

Chapter 9

Financial Alternatives

The crux of any issue regarding the provision of public service is the matter of funding. Provision of a sustainable, permanent funding source has proven to be the single greatest determinant in the success or failure of transit service.

Experience with transit systems outside of large urban areas underscores the critical importance of a secure source or sources of local funding if the long-term viability of transit service is to be assured. Transit services dependent on annual appropriations and informal agreements suffer in the following manners:

- ♦ Passengers are not sure from one year to the next if service will be provided. As a result, potential passengers may opt to purchase a first or second car, rather than rely on the continued availability of transit service.
- ♦ Transit drivers are also not sure of having a long-term position. As a result, a transit system may suffer from high turnover, low morale, and a resulting high accident rate.
- ♦ The lack of a dependable source of financial support inhibits investment in both vehicles and facilities. Public agencies are less likely to enter into cooperative agreements if the long-term survival of the transit organization is in doubt.
- ♦ To provide high-quality transit service and to become a well-established part of the community, a dependable source of funding is essential. Factors which must be carefully considered in evaluating financial alternatives include the following:
 - It must be equitable – the costs of transit service to various segments of the population must correspond with the benefits they accrue.
 - Collection of tax funds must be efficient.
 - It must be sustainable – the ability to confidently forecast future revenues is vital in making correct decisions regarding capital investments such as vehicles and facilities.
 - It must be acceptable to the public.

A wide number of potential transit funding sources are available, particularly within California. The following discussion provides an overview of these programs. This discussion will be developed in greater detail as analysis of operating and capital alternatives yield estimates of total future funding requirements.

FEDERAL TRANSIT FUNDING SOURCES

FTA Section 5307 Urbanized Area Formula Program

A mainstay of transit funding for smaller cities across the country is the FTA's Section 5307 Urbanized Area Formula Program. These funds are provided to urbanized areas (as identified by the Census Bureau) with a population of 50,000 or more, and are for use throughout the urbanized area. As El Dorado Hills is

included in the Sacramento Urbanized Area, EDCTA is eligible for FTA Section 5307 funds for services in El Dorado Hills. For FTA FY 2007/08 (October 1, 2007 through September 30, 2008), a total of \$19 million is available to the Sacramento Urbanized Area. The El Dorado County Regional Transportation Plan estimates that EDCTA will receive about \$400,000 annually from this program.

FTA Section 5309 Capital Program

These grants are split into three categories: New Starts, Fixed Guideway Modernization, and Bus and Bus Facilities. Typically, an intensive lobbying effort is necessary to receive a Section 5309 earmark. The “Small Starts” component of the New Starts program, which provides funding and oversight for projects seeking less than \$75 million dollars in New Starts funds, was authorized for separate funding beginning in FY 2007 under the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU). If urbanized, a duly authorized recipient of FTA funds has to first program all of its Section 5307 funds before Section 5309 funds can be expended. In FTA FY 2007/08, \$46 million was available statewide for bus and bus facilities projects. EDCTA has been allocated \$1 million through this funding program for commuter buses in the past.

FTA Section 5310 Elderly and Persons with Disabilities Program

FTA funds are also potentially available through the Section 5310 Elderly and Persons with Disabilities Program (largely vehicles), which is administered by Caltrans. Until recently, recipients of Section 5310 funding were restricted to non-profit organizations; with passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) and subsequent Transportation Equity Act of the 21st Century (TEA-21), however, local governmental jurisdictions are also eligible for funding. FTA FY 2007-2008 apportionments totaled \$12.4 million statewide. In the past, EDCTA has been awarded 5310 funds for fixed-route and DAR vans.

FTA Section 5311 Nonurbanized Area Formula Program

Federal transit funding for rural areas, such as El Dorado County, is currently provided through the FTA Section 5311 Nonurbanized Area Formula Program. In California, a 16.43 percent local match is required for capital programs and a 47.77 percent match for operating expenditures. Per FTA section 5319, only a 10 percent local match is required for capital projects used to provide access for bicycles to transit facilities, or to install racks or other equipment for transporting bicycles on transit vehicles. These funds, administered by Caltrans, are segmented into “apportioned” and “discretionary” programs. The bulk of the funds are apportioned directly to rural counties based on population levels. The remaining funds are distributed by Caltrans on a discretionary basis and are typically used for capital purposes. FTA Section 5311 funds budgeted for EDCTA operations in FY 2007/08 is approximately \$200,000. Statewide, Section 5311 funds totaled nearly \$20 million in FTA FY 2007/08.

