Comprehensive Operational Analysis

Fare and Transfer Policy Recommendations

March 2024

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1 REVIEW OF CURRENT BCT POLICY

This report reviews the current policy for Broward County Transit (BCT) relevant to customer fares, a review of similar policies among several peers, and considerations and recommendations for fare policy going forward.

BCT currently charges $2.00 for local one-way fares and offers an assortment of passes for customers who use the service regularly. Additionally, express routes to Miami-Dade County require a premium fare of $2.65 for a one-way trip and require either premium passes or additional fare for customers using regular passes or transfers. For each one-way fare category and a few passes, reduced fares are offered for seniors, persons with disabilities, and Medicare card holders and youths under 18.

The full fare chart is provided in **Table 1** for local service. Fares for premium express service are provided in **Table 2**.

Table 1. BCT Fixed-Route Fare Categories – Local Service

Fare Type	Regular Cost	Reduced/Youth Fare Cost
One-way Trip	$2.00	$1.00
10 Ride Pass	$20.00	N/A
1 Day Pass	$5.00	$4.00
3 Day Pass	$12.00	N/A
7 Day Pass	$20.00	N/A
31 Day Pass	$70.00	$40.00
31 Day Pass – College Students	$50.00	N/A

Table 2. BCT Fixed-Route Fare Categories Premium Service

Fare Type	Regular Cost	Reduced/Youth Fare Cost
One-way Trip	$2.65	$1.30
10 Ride Pass	$26.50	N/A
31 Day Pass	$95.00	N/A

Customers using any regular pass may utilize premium express services for an upgrade charge of $1.00. For cash paying customers, there is no permitted transfer between local and premium service. The customer must pay the full premium fare when boarding an express route.

BCT charges a $0.50 transfer fare to those transferring from Miami-Dade Transit (MDT), South Florida Regional Transportation Authority (Tri-Rail), or Palm Tran on to BCT services and a $1.00 upgrade fare to transfer to an Express Bus route.

BCT offers free 31 day passes for customers who fall below income guidelines based on their household income, number of people in the household, and poverty thresholds. Those qualifying must complete an application, be residents of Broward County, and have an income level below 225% of the poverty level. In 2022, the poverty level for a family of four was $27,750, so this threshold would be $62,438.

As found in on-board field surveys by the consultant team as part of this project, the number of customers avoiding payment of fares due to claiming insufficient money is significant in certain areas of the community. This suggests there are qualifying residents who do not partake of this program for some reason.

2 PEER REVIEW

As part of the review of service and fare standards, the consultant team worked with BCT to establish a set of peers for comparison with existing BCT policy and practice. These peers represent a group of agencies of similar size in large urban areas. The list of peers used for this review (with the areas they serve) are:

- Miami-Dade Transit (MDT) (Miami-Dade County, FL)
- Palm Tran (Palm Beach County, FL)
- LYNX (Orlando, FL)
- VIA (San Antonio, TX)
- VTA (San Jose, CA)
- GCRTA (Cleveland, OH)
- SORTA (Cincinnati, OH)

Peer Rates

The first portion of the comparison of peer systems and BCT is the fares charged. This includes the cash rates for a single trip, along with the most common passes offered:

Table 3. Peer Local Fixed-Route Fare Prices

Fare Type	BCT	MDT	Palm Tran	LYNX	VIA	VTA	GCRTA	SORTA
One-way Trip	$2.00	$2.25	$2.00	$2.00	$1.30	$2.50	$2.50	$2.00
1 Day Pass	$5.00	$5.65	$5.00	$4.50	$2.75	$7.50	$5.00	$4.00
7 Day Pass	$20.00	$29.25	N/A	$16.00	$12.00	N/A	$25.00	N/A
Monthly Pass	$70.00	$112.50	$70.00	$50.00	$38.00	$90.00	$95.00	$80.00

The single-ride cash fare for BCT is in-line with the peer group. Among peers, three have single ride options that are more expensive, with the highest fare $2.50. One peer, VIA, has cheaper fares than all other peers at $1.30. The remaining three peers are identical to BCT.

For passes, BCT is also well-centered in the peer range for various fare types, although there is a wide variety among peers on prices particularly for one month passes. Day passes are between two and three times the price of single ride trips for all peers, so the $5.00 price (2.5 times the cost of a single ride) is similar to peers and the Day Pass cost for BCT equals the midpoint among peers. The monthly pass or 31-Day Pass offered by BCT is more affordable than most peer agencies. Palm Tran has a monthly pass cost equal to BCT while only LYNX and VIA offer a lower cost monthly pass.

