



# Proposed Fare Policy Changes

October 23, 2024

# Overview

- Fare Policy Change – Why Now?
- Met Council Fare Policy Authority & History
- Metropolitan Council Regional Fare Collection System & Fare Structure Overview
- Fare Collection System Upgrade
- Proposed Fare Policy Changes
- Next Steps

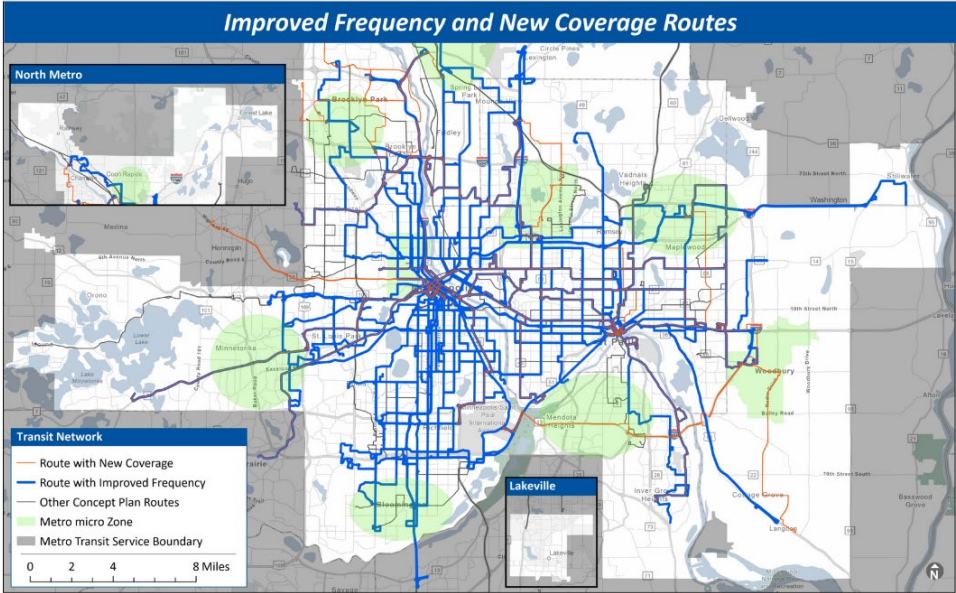
# Vision for Transit

- Working to advance a vision for transit that includes:
  - Proposed fare policy changes
  - New coverage and increased frequency outlined in Network Now
  - Continued METRO system expansion
  - Improving conditions on transit as outlined in the Safety & Security Action Plan

**VISION AND MISSION**  
 We connect people, strengthen communities, and improve lives by delivering high-quality public transportation.

**STRATEGIC PRIORITIES**

<b>EMPLOYEES</b>	<b>EXPERIENCE</b>	<b>SERVICE</b>
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## Fare Policy Change | Why Now?

- **Improve Customer Experience:** Overall fare payment will be easier for riders to understand
  - Improved experience for all customers (new or returning) region wide
- **Increase Ridership:** Peak-hour reduction in local fare costs will help respond to post-Covid ridership trends, and encourage riders back to transit
  - Allows customers to travel when they need to without considering cost (on local routes)
- **Improve Safety:** Helps support a safer system for both riders and operators
- **Equity:** Removal of peak surcharge for youth (ages 6-12), seniors (65+) and Medicare card holders

# Council Authority and History on Fare Policy

- MN Statute 473.408 establishes the Metropolitan Council’s authority to establish and enforce fare policies
- Metropolitan Council policy, which is aligned with Federal statute, further outlines the different types of fare policy changes and the required public hearing process
  - FM 12-2 Transit Fare Policy Changes Policy & FM 12-2A Transportation Service Fare Policy Changes Procedure
- The last fare adjustments went into effect on October 1, 2017
  - Fare adjustments were made to generate additional fare revenue, promote equity and simplify the fare structure.