FTA Section 5313(b) State Planning and Research Program

The FTA provides a total of approximately \$10.8 million annually in funds to all the state departments of transportation for use in statewide planning projects and planning support in non-urbanized areas, as well as other research and demonstration projects. These funds are allocated to the states by population (with a minimum of 0.5 percent allocated to any one state), and require a 20 percent local match. This funding source is commonly used to fund transit plan studies.

FTA Section 5308 Clean Fuels Grant Program

This is a discretionary grant program funded through SAFETEA-LU. The program has a two-fold purpose. First, the program was developed to assist non-attainment and maintenance areas in achieving or maintaining the National Ambient Air Quality Standards for ozone and carbon monoxide (CO). Second, the program supports emerging clean fuel and advanced propulsion technologies for transit buses and markets for those technologies. Recipients must be eligible to receive FTA 5307 funding and be classified as a maintenance or non-attainment area for ozone and CO. Currently there are no funds available to distribute for this program.

FTA Section 5316 Job Access and Reverse Commute Program (JARC)

The JARC grant program assists states and localities in developing new or expanded transportation services that connect welfare recipients and other low income persons to jobs and other employment related services. Job Access projects are targeted at developing new or expanded transportation services such as shuttles, vanpools, new bus routes, connector services to mass transit, and guaranteed ride home programs for welfare recipients and low income persons. Reverse Commute projects provide transportation services to suburban employment centers from urban, rural and other suburban locations for all populations. Under SAFETEA-LU the JARC program is a formula program and allocation is based on the number of low income persons. States and designated recipients must select grantees competitively. SACOG is a designated recipient and was eligible for \$775,462 in FY 2007/08 for subrecipients in the Sacramento Urbanized Area. Non-urbanized areas can apply for grants through the state. Estimated funding available for rural projects in FY 2007/08 in California is \$2.7 million. As for EDCTA services, JARC funding would be available for the IPC service. A JARC applicant must also have a Coordinated Human Services Transportation plan. An (80/20 match) is required for capital projects, and at least a 50 percent (50/50 match) of projects for operating assistance.

FTA Section 5317 New Freedom Program

This new program under SAFETEA-LU provides formula funding for “new” public transportation services beyond those required by ADA for persons with disabilities. The idea behind the program is to help communities provide transportation services beyond those required by ADA and to help people with disabilities participate more fully in the workforce and in community life. Eligible projects include voucher programs and volunteer driver programs. Funds are apportioned to the individual states based on the disabled population, and only 20 percent is available to non-urbanized areas. To be eligible for funding, New Freedom projects in urbanized areas must be included in the Metropolitan Transportation Plan prepared and approved by the metropolitan planning organization (MPO), the Transportation Improvement Program (TIP) approved jointly by the MPO and the Governor, and the Statewide Transportation Improvement Program (STIP) developed by a State and jointly approved by FTA and the Federal Highway Administration (FHWA). Projects outside urbanized areas must be included in, or be consistent with the Statewide Long-Range Transportation Plan, as developed by the state, and must be included in the STIP. As with the JARC program, projects must be derived from the Coordinated Human Services Transportation Plan. An (80/20 match) is required for capital projects, and at least a 50 percent (50/50 match) of projects for operating assistance. The maximum per project per year grant award is \$125,000.

Congestion Mitigation/Air Quality (CMAQ) SAFETEA-LU Funding

A strong source of funding for many transit services across the country has been provided by the Congestion Mitigation/Air Quality (CMAQ) program, authorized through SAFETEA-LU. This funding is

available to regions that are not in compliance with federal air quality standards regarding ozone or carbon monoxide. As El Dorado County is not in attainment for these standards, CMAQ funding is available for local services.

STATE TRANSIT FUNDING SOURCES

Transportation Development Act Local Transportation Funding (LTF)

A mainstay of funding for transit programs in California is provided by the Transportation Development Act (TDA). The major portion of TDA funds are provided through the Local Transportation Fund (LTF). These funds are generated by a 1/4 cent statewide sales tax, returned to the county of origin. The returned funds must be spent for the following purposes:

- ♦ Two percent must be provided for bicycle facilities (barring certain findings).
- ♦ The remaining funds must be spent for transit and paratransit purposes, unless the Transportation Commission finds that no unmet transit needs exist that can be reasonably met.
- ♦ If a finding of no unmet needs that are reasonable to meet is made, remaining funds can be spent on roadway construction and maintenance purposes.

