

Metro Fares Package Frequently Asked Questions

1) What fare changes are the King County Executive and Metro proposing?

Metro recommends making transit easier to use and more affordable for many customers by:

1. **Simplifying fares:** Move to a \$2.75 flat fare for full-fare adult riders, no matter the distance or time of their trip, beginning July 1, 2018
2. **Expanding services for those with very-low-incomes:** As homelessness, income inequality, and the suburbanization of poverty grow in King County, Metro proposes a three-part strategy to expand services for very-low-income riders, in addition to continuing to increase ORCA LIFT enrollment:
 - a. **Raise the Human Services Ticket Program** subsidy cap by \$400,000 in 2018, bringing the total from \$3.6 to \$4 million.
 - b. **Test the use of ORCA fare media to improve the Human Services Ticket Program** in 2018.
 - c. **Conduct additional research on the needs of the very-low-income population** and potential strategies for addressing them immediately and in the future.
3. **Reducing ORCA card fees:** Work with our ORCA partners to eliminate the \$3 administrative fee for Regional Reduced Fare Permits and reduce the fees for adult and youth ORCA cards from \$5 to \$3. Changes to card fees require agreement from other regional transit agencies.
4. **Continuing to explore** enhancements to programs for college students, increase ORCA LIFT outreach, and examine other ways to increase affordability of and access to transit, speed boarding, and increase safety in Phase II of Metro's two-year work program

2) Why does Metro want to simplify fares, and why now?

We have heard from customers that Metro's fares can be confusing and difficult to use, creating barriers to using transit. A simplified fare structure would also help planning for the Next Generation ORCA project. Metro skipped a planned fare increase for 2017–2018 to benefit customers and allow us time to review our fares. Metro's two-year work program, which launched in early 2017, focuses on objectives informed by customer and employee feedback:

- **Simplify fares**
- **Increase regional coordination**
- **Increase affordability and access**
- **Increase safety for operators and customers**
- **Speed up boarding and decrease travel time**

3) What would this mean for riders?

This change will not impact the 31% of reduced fare riders (senior/disabled, youth, etc). Currently, riders who travel during the peak periods (6–9 a.m. and 3–6 p.m.) and riders who travel across the zone boundary (generally City of Seattle boundary) pay more. Under the new structure, full-fare adult riders will see:

- **50¢ decrease for two-zone peak riders**
- **No change for one-zone peak riders**
- **25¢ increase for off-peak riders**
- **Easier boarding and faster service**

4) How would fare simplification help riders?

- **Make fares easier** for customers to understand and pay
- **Speed up boarding and decrease travel time**—riders would have fewer questions about fares.
- **Improve safety for drivers and customers**—fewer disputes about fares.
- **Make the adult fare more affordable for some riders.**
- **65% of Metro's boardings would see no change or a \$0.50 decrease in fares.**
- **Two-zone peak riders, including many low-income people** who can't afford to live in Seattle and have to travel across the zone boundary during peak hours, **would benefit the most.**
- **Better coordinate** Metro with other transit agencies in the region.
- **Make it easier and less costly to design Next Generation ORCA**, an updated ORCA system planned to start in 2021 that will improve the customer experience.

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5) Off-peak riders will see a fare increase. What is Metro doing to reduce affordability barriers to riding transit?

All riders will experience the benefits of a more convenient fare structure and efficient bus system. In addition, Metro proposes to take the following steps to ease any impacts on low-income riders:

- **Increase the Human Services Ticket Program** subsidy cap from \$3.6 to \$4 million, which would offset an increase in ticket costs for agencies and enable them to purchase more tickets for low-income clients
- **Work with ORCA partners** to reduce adult and youth card fees from \$5 to \$3.
- **Continue partnering** with students, colleges, and universities to enhance programs for students.
- **Increase promotion of the ORCA LIFT program**, which offers a \$1.50 fare for low-income adults (below 200 % of federal poverty level) and waives the ORCA card fee for their children.
- **Conduct more research** to find new ways to meet riders' access and affordability needs.

6) What are the financial implications of these proposals?

- **Bus fare revenue**, a key funding source for Metro, supports current and expanding transit.
- **Farebox recovery** represents the portion of our transit system paid for by customers.
- In 2016, Metro earned about \$163 million in bus fare revenue, for a farebox recovery ratio of 31%.
- The \$2.75 flat fare would increase 2020 revenue by an estimated \$3.5 million. For comparison, a general \$0.25 fare increase under the current structure would increase revenue by \$12–15 million.
- Altogether the fare proposals would result in an estimated net revenue gain of \$2.3 million in 2020, and an estimated farebox recovery rate of 26.2%, above the required 25% minimum established by King County policy.
- Eliminating the \$3 card fee for seniors and people with disabilities, reducing adult and youth ORCA card fees from \$5 to \$3, and increasing the Human Services Ticket Program subsidy would result in an estimated 2020 revenue loss of \$1.2 million.
- **Based on Metro's current Fund Management policies, if Metro gets too close to or below the farebox recovery required minimum, Metro must cut costs or increase revenue, which could mean reducing service or increasing fares.**

7) How did Metro arrive at these fare recommendations?

Metro conducted an extensive public engagement process that included:

- **Listening to the public:** two public surveys about fares and fare simplification that received approximately 11,000 responses; as well as direct outreach to underrepresented populations through contracted community-based organization outreach
- **Collaboration** with a fares stakeholder advisory group, comprised of community members
- **Conversations** with elected officials and their staff, transportation boards, and other key stakeholder groups.

8) What fare discounts does Metro currently provide?

Metro leads the nation in offering programs that make transit more affordable for those who are least able to pay for transportation, and offers discounted fares to the following rider groups:

- **Low income:** ORCA LIFT provides a \$1.50 fare for people who make under 200% of the poverty level
- **Seniors/people with disabilities:** The Regional Reduced Fare Permit offers discounted fares of \$1
- **Youth:** Riders ages 6 to 18 pay a reduced fare of \$1.50. (In 2017 Metro is testing a summer youth program that provides a free ORCA card and a 50¢ fare.)
- **Human Services Ticket Program:** Metro sells bus tickets at a 90% discount to human service agencies for their homeless and very-low-income clients. The proportion of King County's population in the lowest income bracket has been growing, and Metro is working to keep pace with increased demand for fare assistance.