

 <b>HAMPTON ROADS TRANSIT</b> <b>POLICY AND PROCEDURES MANUAL</b>	NUMBER <b>FIN - 303</b>	EFF. DATE <b>7/1/2016</b>
	SUPERSEDED <b>Fare Policy date 12/13/2013</b>	
RESPONSIBLE DEPARTMENT <b>Finance</b>	KEY SUBJECT <b>Fares, Farebox Recovery</b>	
TITLE <b>Fare Policy</b>		
APPLIES TO <b>Development of Fare Structure, General Public</b>	APPROVAL(S) <b>Harrell/Singleton</b>	

# Hampton Roads Transit Fare Policy

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>2</b>
-----------------------------	----------------------------	-------------------------	------------------

**Contents**

Purpose..... 3

Definition of Fare..... 3

General Principles..... 3

Farebox Recovery..... 4

Fare Adjustments..... 4

Fare Differentials..... 5

Paratransit Fares..... 5

Passes..... 5

Promotions and Special Events..... 6

New Payment Options..... 6

Design..... 6

Youth Fares..... 6

Reduced Fare Program – Fixed Route Services..... 7

Definitions..... 8

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>3</b>
-----------------------------	----------------------------	-------------------------	------------------

**Purpose:** Hampton Roads Transit’s (HRT) Fare Policy establishes principles and polices that governs recovery of passenger revenues in support of HRT’s vision of being the most customer-driven and efficient public transportation agency in the Commonwealth of Virginia.

**Definition of Fare:** The fee charged and received by HRT in exchange for transit services provided. The fare can be in the form of cash payment at the time of service or prepayment through other means. Many transit fares are typically collected and recorded via an electronic recording device, known as a farebox; however, this is not the only method of collecting and recording fees. This policy may use the term fare and farebox interchangeably, and shall be interpreted as the totality of the fees.

**General Principles:** Generally, fares are required to generate revenue to offset a component part of HRT’s expenses as defined by the Cost Allocation Agreement as part of a sustainable long-term Financial Plan. The following principles guide establishment and management of HRT’s fare revenue collections:

- Promote ridership on all modes of HRT transportation: HRT seeks to encourage and facilitate transit ridership within HRT’s service area. HRT’s fares shall; therefore, be devised to be attractive to the widest possible range of existing and potential rider groups. In addition, fare media distribution channels shall be developed to ensure convenience and facilitate access to fare media for all rider groups (subject to the cost efficiency objective outlined below).
- Equitable fares: To be equitable, fares must take into account the needs of HRT’s riders as well as the cost and value of the service provided by HRT. HRT’s fares shall be consistent throughout the service area, shall support the travel patterns and requirements of transit riders throughout the service area, and shall also reflect differences in the characteristics and frequency of the service provided, while not undervaluing HRT’s service.
- Enhance mobility & access: HRT’s fares shall enhance the ability of riders to access the system and move through it with ease. To do so, HRT’s fares shall be easy to understand and shall promote a unified system by simplifying and, where effective, unifying fares across modes.
- Effective & cost efficient: HRT’s fare pricing, fare policy, fare media distribution channels, and fare collection technologies shall be developed and operated to be easily applied by transit operating employees and fare enforcement personnel, as well as to minimize the costs associated with fare collection, fare media distribution and revenue processing.
- Management: HRT’s fares and fare collection system shall be designed to facilitate data collection to foster analytical decision making by HRT’s management

In keeping with these principles, the policies governing HRT’s fares are set forth below:

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>4</b>
-----------------------------	----------------------------	-------------------------	------------------

### **Farebox Recovery**

HRT collects fares from passengers riding its transit services as one element of funding these services. These fares are then used to offset the costs of providing the transit service, otherwise known as Farebox Recovery. The Farebox Recovery ratio is defined as the percentage of the transit fares to the operating costs. In keeping with Industry standards, HRT's system wide farebox recovery ratio target is between 23% and 25%. As HRT expands the modes it offers, HRT will set farebox recovery targets by mode.

### **Fare Adjustments**

Fare adjustments are defined as any permanent changes to HRT's fare structure. Decisions on fare adjustments are made by the Transportation District Commission of Hampton Roads ("Commission"). Prior to making a decision on a fare adjustment, the Commission shall consider the recommendation by HRT's staff, including but not limited to an analysis of the impacts on minorities and low-income individuals consistent with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq), the Federal Transit Administration (FTA) Title VI regulations (49 CFR part 21), and FTA's Circular 4702.1B, including any future amendments thereto, as well as HRT's Title VI Policy. Prior to raising a fare, HRT shall solicit and consider public comment in compliance with 49 USC Chapter 53 and FTA Circular 9030.1C, including any future amendments thereto, as well as HRT's Public Participation Policy.

HRT staff will annually report to the Commission a review of farebox revenues, farebox recovery ratio and ridership for the entire system and by mode. HRT staff will recommend possible solutions for meeting the minimum farebox recovery if analysis indicates it has not been met. Solutions may include a recommendation for a fare adjustment.

