

# Business Item

Transportation Committee



**Committee Meeting Date:** October 28, 2024,

**For the Metropolitan Council:** November 13, 2024

## Business Item: 2024-304

Fare Policy Changes

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	FM 12-2 Transit Fare Policy Changes Policy and FM 12-2a Transportation Service Fare Policy Changes Procedure, FTA Circular 4702.1B, MN Statute 473.408
<b>Staff Prepared/Presented:</b>	Lesley Kandaras, General Manager, 612-349-7513 Charels Carlson, Executive Director, MTS, 651-602-1761 Jillian Linnell, Chief of Staff, 612-349-7510 Edwin Petrie, Director Finance 612- 349-7624 Dennis Dworshak Sr Manager, Revenue Operations (612) 349-7364
<b>Division/Department:</b>	Transportation, Metro Transit and Metropolitan Transportation Services

### Proposed Action

That the Metropolitan Council approve the following fare policy changes:

- Removal of local peak (rush hour) fares, reducing the fare from \$2.50 to \$2.00 and peak reduced fares from \$2.50 to \$1.00 for all regional transit providers participating in the regional fare structure and adjust the following fare products:
  - All Day Pass from \$5.00 to \$4.00
  - Reduced Fare All Day Pass from \$5.00 to \$2.00
  - 10 Ride Pass Full Fare from \$20.50 to \$20.00
  - Seven Day Pass from \$24 - \$20
  - Eliminate \$90.00 (31 Day) local peak and the \$5.00 visitor pass
- Modify the Metro Mobility peak fare, from \$4.50 to \$4.00
- Modify Metro Mobility peak fare hours to 6:30AM-9:30AM and 2:00PM to 5:30PM
- Expand Transit Assistance Program (TAP) eligibility from one to two years, to be implemented in 2025, once the fare technology is available.
- Approve a 6-month deeply discounted fare pilot for Metro Mobility customers to ride on regional fixed routes for \$.01, effective 1/1/2025 – 6/30/2025.
- Provide a new fare of \$1.00 for Transit Link Circulator Service.
- Unless otherwise noted, the fare change will be implemented in January 2025.

## Background

### Discussion

1. Minnesota Statutes section 473.408 establishes the Metropolitan Council's authority to establish and enforce fare policies.
2. On February 28, 2024, The Metropolitan Council approved a major upgrade of the technology and hardware devices of the regional fare collection system. This upgrade provides an opportunity for significant fare simplification of the regional system.
3. Over the past 10 months, Metropolitan Council staff, along with regional stakeholders and a fare collection consultant, determined a two-phased fare simplification plan would benefit the regional transit agencies and the transit customers.
4. The first phase is a collection of fare changes that will benefit transit customers and can be implemented in the near-term. They include removing rush hour surcharges on local routes and for reduced-fare customers which includes youth (ages 6-12) and seniors (age 65+) and associated passes with these surcharges. These adjustments will help respond to post-Covid ridership trends and encourage riders back to transit and allow customers to travel when they need to without considering cost on local routes.
5. Except for expanding the eligibility period of the Transit Assistance Program (TAP) the fare changes included in Phase 1 are not dependent on the completion of the fare system upgrade.
6. Phase 2 fare simplification will include a comprehensive fare policy review with potential proposed fare policy changes which are dependent on the completion of hardware and software upgrades. Staff will return to the Council in mid-2025 with a comprehensive Phase II fare policy proposal.
  - Title VI Analysis concluded that removing peak local and peak reduced fare surcharges does not have a disparate impact on Black Indigenous Persons of Color ("BIPOC") or disproportionate burden on low-income transit customers. FTA Circular 4702.1B states a Title VI fare equity analysis requirement applies to all fare changes regardless of the amount of increase or decrease. As with the service equity analysis, the Federal Transit Administration ("FTA") requires transit providers to evaluate the effects of fare changes on low-income populations in addition to Title VI-protected populations.

### Rationale

The proposed near-term fare simplification efforts will benefit transit customers in the region.

### Thrive Lens Analysis

Transit fare simplification advances *Thrive MSP 2040* regional outcomes by providing riders with transit rides on local routes for the same fares throughout the day without morning and afternoon surcharges. It removes cost barriers for seniors and youth transit customers by eliminating the significant fare increases during the morning and evening peak times resulting in projected increased ridership. Increasing transit ridership and reducing barriers for people to ride transit would help contribute to regional stewardship, prosperity, livability, equity, and sustainability using a data driven approach to measure the effectiveness of the Council's efforts.

### Funding

The Metropolitan Council last took action to adjust fares effective October 1, 2017. This fare adjustment recommendation proposes fare adjustments for services operated by all regional transit providers participating in the regional fare structure.

### Small Business Inclusion

This request is for Council Approval of fare policy and fare changes and will not require small business inclusion.