**Fare Adjustments Approved October 2017**

Major Fare Adjustments	Adjustment Amount
Local and Express Fares	\$0.25 Increase
Metro Mobility	\$0.50 Base Increase \$0.75 Distance Surcharge (non-ADA)
Transit Link	\$1.60 Avg. Increase \$0.75 Distance Surcharge
Transit Assistance Pass (TAP)	\$1.00 Fare (New Program)
Limited Mobility	\$0.25 Increase
Transit Schools Discount	Eliminate Discount (5% - 10%)
Eliminate Stored Value Bonus	Eliminate 10% Bonus

# Metropolitan Council Fare Collection

- Rail and Bus Rapid Transit
  - Proof of Payment System
  - Carry a ticket, pass or smart card
  - Prove valid fare was paid
  - Random fare inspection spot checks
- Fixed Route Buses
  - Pay upon boarding (farebox, tap validator, Mobile App flash pass)
- Metro Mobility
  - Pay upon boarding (tap validator/ pay operator cash)





# Where to Pay your Fare

- Web store
- Retail Partners
- Mobile App
- Offboard
  - Ticket Vending Machines
    - Flowbird - Bus Rapid Transit & Cubic – Rail platforms
  - Platform Validators
- On Board
  - Fareboxes
  - Bus Mobile Validators



**Other ways to purchase fares**

- Metro Transit App
- Authorized fare retailer
- Ticket machine on rail platforms
- By mail
- By phone 612-373-3333



# Current Fare Structure

- Combination of one-way fares, all-day and multi-day passes
- Pass Programs
  - Transit Assistance Program (TAP), for low-income riders
  - Metropass, companies and organizations can enroll for unlimited regional bus and trains for \$83/month
  - Student Pass and College Pass

<p><b>ADULTS</b> (Ages 13-64) Good for 2 1/2 hours</p> <p>Local Bus / METRO</p> <table border="1"> <tr> <td>Non-Rush hour</td> <td>Rush hour*</td> </tr> <tr> <td>\$2</td> <td>\$2.50</td> </tr> </table> <p>Express Bus</p> <table border="1"> <tr> <td>Non-Rush hour</td> <td>Rush hour*</td> </tr> <tr> <td>\$2.50</td> <td>\$3.25</td> </tr> </table> <p>*Monday - Friday, 6-9 am &amp; 3-6:30 pm</p>	Non-Rush hour	Rush hour*	\$2	\$2.50	Non-Rush hour	Rush hour*	\$2.50	\$3.25	<p><b>REDUCED FARE</b> Youth (ages 6-12) / Seniors (ages 65+) / Medicare card holders Good for 2 1/2 hours</p> <p>Local Bus / METRO</p> <table border="1"> <tr> <td>Non-Rush hour</td> <td>Rush hour*</td> </tr> <tr> <td>\$1</td> <td>\$2.50</td> </tr> </table> <p>Express Bus</p> <table border="1"> <tr> <td>Non-Rush hour</td> <td>Rush hour*</td> </tr> <tr> <td>\$1</td> <td>\$3.25</td> </tr> </table> <p>*Monday - Friday, 6-9 am &amp; 3-6:30 pm</p>	Non-Rush hour	Rush hour*	\$1	\$2.50	Non-Rush hour	Rush hour*	\$1	\$3.25
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<p><b>DOWNTOWN ZONE</b> All times, all riders, transfers not available.</p> <table border="1"> <tr> <td>Nicollet Mall</td> <td>Downtown Zone</td> </tr> <tr> <td>Free</td> <td>50¢</td> </tr> </table>	Nicollet Mall	Downtown Zone	Free	50¢	<p><b>MOBILITY FARE</b> Persons with disabilities</p> <p>Regular &amp; Express</p> <table border="1"> <tr> <td>All Times</td> </tr> <tr> <td>&amp; \$1</td> </tr> </table>	All Times	& \$1										
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**All-Day Passes**  
Valid on buses and light rail from time of purchase from a METRO ticket machine or activation on the Metro Transit app until 2 a.m. the next day.