If fare changes are required to keep pace with changes in costs, or if the Chief Executive Officer determines that a modification of HRT's fare structure would benefit HRT's achievement of its goal or would improve HRT's consistency with the above principals, HRT staff will make recommendations to the Commission to modify HRT's fare structure. Such recommendation will include consideration of economic trends, ridership trends, HRT's current and future operating health and the value of services, both qualitative and quantitative, in the communities we serve

At the recommendation of HRT management, the Commission can direct staff to implement the fare adjustment in phases over multiple fiscal years. The pricing structures for each phase shall be made available to HRT riders (e.g., on the HRT web site). The timing and magnitude of later phases of the fare adjustment may be adjusted by the Commission should the assumptions underlying these phases become invalid (e.g., unexpected cost increases). Any changes resulting in either an increase the proposed fare prices or acceleration the timing of any phases of the fare adjustment will also require a public outreach process.

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>5</b>
-----------------------------	----------------------------	-------------------------	------------------

### **Fare Differentials**

HRT's fares shall balance simplicity and uniformity of fares with the equity of pricing services consistent with the cost and value of providing that service. The number of fare types, levels, and fare payment instruments shall consider the ease of enforcement by vehicle operators, ease of understanding by customers and the ease of tracking with both the farebox technology and the back-office technology.

Services that cost more to operate or provide additional value to passengers compared with local bus service are considered premium services, and may be priced higher (but never lower) than local bus service. Premium services include express bus, MAX bus, light rail, paratransit, and, if implemented in the future, bus rapid transit. The price structure for each premium service will be set separately.

Local distribution services that operate in a small area and are used for shorter than average length trips provide less value to riders and are classified as shuttle services. Shuttle services may be priced equal to or lower than local bus service.

### **Paratransit Fares**

HRT's policy, in compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12143) and the implementing FTA Regulations (49 CFR Section 37.121) is that ADA complementary paratransit fares will equal twice the regular fixed-route fare for the same trip. If the Act is changed, this policy shall be changed to be consistent with federal law. If ADA complementary paratransit provides service beyond or in addition to the federally defined ADA complementary paratransit service, a higher fare shall be charged for that service.

### **Passes**

Prepayment of fares on the fixed-route system shall be encouraged. Monthly passes shall be discounted to provide some savings to commuters compared with the cash fare, but not less than 35 times the cash fare. Weekly passes shall be priced to provide savings for frequent riders, but not less than 11 times the cash fare. Day passes shall be priced at more than the cost two boardings and no more than the cost of three boardings. Passes shall be priced to expedite the boarding process.

Employer, university and other qualifying group pass programs shall be priced so that either:

- the anticipated average revenue per boarding to HRT from such programs is approximately equal to or greater than HRT's average revenue per boarding for the two most recent fiscal years excluding these programs, or
- the anticipated revenue from the program is at least equal to the estimated revenue previously generated by the riders switching to the program.

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>6</b>
-----------------------------	----------------------------	-------------------------	------------------

### **Promotions and Special Events**

Fare promotions, including special event fares, may be used to attract riders to 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) and existing services. For the purpose of this policy, Fare Promotions shall be defined as any new farecard, fare media, cash fare or other transit fare which is not part of the adopted fare structure and may be priced higher or lower than HRT's regular fares. Fare Promotions are not required to include a specific fare for seniors, Medicare cardholders or individuals with disabilities, however the rates charged seniors, Medicare cardholders or individuals with disabilities during off-peak hours must not exceed one-half of the rates generally applicable to other persons at peak hours (excluding the Fare Promotion) as required by FTA regulations (Code of Federal Regulations, Title 49, Subtitle B, Chapter Vi, Part 609). Fare promotions must be able to be implemented within the capabilities of the current fare collection technology in use at the time of the implementation. Fare promotions shall not exceed a six (6) month period. If the promotion is deemed to be successful and management desires it to be part of the fare structure, then management shall bring the issue and analysis to the Commission for adoption into the current fare structure.

### **New Payment Options**

Fare payment options that effectively attract a different market segment or encourage increased use of HRT services by current riders shall be developed; but must be within the realm of current or planned hardware, software and back office technologies. Initial pricing for such options shall be set such that HRT is not expected to lose fare revenue.

### **Design**

The design 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.

### **Youth Fares**

In order to cultivate the next generation of transit riders, youth may be permitted free access on fixed route bus, light rail and ferry services. Youth shall be defined as persons 17 years old and younger. Youth may receive free access either while accompanied by a fare paying adult or by using a Student Freedom Pass. In the event a youth is neither accompanied by a fare paying adult nor has a Student Freedom Pass, the student may be required to pay the posted discounted fare. The operator may require a person requesting youth free access, using a Student Freedom Pass or posted discounted fare to show proof of age. Valid forms for proof of age upon boarding are:

- Picture Elementary, Middle or High School ID
- DMV Identification card
- HRT Youth ID

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>7</b>
-----------------------------	----------------------------	-------------------------	------------------

HRT Student Freedom Pass and Youth IDs may be obtained upon completion of Student Freedom application, providing proof of qualifying age with a valid birth certificate or DMV Identification card and parent or legal guardian. In all cases, the Youth will no longer qualify for free access on his/her 18<sup>th</sup> birthday or at the expiration of the Student Freedom Pass.

