Pass Program Working Group
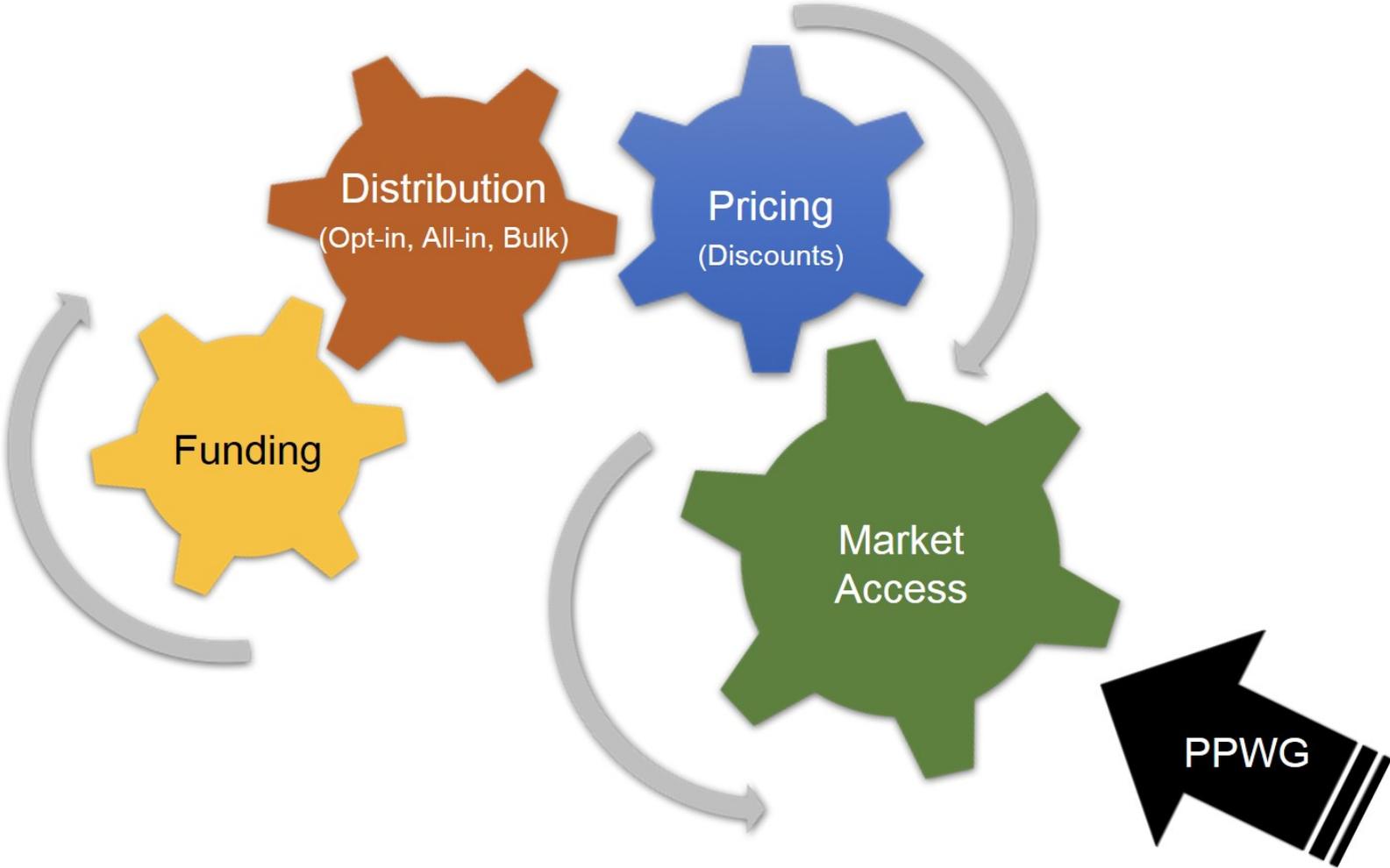
Meeting #4

July 25, 2017

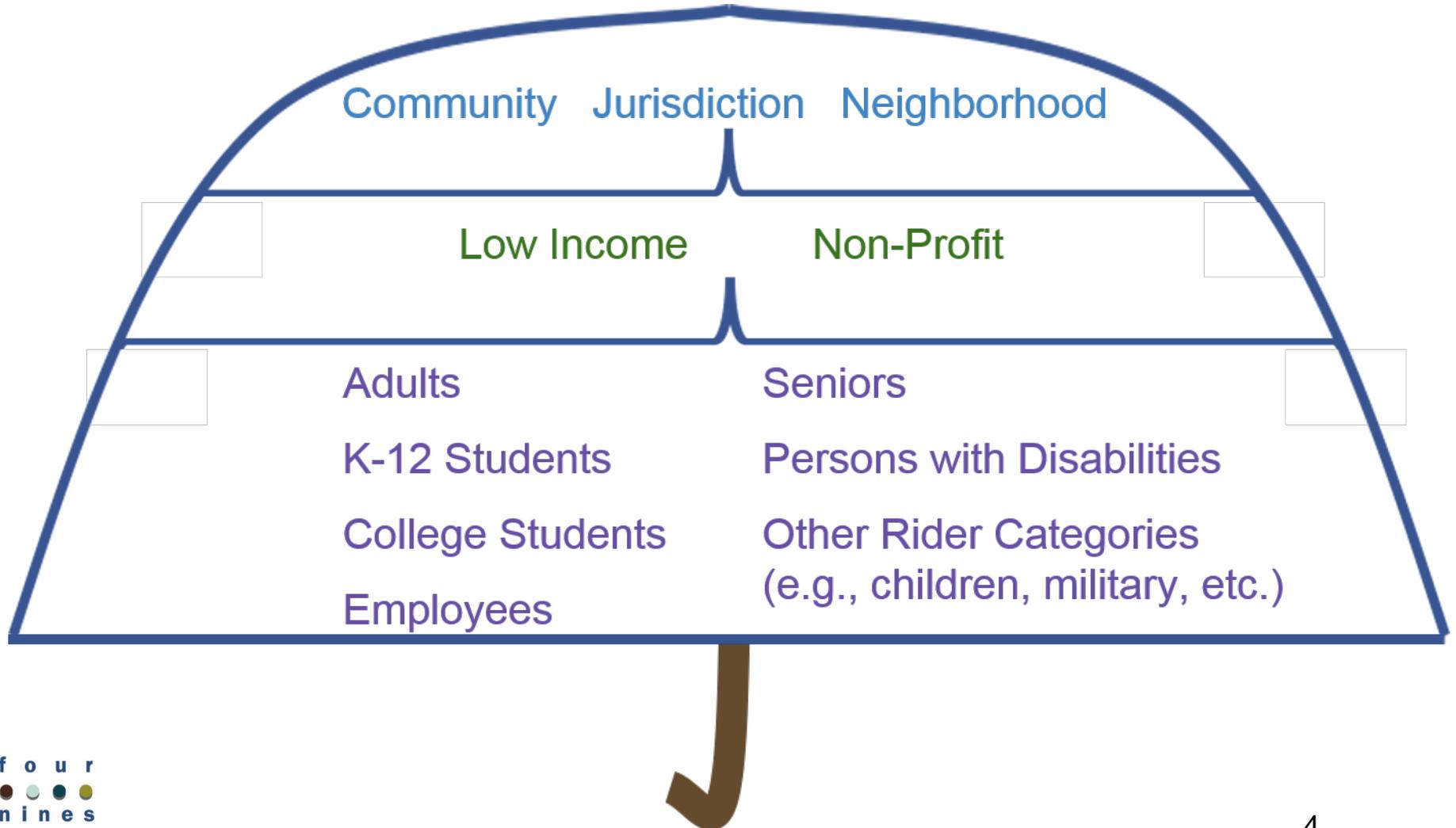four
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Key Questions to Guide Development

❏ Who is RTD trying to serve (e.g., K-12 students, employees, low-income riders, others)?

