

## **April Fare Work Group Report to TPAC**

**At the January 2020 TPAC Meeting, the TPAC was distributed the Fare Work Group 2020 Task List and a comparison of Fare Box methodology and projections.**

**The task list included the following two items:**

- Perform analysis to confirm Wake Transit “hold harmless” amount (and coordinate with B&F committee)
- Finalize process for Partners to submit reimbursement for revenue loss due to fare policy changes as recommended through the Wake Transit Fare Study (and coordinate with B&F committee)

**The items have been finalized as a result of fare work group meetings during January – March 2020.**

- It is the consensus methodology for calculating fare box revenue attributed to Wake Transit, hold harmless amounts as a result of agencies changing fare structures to allow for a common fare strategy across transit systems, and the continued funding of the Youth GoPass program.
- As a result of COVID-19, actual fare revenues for FY 2020 are impacted. Projections going forward for hold harmless amounts, and fare revenues, will be updated in conjunction with amending the FY 2021 Wake Transit Work Plan.

### **Fare Reporting for FY 2020 and FY 2021**

***As finalized at 3.12.2020 FWG Meeting***

#### **Youth GoPass**

##### **Youth GoPass Fare Reimbursement**

- Transit providers will request what the provider would have received for each boarding with Youth GoPass (the current one-way reduced fare).
- Documentation will need to be attached to each reimbursement that shows the number of Youth GoPass boardings on each route, multiplied by the provider’s current one-way reduced fare to calculate the total amount. Youth GoPass boardings should be tracked separately and not combined with any other “free categories”.
- Also, specific supplies are allowed for reimbursement, but this excludes any marketing expenses as those are to be expensed under other line items.

## Fixed Route Bus Fare Attributable to Wake Transit

### Farebox (excluding Youth GoPass)

- Transit providers will be held harmless to the FY 2017 actual systemwide fixed route fare dollars collected. The FY 2017 actual amount systemwide will serve as the baseline, as shown below.
  - GoRaleigh: \$3,093,406
  - GoCary: \$133,507
  - GoTriangle: \$748,780\*

\*Systemwide for GoTriangle are the routes attributed to Wake County.

- Annually, transit providers will compare total fare revenue collected for fixed routes to the 2017 baseline. The “incremental revenue” is the total fare revenue for the current year minus the 2017 baseline (or zero, if the incremental revenue would be negative).
- The revenue attributable to Wake Transit is the incremental revenue multiplied by the percentage of Wake Transit funded revenue hours for that year.
  - The fare revenue will stay with the providers. This number will be reported to the tax district as a revenue on the quarterly reporting form.
    - Reimbursements will report the full expenditure. The amount paid by the tax district will be a net of the two numbers.
    - The Triangle Tax District Wake Operating Fund will post the revenue and the full expenditure. An aggregate fare revenue will be noted as part of the reimbursement process.
    - Revenue will not be posted or requested by route. If no fare revenue is reported, the full expense will be wired to the transit provider.
- The providers will retain the rest of the incremental revenue, and that revenue will not be considered Wake Transit revenue.

### Hold Harmless

- Providers will compare the FY 2019 revenue per boarding\* to the current year revenue per boarding\*.
  - This revenue per boarding should not include employer GoPass boardings and revenue. Revenue per boarding should be calculated as:
    - Numerator: All fare revenue, excluding employer GoPass revenue, but including Wake Transit Youth GoPass reimbursements.
    - Denominator: All boardings, excluding employer GoPass boardings, but including Youth GoPass boardings. (This is referred to as “base boardings” below.)

- If the revenue per boarding for the current year is less than FY 2019, then transit providers are to take the difference between the FY 2019 revenue per boarding and the current year revenue per boarding, and multiply it by the number of base boardings to calculate a hold harmless amount. The request for hold harmless funding would be included in the transit provider's last reimbursement request for the year.
- Transit providers that have a more granular level of fare product sales data to calculate a precise hold harmless may calculate their hold harmless amount based on actual sales differences.