

Proposed Fare Changes

March 2014



Metro

Goals

- > Metro's goal is to provide quality transportation services
- > To do this, fares must be balanced with the cost of providing service
- > Doing so will allow us to continue to effectively serve our riders and be accountable to Los Angeles County taxpayers

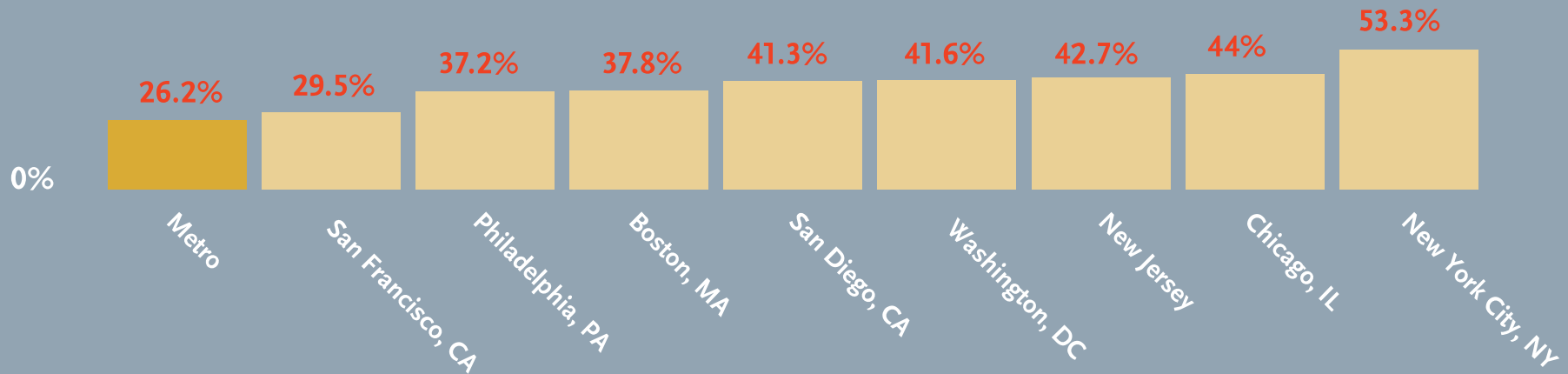
Why do fares need to change now?

> Metro fares are among the lowest of any major US transit



Why do fares need to change now?

> Metro fares cover roughly $\frac{1}{4}$ of operating costs – the lowest of any major US transit agency



Why do fares need to change now?

- > Fare increases have not kept up with inflation
- > As inflation rises, fares are covering less and less of operating costs
- > Facing an operating deficit of \$36 million in two years, growing to \$225 million in ten years

> This is what the numbers look like:



How can the deficit be addressed?

Can Metro move funding from other sources?

- > Two million voters approved Measure R in 2008 and designated money for *specific* projects
- > Measure R sales tax provides capital money to expand and improve service
- > Metro is prohibited from using capital money to fill the gap

How can the deficit be addressed?

Can Metro operate more efficiently?

- > Operations have been streamlined significantly since 2010
 - > Eliminated 116 full time employees
 - > No cost of living allowances for employees
 - > Programs to increase efficiency – solar panels, recycling, new technology

How can the deficit be addressed?

Can Metro cut service to balance the budget?

- > Service cuts are counter to Metro's mission
- > Customers do not want nor deserve service cuts
- > Better to create a structure that encourages customers to ride the system they fund

How can the deficit be addressed?

Would fare revenue increase enough if fare evasion was averted?

- > Metro is proactively addressing fare evasion
- > Eliminating fare evasion could not make up the deficit
- > Financial projections include expected revenue increases from gate latching efforts

How can the deficit be addressed?

How can changing fares help?

- > Changing fares will help balance them with the cost of operating reliable service
- > Fares now cover 26% of operating costs; need to cover 33% to be sustainable

Proposed fare changes

Two options consider customers by including:

- > Gradual increases over six years to allow riders to adjust
- > Free transfers for 90 minutes from boarding instead of charging double for transfers
- > Monthly pass expanded from Metro only to Metro plus 24 additional municipal bus systems in LA County

Proposed fare changes

	Option 1	Option 2
Base fare includes free transfers within 90 minutes	X	X
Gradual increases over six years	X	X
After 2020, fares reviewed every two years	X	X
Monthly pass combined with EZ Pass in 2017	X	X
Move toward a consistent fare for Express/Silver Line	X	X
Introduce reduced off-peak fares and higher peak fares		X

> Title VI analysis shows that neither option creates disparate impacts or disproportionate burdens on Metro's minority and low-income riders



Proposed fare changes

OPTION 1	Current (no transfers)	2014 (90 mins of free transfers)	2017 (90 mins of free transfers)	2020 (90 mins of free transfers)
Base fare	\$1.50	\$1.75	\$2.00	\$2.25
Senior/ Disabled	Peak: 55¢ Off-Peak: 25¢	Peak: 75¢ Off-Peak: 35¢	Peak: 90¢ Off-Peak: 50¢	Peak: \$1.10 Off-Peak: 70¢
Student	\$1.00	\$1.25	\$1.50	\$1.75
Day Pass	\$5.00	\$7.00	\$8.00	\$9.00
Monthly Pass	\$75.00	\$100.00	\$120.00*	\$135.00*



*EZ Pass combines with monthly pass in 2017

**See proposal handout for full details

Proposed fare changes

OPTION 2	Current (no transfers)	2014 (90 mins of free transfers)	2017 (90 mins of free transfers)	2020 (90 mins of free transfers)
Base fare	\$1.50	Peak: \$2.25 Off-Peak: \$1.50	Peak: \$2.75 Off-Peak: \$1.75	Peak: \$3.25 Off-Peak: \$2.00
Senior/ Disabled	Peak: 55¢ Off-Peak: 25¢	Peak: 90¢ Off-Peak: 50¢	Peak: \$1.00 Off-Peak: 55¢	Peak: \$1.10 Off-Peak: 60¢
Student	\$1.00	\$1.25	\$1.50	\$1.75
Day Pass	\$5.00	\$9.00	\$11.00	\$13.00
Monthly Pass	\$75.00	\$125.00	\$150.00*	\$180.00*



*EZ Pass combines with monthly pass in 2017

** See proposal handout for full details

Submit comments

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> Online comment form at *metro.net/newfares*

> Attend Fare Forums or the March 29 hearing



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