### **Reduced Fare Program – Fixed Route Services**

The objective of the Reduced Fare Program is to provide reduced fares for fixed route services for seniors, persons with disabilities and Medicare cardholders in compliance with the Federal Transit Administration’s half-fare requirements (Code of Federal Regulations, Title 49, Subtitle B, Chapter Vi, Part 609).

#### Who is eligible for the reduced fare program?

- Persons aged 65 and older, unless the FTA regulations defining seniors are changed in the future, in which case the FTA regulations shall be followed.
- Medicare cardholders
- People who meet the currently enforced Federal Transit Administration’s (FTA) definition of people with disabilities. At the time of the adoption of this policy, the definition is: *“any individual who, by reason of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including any individual who is a wheelchair user or has semi-ambulatory capabilities), cannot use effectively, without special facilities, planning or design, mass transportation service or a mass transportation facility.”*

What must be shown to receive the Reduced Fare from HRT’s services? Upon boarding the transit vehicle, one of the following proofs must be shown to the driver to receive the published reduced-fare or to use any fare media designated for Seniors, Persons with Disabilities or Medicare Cardholders.

- Medicare card with a matching photo ID (Medicaid cards are NOT accepted), or
- Official photo verification of age (valid driver’s license, passport, or State ID card), or
- HRT Reduced-Fare ID
- HRT Para-Transit ID with a matching official photo ID (valid driver’s license, passport, or State issued ID card).

Although any of the above combinations of identification are accepted to receive the reduced fares, Seniors, Persons with Disabilities or Medicare cardholders are encouraged to obtain a free HRT Half-Fare ID.

#### Obtaining an HRT Reduced-Fare ID

There is no cost to the applicant to obtain a Reduced-Fare ID. Individuals seeking to obtain a Reduced-Fare ID must submit a completed Reduced-Fare ID application, with one of the

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>8</b>
-----------------------------	----------------------------	-------------------------	------------------

following certifications for consideration. Upon submission and acceptance, the Reduced-Fare ID shall be issued.

- Seniors (Age 65 and older)
  - State issued driver's license showing qualifying age, or
  - State issued non-driver's ID card showing qualifying age, or
  - Medicare card with a matching photo ID
- Medicare Cardholders
  - Medicare card with a matching photo ID
- Persons with Disabilities
  - Individuals who are disabled must submit a completed Half-Fare ID application or be certified through HRT's Paratransit program.
  - The Reduced-Fare ID application must be completed by a qualified health professional or the Veteran's Administration.

#### Accepted forms of Photo Identification

- State-issued driver's license, or
- State-issued non-driver ID, or
- Current School identification card, or
- Valid (non-expired) passport, or
- Current Employee ID

The application shall generally be processed within five (5) to ten (10) working days of submission. Should additional information or verification be required, the applicant will be notified. Upon approval of the application, the applicant will be contacted and given follow up instructions. If an application is rejected, the rejection reason shall be documented.

#### 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 unlinked trip, full cash fare

**Youth:** Any rider 17 years old and younger.

**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.

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>9</b>
-----------------------------	----------------------------	-------------------------	------------------

**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.

**Reduced-Fare:** Fares, as defined above, for eligible persons with disabilities, senior riders or Medicare cardholders. The cash half fare is the maximum of one-half of the full cash fare or the current FTA guidelines (Code of Federal Regulations, Title 49, Subtitle B, Chapter Vi, Part 609), rounded to an increment of \$0.05.

**Local Bus Route:** Any fixed route bus service not designated as an express, MAX or shuttle bus route.

**Shuttle Bus Route:** Local distribution services that operate in a small area and are used for shorter than average length trips are classified as shuttle services.

**Ferry Route:** HRT operated passenger ferries between North Landing and High Street in Portsmouth, Waterside festival marketplace and Harbor Park in downtown Norfolk.

**Light Rail Route:** HRT's rail trains operating on steel tracked guideways, also called the Tide.

**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, Para-Transit and vanpool.

**Senior:** Any person age 65 or older (photo ID with proof of age required at boarding).

**Person with Disability:** People who meet the currently enforced Federal Transit Administration's (FTA) definition of people with disabilities. At the time of the adoption of this policy, the definition is: *"any individual who, by reason of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including any individual who is a wheelchair user or has semi-ambulatory capabilities), cannot use effectively, without special facilities, planning or design, mass transportation service or a mass transportation facility."*

**Medicare Cardholders:** Individuals who have been issued a Medicare card, regardless of age or disability.

**Weekly Pass:** A seven (7) day 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 7th consecutive service day.

TITLE <b>Fare Policy</b>	NUMBER <b>FIN - 303</b>	DATE <b>7/1/2016</b>	Page <b>10</b>
-----------------------------	----------------------------	-------------------------	-------------------

**Monthly Pass:** A thirty (30) day 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 30th consecutive service day.