As required by federal regulation, all peers offer a half fare program to senior citizens, persons with disabilities and Medicare cardholders. While the half fare requirement only applies to the one-way fare, all peers have discounted day pass programs for those who qualify for reduced fares, and most offer some discount on all pass types. Only BCT and Palm Tran offer a discount of less than 50% for longer duration passes for those eligible for reduced fare. As a result, BCT's one day reduced pass is higher than all peers. Miami-Dade Transit is unique in offering a free fare program for residents older than 65 (Golden Passport).

Table 4. Peer Reduced Fixed-Route Fare Prices

Fare Type	BCT	MDT	Palm Tran	LYNX	VIA	VTA	GCRTA	SORTA
One-way Trip	$1.00	$1.10	$1.00	$1.00	$0.65	$1.00	$1.25	$2.00
1 Day Pass	$4.00	$2.50	$3.50	$2.25	$1.35	$3.00	$2.50	$2.00
7 Day Pass	N/A	$14.60	N/A	$8.00	$6.00	N/A	$12.50	N/A
Monthly Pass	$40.00	$56.25	$55.00	$25.00	$19.00	$30.00	$48.00	N/A

Many of the peers offer the discounted rates above to children or students, although this is not required by federal regulations. SORTA only offers the discount for children under the age of 6, while GCRTA and VTA offer lesser discounts to students. The remaining peers extend the same discounted rates to youth or students with varying cutoff ages or grade levels.

Among the peers, several have premium levels of service for express routes. **Table 5** shows premium fares for all peers that offer services requiring a premium fare. All but MDT require a special monthly pass to enjoy access to premium service. For the two Ohio properties, there are two levels of premium service for express routes based on distance and jurisdictional boundaries.

Table 5. Peer Premium Fares

Fare Type	BCT	MDT	VTA	GCRTA	SORTA
One-way Trip	$2.65	$2.65	$5.00	$2.75/$3.75	$2.65/$3.75
Monthly Pass	$95.00	$112.50	$180.00	$105.00	$106.00/$150.00

BCT's express service is the least expensive among peers, although only VTA is notably more expensive. Caution must be used on comparisons for premium fares as the route distances do vary for these routes among agencies.

Transfer Policies

The rules among the agencies with regard to transfers are varied. Two transit systems allow transfers between buses for all customers using paper tickets – VIA and LYNX. Several other transit agencies do provide free transfers, but not for cash paying customers. MDT and VTA require use of a smart card or contactless payment, while SORTA only provides free transfers for mobile tickets and a particular 5-ride pass. GCRTA and Palm Tran require payment for each bus boarding, thus encouraging customers to purchase passes.

Among peers, only the three in South Florida advertise discounts to transfers from other providers. Palm Tran, BCT and MDT offer discounted rates with a transfer from the other agencies or Tri-Rail. While not offering discounted transfers, SORTA does have a fare category that allows use of Transit Authority of Northern Kentucky (TANK) services in northern Kentucky.

Fare Media

Among peers, three offer smart cards, including the two other agencies in South Florida. MDT uses an Easy Card, while Palm Tran names their card the Paradise Pass. The other agency that uses a smart card is VTA, which is one of many San Fransico Bay areas that use the Clipper Card. Each of these agencies offer a mobile app to quickly add fare to the smart card.

The remainder of the peers have media similar to BCT – a traditional cash fare/paper ticket approach, coupled with a mobile app option.

Farebox Recovery

Table 6 shows farebox recovery rates for BCT and all peers in 2019 and 2022. The 2022 data reflects fiscal years for each agency, which includes months in which the COVID-19 pandemic was still on-going. Even as systems have returned services and fares back to levels consistent with service prior to the pandemic, ridership nationally has not yet returned to 2019 levels. Additionally, higher operating costs driven by inflation have also contributed to much lower farebox recovery levels among all peers.

Compared to its peers, the proportion of operating costs covered by fare revenues is highest in the 2022 report year, and was 2nd highest for 2019. Farebox recovery for BCT has been consistently higher than the same figure for MDT and Palm Tran.

Table 6. Peer Bus Farebox Recovery

Agency	2019 Fare Recovery	2022 Fare Recovery
Broward County Transit	23.0%	14.9%
Miami-Dade Transit	17.8%	12.6%
Palm Tran	13.8%	10.0%
LYNX	20.7%	14.4%
VIA	10.4%	6.3%
VTA	10.1%	6.4%
GCRTA	16.2%	14.5%
SORTA	28.5%	12.4%

3 POLICY CONSIDERATIONS AND IMPACTS

Fare Media

All three other South Florida transit operators – MDT, Palm Tran, and Tri-Rail – use Smart Card technology as a means of payment. Many of the current advantages of Smart Card technology for both customer ease and security are likely to diminish as payment via mobile devices advance technologically. The long-term advantage of Smart Cards, therefore, may be the potential compatibility with regional partners who have already adopted the technology.