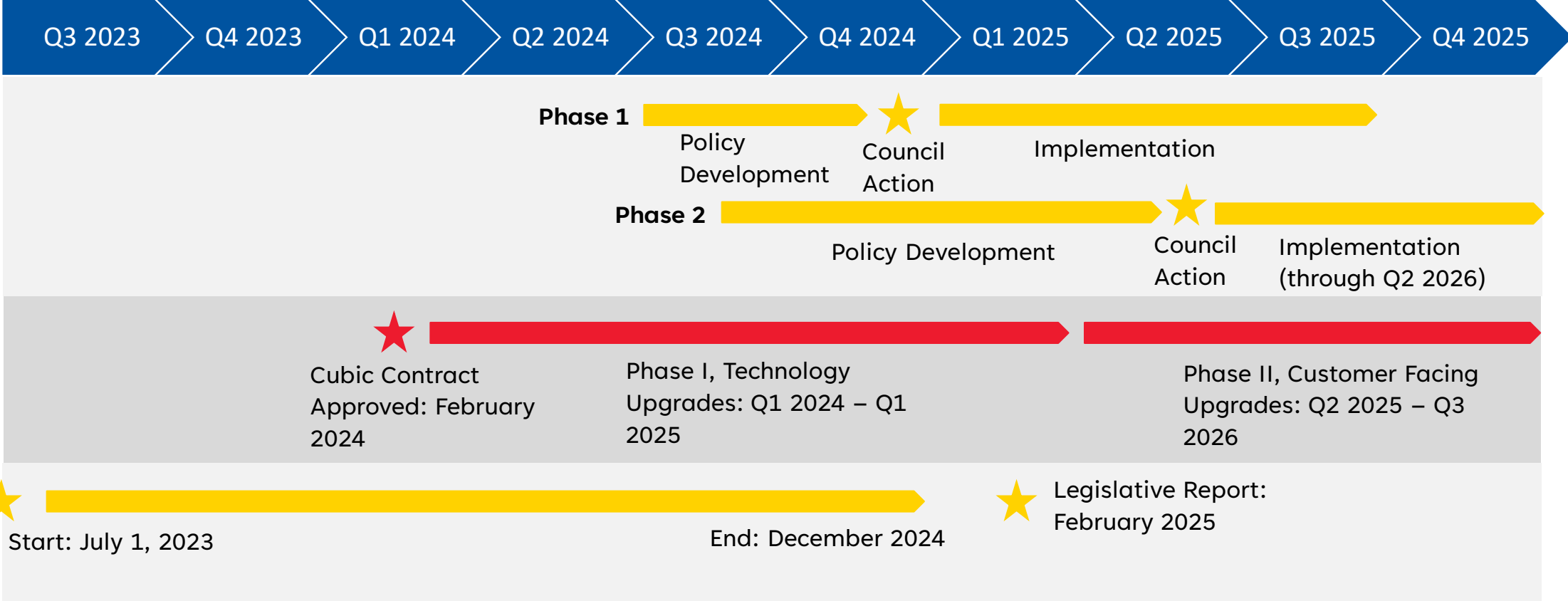
Monday - Friday			Weekend		
Adults	Reduced Fare	Mobility	Adults	Reduced Fare	Mobility
\$4 - \$5	\$2 - \$5	\$2	\$4	\$2	\$2



# Fare Collection System Upgrade

- Current system was installed in 2004
- Planned upgrade for easier customer payment system-wide, includes contactless payment methods & system device upgrades and technology enhancements
- System upgrade will also offer an opportunity to review the Go-To Brand and the Webstore
  - Assessing minimal to comprehensive rebranding, including possible renaming and redesign
  - Opportunity to redesign the webstore for purchasing tickets.
- Phased Approach:
  - Q1 2024 – Q1 2025: Phase I, Technology Upgrades;
  - Q2 2025 – Q3 2026: Phase II, Customer Facing
- On Feb 28, 2024, the Council approved a sole source contract with Cubic Transportation Systems to upgrade technology and devices for an amount not to exceed \$37.7 million.
  - [2024-47.aspx \(metro council.org\)](#)

