

INTEROFFICE MEMORANDUM

June 2, 2014

MEMO TO: Ruffin Hall, City Manager

FROM: Mike Kennon, PE, Transportation Operations Manager
David Eatman, Transit Administrator

SUBJECT: Budget Note 07 – Capital Area Transit

At the May 20, 2014 Council Meeting, Council Member Weeks requested a budget note regarding the availability of federal funds or grants to provide reduced fares on Capital Area Transit. This memorandum provides information regarding federal funding as well as a recap of the fare structure recently adopted by the Raleigh Transit Authority (RTA).

The transit program currently receives several annual formula and occasional discretionary grants from the Federal Transit Administration (FTA) for defined initiatives. Unfortunately, federal grants for the sole purpose of providing operating assistance have declined sharply and are typically only available for Urbanized Areas under 200,000 in population. Grants which are made available for areas over 200,000 in population, like the Capital Area Metropolitan Planning Organization (CAMPO), are usually reserved for capital expenditures. Existing federal grants do allow some flexibility to fund planning initiatives and costs defined by the FTA as capital maintenance. The transit program currently maximizes these opportunities while maintaining sufficient resources to replace a growing bus fleet and to fund major capital initiatives such as the Moore Square Transit Station renovation and the bus component of Union Station.

Fare Structure

The fare structure adopted by the RTA on May 8, 2014 is projected to be implemented in two phases: one phase would occur in the first quarter of FY2015, and the second phase of the fare increase will occur 24 months later in FY2017. The staggering of the increase will assist passengers with the change as the fare strategy will be implemented over two years versus a single large increase.

The fare structure does allow seniors who are 65 years of age and older to ride for free. The fare structure also provides increased assistance for parents with children by allowing children ages 12 and under to ride for free; youth 13 to 18 years of age may now ride at half-fare, this is a reduction from the existing full fare. Finally, the fare structure also provides a 25% discount on day-passes to non-profits serving low income populations.

A summary of the fare structure is as follows:

Fare Type	Current	FY2015	FY2017
Cash Fare	\$1.00	\$1.25	\$1.50
Day Pass	\$2.00	\$2.50	\$3.00 (Unlimited Rides)
7-Day Pass	N/A	\$12.00	\$14.50 (Unlimited Rides)
31-Day Pass	\$36.00	\$45.00	\$54.00 (Unlimited Rides)
Local Paratransit	\$2.00	\$2.50	\$3.00 (Per Ride)
\$25.00 Stored Value	\$20.00	\$20.00	\$20.00 (Good for all Fares)

Discounted Fares:	Type	Reduction
	Disabled	50% (no change)
	Seniors (65+)	Free (no change)
	Children to Age 12	Free (no change)
	Youth Age 13 to 18*	50%

- Day Passes will be offered to non-profit agencies serving low income populations at a 25% discount
- Lots of 10 Paratransit Rides will be offered at a 10% discount
- Local and Regional 5 Day Pass replaced by 7 Day Pass
- *Youth Age 13 to 18 are full fare under current fare policy