TDA-LTF funds allocated to the EDCTA program in FY 2006/07 totaled \$3.7 million, and typically no TDA funds are allocated to streets and roads. The El Dorado County RTP assumes that sales tax revenues will grow at three percent per year. However, actual County sales tax revenues for the beginning of FY 2007/08 are 2.72 percent less than the previous FY. In FY 2007/08, LTF funding is anticipated to decrease by 4 percent to \$3.5 million. Therefore, given the current economic climate, the LTF estimates in the RTP represent an optimistic short-term financial outlook for EDCTA.

State Transit Assistance (STA) Funds

In addition to LTF funding, the TDA includes a State Transit Assistance (STA) funding mechanism. The sales tax on gasoline is used to reimburse the state coffers for the impacts of the 1/4 cent sales tax used for LTF. Any remaining funds (or “spillover”) are available to the counties for local transportation purposes. FY 2007/08 STA funding allocated to the EDCTA was approximately \$669,429.

Bicycle Transportation Account (BTA) Program

This program provides funding for projects that improve the safety and convenience for bicycle commuters. Local jurisdictions must have an adopted “Bicycle Transportation Plan” approved by Caltrans to be eligible for funding. Projects must conform to the requirements of Caltrans’ Highway Design Manual, Chapter 1000. Commuter bikeways are eligible. In FY 2005/06 EDCTA received \$20,782 in BTA funds to replace the bike racks on all buses to hold 3 bikes instead of 2. In FY 2007/08 EDCTC will receive \$615,000 for the construction of Class I and Class II bike paths in the County.

Proposition 1B (PTMISEA)

On November 7, 2006, California voters approved Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, which authorized the issuance of \$19.925 billion in general obligation bonds to invest in high-priority improvements to the state’s surface transportation system and to finance strategies to improve air quality. Among the programs contained in Proposition 1B is the \$3.6 billion Public Transportation Modernization, Improvement, and Service

Enhancement Account (PTMISEA). When appropriated by the Legislature, funds in the PTMISEA are to be used to fund various mass transportation projects, including rehabilitation, safety or modernization improvements, capital enhancements or expansion, rail transit improvement, bus rapid transit improvements, the acquisition of rolling stock, and other similar investments. The funds in the PTMISEA are to be dispersed according to the formula used to distribute funds in the State Transit Assistance Fund (STA). EDCTA will receive about \$1.2 million in PTMISEA funds in FY 2007/08.

LOCAL TRANSIT FUNDING SOURCES

AB 2766 Vehicle Air Pollution Fees

California Assembly Bill 2766 allows local air quality management districts to level a \$2 to \$4 per year fee on vehicles registered in their district. These funds are to be applied to programs designed to reduce motor vehicle air pollution, as well as the planning, monitoring, enforcement, and technical study of these programs. Across the state, these funds have been used for local transit capital and operating programs. AB 2766 funds have been used to operate the fare free Apple Hill Shuttle and Fair Shuttle in El Dorado County.

Sales Tax

A sales tax election could be held with funds to go to transit service. Sales tax is the financial base for many transit services in the West. The required level of sales tax would depend upon the service alternative chosen. One advantage is that sales tax revenues are relatively stable and can be forecast with a high degree of confidence. In addition, sales tax can be collected efficiently and it allows the community to generate revenues from visitors to the area. This source would require a vote of the people to implement. In addition, a sales tax increase could be seen as inequitable to residents not served by transit. This disadvantage could be offset by the fact that sales taxes could be rebated to incorporated areas not served by transit. Transit services, moreover, would face competition from other services which may seek to gain financial support through sales tax.

Property Tax

The property tax is an additional feasible source of subsidy for transit services. This tax can be relatively efficiently collected. In addition, property tax tends to be progressive – those most able to pay are those that tend to be impacted. The availability of this funding source in the foreseeable future, however, is very doubtful in light of the traditional reluctance of voters to increase this tax. The ability for a property tax to pass in a general election will only occur when a majority of area residents feel transit service provides a benefit to them individually.