# Fare Policy & System Upgrade Timeline



# Proposed Fare Policy Changes | Two Phases

- **Phase 1 – Near-Term Fare Policy Opportunities**

- Collection of Metro Transit and Metro Mobility fare policy changes that will offer near-term rider benefits and address current ridership trends
- Timeline: Approve by the Council in November for implementation January 1, 2025

- **Phase 2 – Comprehensive Fare Policy Review**

- In coordination with the fare collection system upgrade, Clever Consulting Group and Council stakeholders are currently undertaking a comprehensive fare policy review and assisting in the effort to align our fare policy with, (1) industry standards and trends, (2) technology upgrades and (3) schedule
- Possible changes include:
  - Open payment, transfer policy, fare capping, eliminate peak express, adjust Metro Micro fare, evaluate pass programs, and more.
- Timeline: Mid-2025

# Fare Policy | Key Transit Industry Trends

- Peak/off-peak fares uncommon as part of the core fare structure for bus & light rail
- Senior/Disability Fares most often provided ALL-DAY
- Senior & Disability riders usually included in the same fare category
- Fare capping predominantly in systems that have a simple 'flat' fare structure



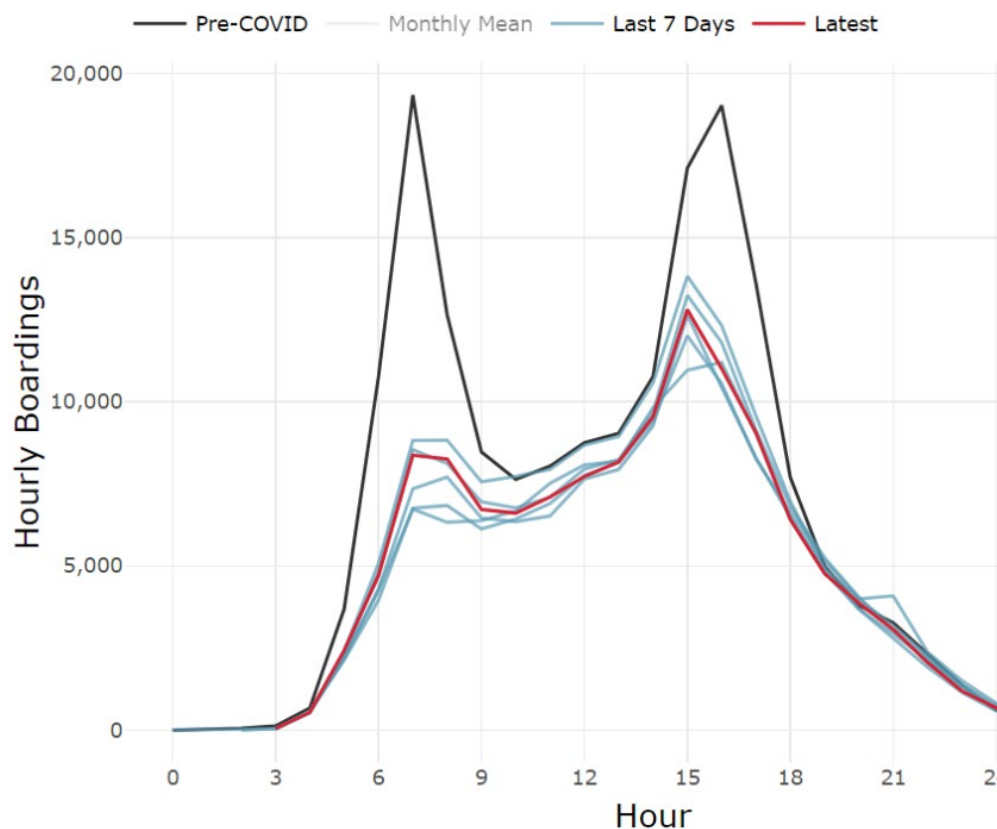
**Transit agencies across the U.S., both large and small, have pursued initiatives to simplify their fare policies and improve the overall customer experience.**

