

Livable Delaware Activity

Activity/Policy/Program name: Farebox Recovery Policy

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Purpose: To define the process for determining what price to charge people using bus or train service that will meet our goals for helping people get to where they need to go.

Enabling Laws: 2 Del. C. § 1309 (28) b. The Delaware Transit Corporation can “Fix from time to time... schedules, routes, rates or fares, and charges for use of public transportation services furnished by the Delaware Transit Corporation (“Corporation”) pursuant to this chapter...” Other provisions within the same chapter define the minimum level of changes in proposed service and fares that require public involvement and hearings to be utilized in determining what provisions of a service or fare change for either fixed route scheduled service or specialized (paratransit) service will be approved and implemented. In addition, the chapter requires fares on fixed route scheduled service to be free for blind citizens and “for individuals 65 years of age or older shall be not more than 40 percent of the regular fare charged per zone.”

These are the legal restrictions concerning fares. The new fare structure complies with all State and federal requirements listed herein:

- Non-discriminatory, consistently applied throughout transit system’s jurisdiction (Federal Transit Administration);
- Blind ride fixed route service free (Delaware Code);
- Disabled passengers ride fixed route service for at least 50% off the regular fare during off-peak hours (Federal Transit Administration);
- Riders who are 65 or older ride fixed route service for at least 60% off the regular fares during all hours (Delaware Code);
- People issued Medicare Cards qualify for the federal fixed route half-fare program (Federal Transit Administration);
- Americans with Disabilities Act paratransit riders are limited to twice the cost of fixed route service (Federal Transit Administration);
- Certified attendants ride free with certified disabled passengers on paratransit service (Federal Transit Administration);
- Delaware Budget Bill.

Policies: DelDOT Policy Implement No. DTC-02, Delaware Transit Corporation Fare Policy provides guidelines to insure that all proposed fare structures be financially responsible, customer friendly, in full compliance with all related state and federal laws or regulations, and equitable throughout the state.

History: When the independent transit systems throughout the State of Delaware were merged to form the Delaware Transit Corporation, the individual fare structures from the former systems remained intact. This produced a series of inconsistencies from one county to another. For instance, fare zone sizes were different within each county and even different by service type (local fixed route, intercounty, and para-transit). Definitions on rider classifications (children,

student, elderly, etc.) varied throughout the state. Fare rates or the amount of service provided for a fare rate also varied in each county for both fixed route local service, intercounty service and paratransit service. This policy establishes the foundation and direction for correcting these potentially discriminatory practices.

Current Situation: On May 21, 2001 the Delaware Transit Corporation initiated a new fare structure that fulfills the provisions contained within the adopted Fare Policy. For the first time, a consistent basis for establishing fare rates statewide has been established. The discounted stored value card (the DARTCard) was introduced so that any person within the State can use it to ride any bus within the State, regardless of differences in local fares. It enables the user to purchase the card at the same price and discount from any transit sales outlet in Delaware. A different price and discount is offered on each of the seven DARTCards. Card prices range from \$9.60 to \$65 and provide a range of discounts from 20% off for the lowest priced cards to 40% off for the highest priced card. A special \$14 card provides a 70% off discount for citizens who are certified as being either 65 years of age or older or as being disabled. These multiple ride, multi-day cards are good until its value has been completely utilized. They can also be used to purchase unlimited ride Daily Passes on a discounted basis. These fare options provide affordability to almost all citizens, regardless of their income. In addition, the DARTCard pricing also corresponds to the existing TransitChek voucher programs that allow employers to provide paid or partially paid transit fares to its employees as an employee benefit while receiving special tax benefits from the IRS. This change has brought about a pricing system that simplifies the fare structure, provides consistency in how it is utilized statewide, and enables more people to take advantage of discounted fares. The new fare structure is designed to keep the average system fare the same. This revenue neutral fare objective was established by DelDOT to avoid weakening the State's position to the Environmental Protection Agency for fulfilling federal regulations to correct ozone non-attainment. These activities support two of the Livable Delaware goals. They are as follows: "Promote mobility for people and goods through a balanced system of transportation options." Improve access to educational opportunities, health care and human services for all Delawareans."

Revisions/Actions Needed: The change being initiated through the new fare structure is an action already taken to help achieve goals and objectives of Livable Delaware. Affordable accessibility throughout the State is being strengthened with this action. Improved efficiencies in administering fares help fulfill management goals. Economic development goals are also addressed through utilizing prices that enable employers to provide transit fares as an employee benefit while obtaining IRS tax benefits. The intended combined results of this fare structure should encourage additional transit riding in the future. This result will also help to achieve air quality objectives.

Resources needed to create/revise: The changes needed to bring the fare structure into compliance with the stated policy were initiated on May 21, 2001.

Process for creation/revision: The project was initiated on May 21, 2001.

Schedule: The project was initiated on May 21, 2001.

Measures to guide progress: The fare policy requires an annual evaluation of the fare revenue structure to determine if further changes should be initiated. Part of this evaluation will consider whether people are satisfied that they are getting good value for their money.

Interactions or inter-relationships with other agencies or units of government:

Epilogue requirements in many of the past Budget Bills have caused the Delaware Transit Corporation to be involved in actions that may violate federal regulations for public transportation service. The Corporation should make legislators aware that it will not initiate actions that jeopardize federal funds or violate State or federal laws.