There are about 5,000 customers daily according to the on-board survey who use one of these other partners as part of their trip. To the extent that fare media can be shared across the region is advantageous for customers. Tri-Rail currently accepts MDT's Easy Card on their service, which is an example of compatibility between agencies; Palm Tran's Paradise Pass does not currently have the same compatibility.

While mobile ticketing continues to be no more than 20% on all local routes, about 7 out of 8 on-board customer survey respondents stated the customer had a smart phone. While mobile ticketing has its own operational costs, moving customers away from cash options reduces cash handling and reduces time customers spend in the fare queue. Our field observations included testing the mobile application, which worked as expected. BCT should seek to expand mobile ticketing use through promotions and discounts for switching. There is a slightly higher use of cash among lower-income customers; these customers might respond to promotional efforts that reduce their cost of riding for converting.

Fare Policy Rates

While the farebox recovery rate for BCT has declined considerably over the past several years, the review of peer data review suggests the current BCT rates remain in-line with similar agencies. The single ride cash fare is the same as the peer median and at the current rate, BCT collects a higher proportion of operating costs through the farebox than any peer agency. Given this the current cash fare appears to be appropriate.

On the other hand, the price of monthly passes and premium-level services are somewhat below peer averages. These policy rates should be reviewed. As found during the on-board survey, riders using premium passes were much less likely to be low-income (9.6%) than cash paying customers (34.1%).[1] Interestingly, monthly pass holders have a similar rate of belonging to low-income households – 35.8%. While the goal of adding ridership to express routes may be negatively impacted by a higher rate, a somewhat higher rate would still almost certainly offer a discount to the alternative of driving, considering tolls and parking costs.

[1] For purposes of this description, low-income households are defined as those customers with household incomes below $30,000.

While this analysis does not suggest a broad-based fare adjustment at the current time, BCT should review fare rates and refresh peer information every 3-5 years to prevent falling behind trends; the cost of operations will almost certainly continue to increase to some extent into the future, and failure to regularly evaluate fare rates will result in a continued reduction in farebox recovery.

Transfer Policy

Broward County Transit's transfer policy is more generous than most peers. While such a fact may suggest that the transfer policy should be reviewed and additional restrictions considered, the findings of the on-board survey show how essential transfers are for many trips in BCT's system. The grid network encourages many on-street transfers between north-south and east-west running routes. It is key to note that trips with transfers can frequently be just as long as those without, and pricing such trips differently creates a fare inequality. There was no relationship during the on-board survey between income and the number of transfers.

Low-Income Customers

BCT has a Transportation Disadvantaged (TD) program that will issue passes to customers who fall below an income threshold of 225% of the federal poverty level. This helps to ensure the lack of ability to pay the fare does not negatively impact residents' mobility. Even for those customers who do not go through the application process, operators are instructed not to turn customers away due to lacking money to pay the fare. To the extent this latter group receiving a complementary ride via less formal means can be reduced would benefit BCT in several ways.

First, this situation involves more interaction with the operators who reported unpleasant responses for stating the fare from customers accustomed to being allowed to ride free. Second, the approach requires riders to admit their financial situation in front of other customers each time they board – certainly not an experience that affirms the human dignity of the customer. Finally, for paying customers that witness the activity, there is risk of either jealousy or copycatting after seeing others avoid paying the fare.

Some possible options for treating the situation is better promotion of the low-income program, including printed materials that operators can provide to those who board without paying, and ensuring the application requirements do not deter some who want to share as little information as possible with government entities.

Financial Impact

Farebox recovery rates are most likely to remain lower and possibly fall further over the next few years until rates are comprehensively increased. This situation is being aggravated by cost increases for operating services that are being experienced throughout the country. However, the reality is that the economic situation from the COVID-19 pandemic and the years that have followed has created more economic uncertainty for customers as well. They too have experienced price increases that for many have caused additional financial strain.

Farebox recovery is important however in the long run. While fares make up less than 15% of BCT's operating budget, customer surveys have shown customer service concerns to strongly outnumber those with complaints on the fares. Based on these responses, customers may be willing to shoulder more costs if the revenue is needed to preserve or enhance service.

Our recommendation is to revisit fare rates in three to five years, when perhaps economic conditions have somewhat changed, new service and service modes have been implemented, ridership levels have further recovered from COVID-19 lows, and industry trends are once again moving toward progressively higher fare rates.