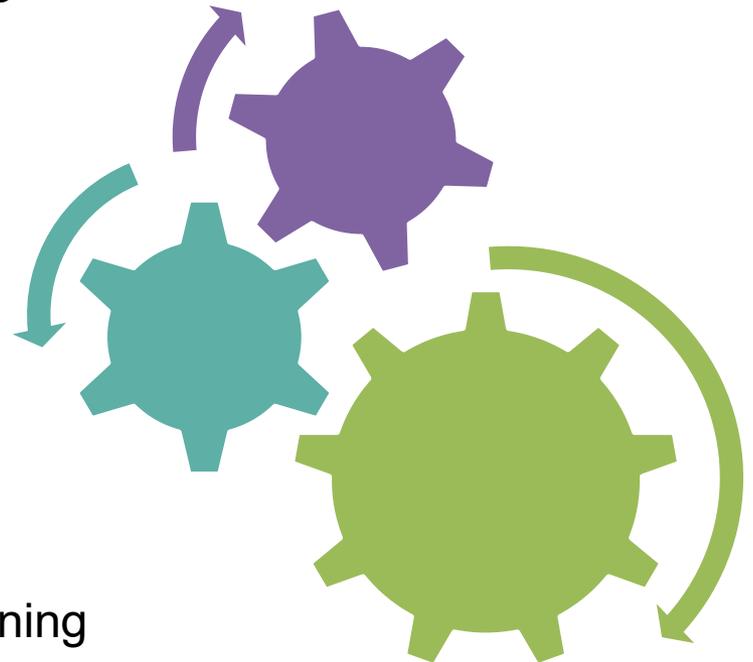
- GoPass app sync-up

Operations

- Operators training

Police

- Fare enforcement and police officers training



Thank You!



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