❏ What is the program trying to accomplish (e.g., affordability, increase transit mode share, mobility)?

❏ How should the program be priced (e.g., opt-in, all-in)?

❏ Should certain market segment(s) receive a discount? How do you prioritize who gets a discount?

❏ How will the program be funded? Who pays? How will the program be funded into perpetuity?

❏ How will the program be administered? Who will be responsible for which components of administration (e.g., eligibility, verification, distribution)?

❏ How does technology enable or constrain the feasibility of a program? What investments (e.g., in time and financial resources) would programs that are beyond RTD's current technological capabilities require?

❏ Is there another, simpler way to achieve a similar outcome?

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Pass Program Elements

Market Access

RTD Service Area

Community   Jurisdiction   Neighborhood

Low Income   Non-Profit

Adults   Seniors

K-12 Students   Persons with Disabilities

College Students   Other Rider Categories
                                     (e.g., children, military, etc.)

Employees

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Market Access Cont.

RTD Current Pass Programs

Discount Fares
- K-12 Students
- Persons with Disabilities
- Seniors

Non-Profit Program

Adult

Master EcoPass

Neighborhood EcoPass

EcoPass

CollegePass

Free Fares
- Children <5
- Law Enforcement & First Responders
- Active US Military
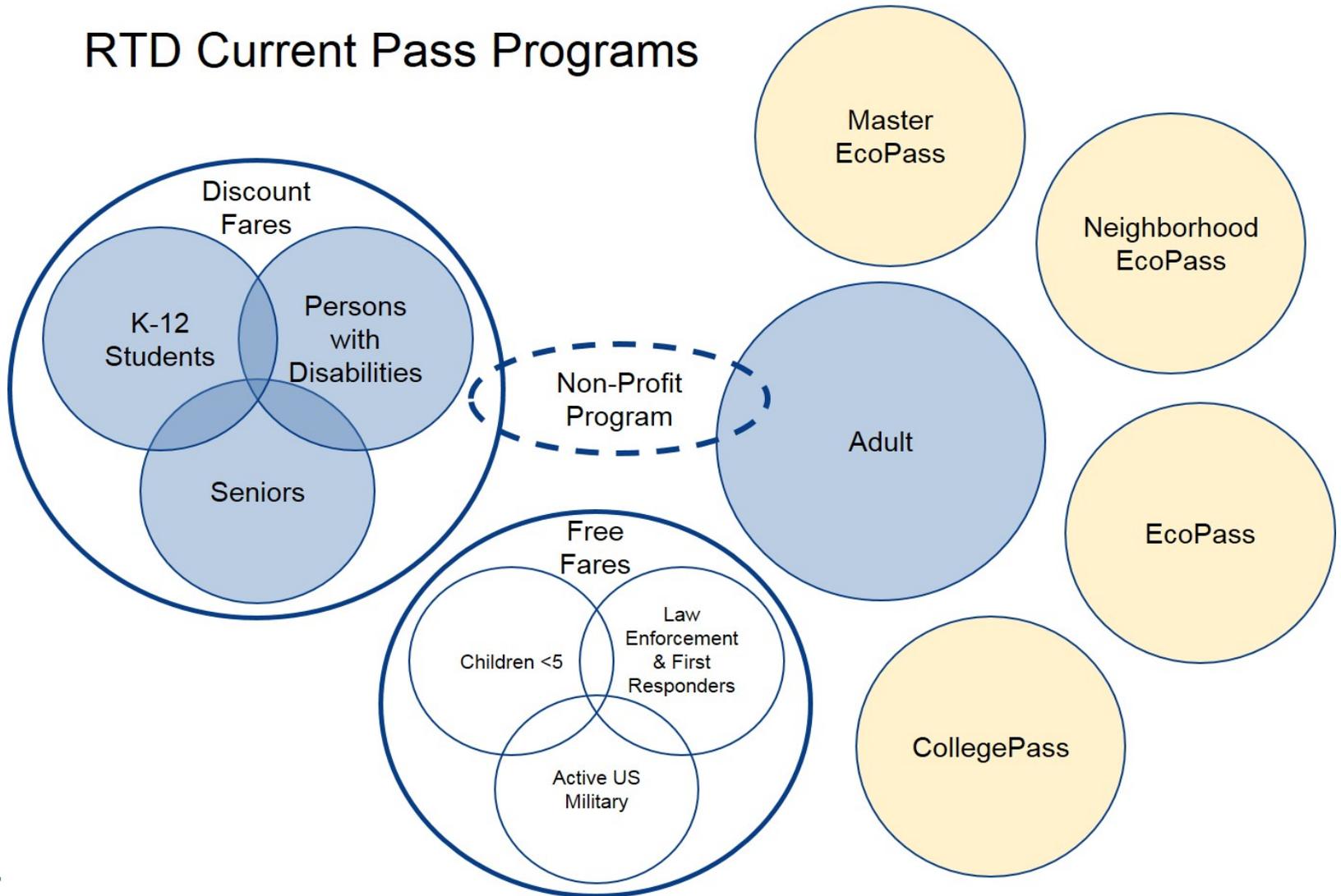
Pricing