- Agencies pursuing simplification initiatives
- Agencies approved for simplification and in the process of implementing
- Agencies that have completed simplification

# Fare Policy | Key Ridership Trends

- Reduced ridership during peak hours
  - Reduced 65% am peak
  - Reduced 35% pm peak
- Reduced ridership
  - Mondays/Fridays due to hybrid schedules

Weekday Ridership by Hour



# Phase 1 | Fare Simplification

- Simplify regional fare for non-express routes including bus and light rail
  - End rush hour surcharge for non-express bus and METRO
  - Update relevant regular fare pass products
    - Update: All-day (\$4 adult, \$2 reduced), & Reduced Fare 7-day (\$20), 10-ride pass \$20
    - Eliminate: Peak 31 day & Visitor Pass
  - In Phase 1, we will not change fares for
    - Express bus, Northstar, Metro Micro / Transit Link or Downtown Zone

Metro Transit Proposed Fare Policy Changes		
	Current Peak	Proposed All Day
Adult Fare on Local bus/METRO	\$2.50	\$2.00
Reduced Fare (youth, seniors & Medicare)	\$2.50	\$1.00

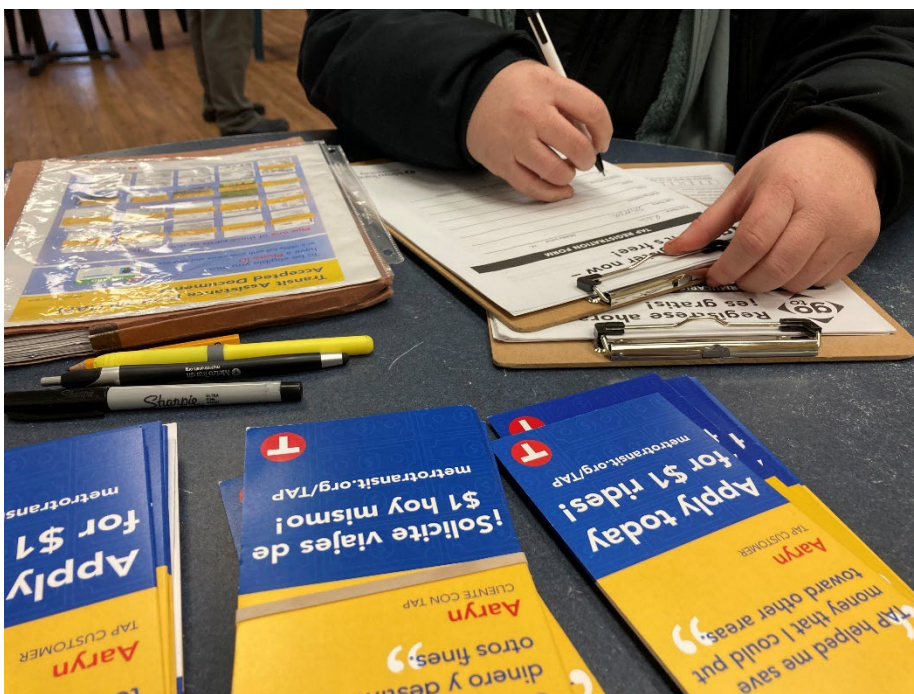


# Phase 1 | Transit Assistance Program (TAP)

- Reduced fare pass for people with low incomes
  - Year-long reduced fare pass on a Go-To Card
  - Customers can use a bus or train for just \$1 per ride – even during rush hour
  - Launched in 2017 after a series of pilots
- Highest ridership pass program post COVID, with 4,792 enrolled in program;
  - Average of 22 monthly rides per TAP customer
  - 800,000 TAP program rides through September 2024, which is a 14.1% (100k rides) increase over previous year through September
- Customers can apply online or at a Service Center with an ID or eligibility document
- Metro Transit staff hold enrollment events, and work with community organizations to help sign up qualified customers.



