



Caltrain Fare Policy Adoption

Caltrain Citizens Advisory
Committee

November 2018

Agenda Item 8



Overview

- Caltrain Fare Policy Overview
- Caltrain Fare Policy – proposed for Board adoption in November 2018
- Next Steps



Caltrain Fare Policy Overview





What is a Fare Policy?

- **A fare policy:**
 - Contains the principles and goals that guide a transit agency in setting and collecting fares
 - Is adopted by the Board of Directors
- **A fare structure:**
 - Consists of fare strategy (zone vs. distance fares), fare media, and pricing levels
- **A codified tariff:**
 - Is a separate legal document, also adopted by Board
 - Implements the fare policy
 - Codifies the fare structure (including fare media and pricing) for the agency



Context for Caltrain's Fare Policy

- This will be Caltrain's first Fare Policy
 - Previous fare changes have generally been driven by budget shortfalls
 - Policy will establish high-level goals to guide decision-making around fares
- Developing a fare policy was a key recommendation from Fare Study Phase 1
 - Provide policy guidance for addressing financial, ridership, and equity issues with fares
- Requested by the Board of Directors



Context for Caltrain's Fare Policy

- Informed by extensive discussion about fares with Board members, staff, and the public at JPB meetings dating back to 2016:
 - Phase 1 of the Fare Study:
 - August 2016
 - June 2017
 - January 2018
 - May 2018
 - Fare Policy:
 - October 2018
 - November 2018



Proposed Policy Overview

- Four topic areas for policy goals discussed with Board in October:
 - Financial Sustainability
 - Equity
 - Customer Experience
 - Ridership
- All goals are equally important
- Caltrain Fare Policy proposed for adoption in December 2018, following CAC presentation and incorporation of additional Board feedback



Caltrain Fare Policy, as presented to the Board for proposed adoption in November 2018





Caltrain Fare Policy – Preamble

- The Caltrain Fare Policy (Fare Policy) is a framework of high-level goals that underlie and guide fare-related decisions for the Caltrain system. Caltrain's Codified Tariff is a separate legal document that should align with and implement the Fare Policy by setting the fare strategy (zone- vs. distance-based fares), products, and pricing. When making fare-related decisions, all of the goals in this Fare Policy should be considered as a whole. This Fare Policy may be reviewed and updated as needed, including for alignment with the implementation of the Caltrain Business Plan or the start of electrified train service.



Financial Sustainability

- Ensure the agency's ongoing financial health, including the need for a balanced operating budget and support for capital programs.
- Achieve a farebox recovery ratio for the operating budget of at least 65 percent, until such time as there is an independent, stable source of funding to cover a significant portion of the agency's operating costs.
- Support achievement of other financial policy goals of the agency, such as the Caltrain Reserve Policy.
- Maintain fare products and collection methods that are cost-effective and **easy simple** for the agency to administer.

Equity

- Advocate for and participate in regional programs that make it more affordable for low-income customers to use transit.
- Ensure consistency across fare products in the revenue generated per passenger and per passenger mile.
- Comply, at a minimum, with federal requirements for providing fare discounts, and for minimizing disparate impacts on minority riders and disproportionate burdens on low-income riders.



Customer Experience

- Ensure that the fare system, including strategy, products, and pricing, is easy for customers to understand and use.
- Provide predictable and incremental fare changes.
- Encourage intermodal connections and consistency with the agency's Comprehensive Access Policy.
- Seek integration with and participate in State and regional fare programs.

Ridership

- Support achievement of the agency's goals on ridership.
- Maximize the use of the agency's infrastructure assets.
- Consider structuring fares to incentivize rider behavior in support of the agency's policy goals.

Next Steps





Recommended Next Steps

- December JPB:
 - Seek Board adoption of Caltrain Fare Policy
- Winter 2019:
 - Review Codified Tariff and report to Board on recommended changes to align with Fare Policy
 - Seek Board approval of changes to Codified Tariff



Thank you!
Comments and Questions