Pay As You Go

Pros	Lowers cost per boarding since no discounts associated with pass products
Cons	Disincentivizes riders from traveling more if no convenient way to pay

Variation: pass accumulators - a hybrid of pay as you go and pass products by capping fares paid

Pass Products

Pros	Incentivizes passholders to travel more with pass; reward loyalty & freq riders
Cons	Affordability of monthly & annual passes can pose a financial barrier for riders

Variation: passes sold to organizations at full face value or discounted amount

Rider Category Discounts

Pros	Offer discounted fares to reflect ability to pay and comply with FTA half fares
Cons	Requires enforcement of eligibility, increasing administration costs

Variation: traditionally based on age (e.g., senior, K-12) or disability, but increasing interest in income

Time of Day

Pros	Incentivizes travel with discounts during off-peak when capacity is available
Cons	Does not address mobility needs for those who need to travel during peak

Variation: limit mandatory half fares for seniors & persons with disabilities to off-peak

Pricing Cont.

Bulk Sales

Pros	Depending on distribution method, bulk sales can result in admin cost savings
Cons	Limited purchasing power of smaller organizations to purchase fares in bulk impacts access to discounts

Variation: discounts based on organization type (e.g., Nonprofit Program), not based on quantity

Subsidy / Fare Buy Down

Pros	Incentivizes ridership by lowering fares through sponsorship or fee assessed to riders & non-riders to cross-subsidize
Cons	Important to ensure sufficient funding to prevent impact on operating budget

Variation: sponsor purchases fares at full price and provides discount (or free) to rider (e.g., EcoPass, Neighborhood EcoPass, NonProfit Program)

Universal Free Fares

Pros	Incentivizes ridership
Cons	Important to ensure sufficient funding; impact of free fares on perceived value/ownership; increased ridership during peak when capacity is limited

Variation: limit free fares to select populations (e.g., low income youth) to achieve specific goals

Introductory Promotions

Pros	Target new riders; incentivizes ridership by lowering fares
Cons	Limited success creating new long-term riders; incentive needs to be long enough to create habit

Variations: promotions to introduce new fare media; promotions for new residents, employees, etc.

Option Development

❏ What markets would have special pass programs?

    ❏ Who should RTD be trying to serve (e.g., K-12 students, employees, low-income riders, others)?

    ❏ What would program be trying to accomplish (e.g., affordability, increase transit mode share, mobility)?

❏ What pricing models would be used for the different pass programs?

    ❏ Should certain markets receive a discount? How do you prioritize who gets a discount?

❏ How would distribution be handled for the different pass programs?

❏ Are there obstacles to this option?