Traffic Mitigation Fees

Traffic mitigation fees are one-time charges on new developments to pay for required public facilities, and to mitigate impacts created by or reasonably related to development. There are a number of approaches to charging developers, however, in all cases, these fees must be clearly related to the costs incurred as a result of the development with a rational connection between fee and development type. Furthermore, fees cannot be used to correct existing problems or pay for improvements needed for existing development. A county may only levy such fees in the unincorporated area over which it has jurisdiction, while a city must levy fees within the city limits. Any fee program must have the cooperation of all jurisdictions affected. El Dorado Transit is included in the TIM fee program for the region.

Approximately \$500,000 is available for Park-and-Ride, right of way and/or construction in the later years of the program. Due to the slow down in housing construction it is likely that this funding will not be available during the five year scope of this SRTP.

Contract Revenues

Transit systems also often generate income through revenues associated with contracted services. EDCTA currently contracts with M.O.R.E. and other agencies to provide specialized transportation services. EDCTA should continue to evaluate requests for service as agencies in the region wish to expand access to their programs.

Advertising

One modest but important source of funding for many transit services is on-vehicle advertising. The largest portion of this potential is for exterior advertising, rather than interior “bus card” advertising. The potential funds generated by advertising placed with the vehicles is comparatively low. However, EDCTA recently entered into a new five year advertising agreement with Lamar Transit Advertising. Per the agreement Lamar will invest up to \$225,000 in 15 new bus shelters in exchange for shelter and bus advertising. Additionally Lamar will give EDCTA a percentage of advertising revenue or a five year guaranteed payment as well as provide maintenance and repair of existing shelters.

INCREASED PASSENGER REVENUES

One option to increase funding would be to increase the passenger fares. This option is perceived as being equitable, in that the direct beneficiaries of transit service are required to pay. In addition, fares can be very flexible – they can be reduced for portions of the population (such as the elderly and handicapped) who are least able to pay. When the available supply of transit service is exceeded by demand, fares can ration service so those who most need the service (and are thus most willing to pay) are provided with service.

The major disadvantage associated with a fare increase is reduction of the attractiveness and convenience of transit service. If fares were raised, it is likely ridership would drop, possibly increasing the overall subsidy required to run the system. This, moreover, would affect those most in need of transit service – the low-income population who cannot afford a car.

A discussion of potential transit funding sources must include a look at fares. As fares make transit funding more equitable (those who directly benefit from the service pay at least part of the costs), a fare system has the advantage of increasing the political acceptability of transit. This advantage, however, does not consider the substantial benefits provided to others in the community such as commercial property owners who do not ride the system. In addition, by reducing the attractiveness of transit service, a fare policy works at cross purposes to many of the stated goals for transit with regard to increase in mobility and reduction of traffic and parking demand. Nonetheless, fare increases and changes to the existing fare structure over the long-term should be considered appropriate – particularly in the long-term – to account for the increasing costs of providing service.

Transit systems throughout cities and rural areas often struggle with the issue of establishing an appropriate, fair, and sustainable fare structure. Determining an appropriate fare structure not only satisfies the need to meet the minimum required farebox return ratio, but can also encourage passengers to use the service most appropriate to their needs. Setting fares too low creates the risk of not meeting mandated farebox ratios and bypassing an important support for transit, while setting fares too high can

discourage transit use, particularly for low income passengers who may be the most dependent on transit. The financial alternatives section reviews the current fare structure for El Dorado Transit through a comparison with similar California transit services, and evaluates alternative fare structures.

Since the last SRTP update in 2003, EDCTA has only raised fares on the commuter routes. The new fare policy was enacted in two increments (July 2004 and July 2005) and raised the base one-way fare from \$3.00 to \$4.00.

Potential Increase in DAR Fare

One alternative which has the potential to alleviate capacity issues while decreasing operating costs on the DAR system is to raise fares. DAR fares are usually set higher than fixed-route fares to reflect the fact that the service is more expensive to operate and is more specialized to the passenger's needs. EDCTA general public DAR base fare is \$3.00 per trip (for a single zone trip) and the base fare for an elderly/disabled passenger is \$1.50 per trip. Table 47 presents a review of DAR fare structure for ten similar transit agencies in Northern and Central California. As shown, the average DAR fare of peer systems for the general public is \$2.43, depending on the service area, and ranged from \$1.25 to \$4.00. The average elderly/disabled fare of the reviewed agencies was \$1.98 and \$1.91 depending on the service. Most agencies charged a single-ride fare of \$2.00 for seniors or disabled passengers; however, they range from \$0.60 to \$3.75 with rural local services charging the lowest fares. EDCTA's general public DAR fare is roughly 25 percent higher than its peers but the fare for elderly and/or disabled passenger is roughly 25 percent lower than that of the peer transit agencies reviewed. It should also be noted that EDCTA does not provide a reduced fare for youth general public (as does 3 of the 5 peer systems serving general public riders on DAR).

