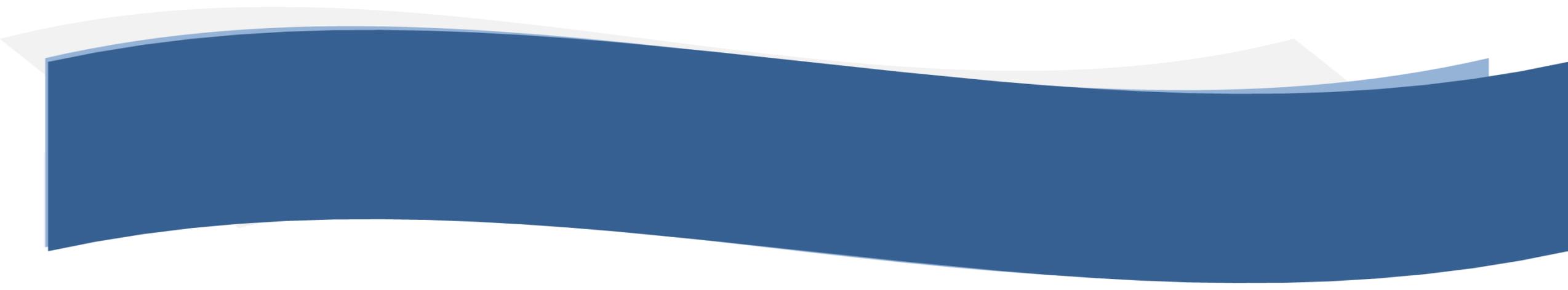


# Bus Fare Increase Proposal

Department of Transportation Services

City and County of Honolulu

January 2018



# Typical Types of Fares

- Adult cash fare
  - Youth cash fare at half the price of the adult fare
  - One-Day Pass
  - Monthly Pass (Adult/Youth)
  - Annual Pass (Adult/Youth)
  - Senior and Disabled Fare (Cash/monthly/annual)
  - Semester Pass for College Students
- 
- Different fare for Express service
  - Different fare for different zones
  - Different fare for service at peak times
- 

# History of Recent TheBus Fare Increases

- In 2001 - Cash fare \$1.50      Monthly pass \$27
- July 1, 2003 –      Cash fare \$1.75      Monthly pass \$30
- June 1, 2004 –      Cash fare \$2.00      Monthly pass \$40
- July 1, 2009 –      Cash fare \$2.25      Monthly pass \$50
- June 1, 2010 –      Cash fare \$2.50      Monthly pass \$60
- January 1, 2018 – Cash fare \$2.75      Monthly pass \$70

# Farebox Ratio

- Defined as the total revenues received by fares divided by the cost to operate TheBus
- Council Resolution 00-29, CD1 specified that the farebox ratio be between 27 and 33%
- FY2017 farebox ratio was 26.54%
- FY2019 farebox ratio is projected at 23.57% based on budget request
  - without a fare increase

# Factors for the Need of a Fare Increase

- Total expenditures for FY2018 are estimated at \$204.2M and will increase 3% annually.
  - Total revenues for FY2018 are projected to be \$53.8M. We have assume 0% growth in ridership.
  - Level of service will not be reduced.
  - Need to be in compliance with the farebox ratio.
- 

# Factors for this Fare Increase Proposal

- A gradual fare increase over 3 years is preferable to a one-time increase.
- Attempt to distribute the burden over all of the fare categories.
- Cash fares raised to the nearest quarter, adult passes to the nearest \$5.
- In order to comply with the farebox ratio, we must increase revenues by \$3.0M to \$15.6M in FY2019. Each 1% or farebox ratio requires an additional \$2M in revenues.
- Proposed changes gets us to the lower end of the farebox ratio, while allowing for a cushion if ridership declines.
- Senior and disabled fares were raised at a higher rate, yet will be much cheaper than most peer cities.