# Phase 1 | Transit Assistance Program Improvements



- Phase I TAP Improvements:

- Expand TAP program eligibility from one to two years
  - Will be implemented in 2025, once the fare technology has been installed
- Increased effort to improve TAP utilization
  - Added FTE to assist with growing the TAP program
  - Continued focus on signing charitable organizations and municipal TAP partner agreements
  - Increasing TAP tabling events to spread awareness
  - Training TRIP agents to sign up eligible customers while out on the system
  - 21 Additional partner TAP agreements signed in 2024

## Phase 1 | Fare Simplification Rider & Revenue Impact

- Eliminating peak fares is estimated to have the following rider and revenue impacts:
  - Adult Fare on Local bus/METRO:
    - Ridership Increase: 862K
    - Revenue impact: \$3.9M below current projections
  - Reduced Fare (youth, seniors & Medicare):
    - Ridership increase: 64K
    - Revenue impact: \$209K below current projections

# Phase 1 | MTS Proposed Changes

- Metro Mobility change peak fare and modify AM and PM peak hours
  - Proposed new AM Peak Hours: 6:30AM – 9:30AM (3 hours)
  - Proposed new PM Peak Hours: 2:00PM-5:30PM (3.5 hours)
- Add new Transit Link Circulator service with \$1 fare (\$2 round trip)
- Introduce a 6-month pilot of a deeply discounted fare (\$.01 per ride) for Metro Mobility customers on Fixed Route (start after 2024 pilot concludes)

MTS Proposed Fare Policy Changes		
	Current	Proposed
Peak Fare	\$4.50	\$4.00
Off Peak Fare	\$3.50	\$3.50
Transit Link Circulator Fare	-	\$1.00
Metro Mobility Certified rider on regular route bus/train	\$0.00 legislatively required through 12/31/2024	\$0.01 six-month pilot, 1/1/2025 – 6/30/2025

# Phase 1 | Title VI

Target Date for Completion – October 28, 2024

Priority on analysis for removal of Peak Fares

## Title VI Analysis Includes:

- Removal of Peak Reduced Fares
- Removal of Local Peak Fares
- End of Pilot Routes 32/62

## Not included in Analysis:

- \$1 Transit Link Circulator
  - New service, Title VI not necessary
- Deep Discount for Metro Mobility on Fixed Routes
  - Pilot Program; exempt from Title VI for up to 12 months

# Free Fare Pilot

- Legislative requirement to establish:
  - Pilot program to provide transit service for free on two regular route bus lines (32/62)
  - Provide regular route transit free of charge for Metro Mobility customers
  - Pilot service must run from July 1, 2023 – December 31, 2024
- Legislative Report: due February 15, 2025
  - Must include an evaluation of effects of the pilot (ridership, travel time, service equity and rider experience), a review of fiscal impacts, an analysis of barriers, best practices, economic impacts and recommendations regarding subsequent implementation of free or reduced-fare transit service
- Early Results:
  - Ridership grew on free-fare routes relative to peers
  - Faster boardings



# Next Steps

- **Fare Policy Phase 1**

- October 28<sup>th</sup>: Transportation Committee Business Item to approve fare adjustments
  - Will include results of Title VI analysis
- November 13<sup>th</sup>: Council Item to approve fare adjustments
- January 1, 2025: Fare policy changes become effective, including six-month pilot for \$0.01 on regular route for Met Mo certified
  - TAP program changes will be implemented in 2025 as new technology comes on-line

- **Fare Policy Phase 2**

- Will return to the Council in mid-2025 with the results of consultant's work and possible comprehensive fare policy proposal

- **Free Fare Pilot**

- November: Begin communicating the end of the free fare pilot
- January 1, 2025: Discontinue free fares on Route 62 and 32
- February 15, 2025: Submit legislative report