Given the relatively low farebox return ratio for the DAR program, that fares for elderly/disabled passengers are relatively low compared to peers, and that these fares have not been increased in many years, it is appropriate to consider a fare increase for the DAR program. Another consideration is that a fare increase could better ensure that those passengers most in need of the service are provided with service. At present, DAR capacity is largely "rationed" by passenger's ability to make a reservation in the short period after 8:00 AM three days prior to the desired day of service before all capacity is scheduled. Raising fares could shift passengers who have other potential travel options off of the DAR service, freeing capacity for those most in need of transportation.

TCRP Report 119, *Improving ADA Complementary Paratransit Demand Estimation*, developed a series of paratransit demand factors using data from 28 representative systems. The factor for base paratransit fare was determined to be appropriate for estimating the impact on ridership from a fare increase on the EDCTA DAR system. This analysis is considered consistent with an elasticity analysis. Due to capacity constraints, DAR is essentially limited to senior and disabled passengers, therefore the elderly/disabled fare of \$1.50 was used as a base for this analysis.

If the elderly/disabled fare were increased to \$2.00 (in line with peer agencies), a 33 percent increase, ridership is estimated to decrease from 33,230 to 31,600 annual passenger-trips or 5 percent. Note that the overall impact on ridership is expected to be relatively slight, as persons currently unable to make a reservation due to capacity constraints would tend to "backfill" the loss of ridership associated with the fare increase. The increased fare level would increase farebox revenue by \$18,000 (assuming a corresponding 33 percent increase in fares for all DAR zones). Factoring by 2.4 passenger-trips are carried per vehicle service hour, (Table 30), 690 fewer vehicle service hours will be required. Using the updated cost model, a decrease of \$71,000 in DAR operating costs is estimated. Adding the increase in fare revenues, this option would reduce overall annual subsidy requirements by approximately \$89,000.

TABLE 47: Peer Review of Dial-A-Ride Route Fares

Provider	Single-Ride			
	Regular	Youth	Elderly	Disabled
EDCTA (For Single Zone Trip)	\$3.00	\$3.00	\$1.50	\$1.50
Gold Country Stage	-	-	\$2.00	\$2.00
Placer County Transit ¹	\$2.00	\$1.00	\$1.00	\$1.00
Folsom Stage	-	-	\$3.75	\$3.75
Merced County Transit ²	\$2.00	\$2.00	\$2.00	\$1.00
Modesto Area Express	\$2.00	\$2.00	\$2.00	\$2.00
Redding Area Bus Authority	-	-	\$3.00	\$3.00
San Benito Transit ⁴	\$2.00 / \$1.75	\$2.00 / \$1.75	\$1.00 / \$0.75	\$1.00 / \$0.75
San Joaquin Regional Transit District	\$2.00 / \$1.25 ⁵	\$1.00 ⁶	\$2.00 / \$0.60 ⁷	\$2.00 / \$0.60 ⁷
Visalia City Coach	\$3.00	\$3.00	\$2.00	\$2.00
Yuba Sutter Transit	\$4.00	\$2.00	\$2.00	\$2.00
Peer Average ⁽⁸⁾	\$2.43	\$1.86	\$2.08	\$1.98
EDCTA Percent of Peer Average ⁽⁸⁾	124%	162%	72%	76%
EDCTA Ranking ⁽⁸⁾	2 / 8	1 / 5	9 / 11	8 / 11
<p>Note 1: Rocklin/ Loomis / Hwy 49 region</p> <p>Note 2: General Public only allowed in Atwater and Winton service area</p> <p>Note 3: Merced and Los Banos fares are \$2.00 (no General Public allowed) and Atwater and Winton fares are \$1.00</p> <p>Note 4: Fares are displayed as within City limits and outside City limits</p> <p>Note 5: Rural fare is \$2.00, Escalon fare is \$1.25.</p> <p>Note 6: Escalon service area</p> <p>Note 7: SMA-ADA and Rural fares are \$2.00, Escalon fare is \$0.60.</p> <p>Note 8: Assuming fare for largest area in San Benito and San Joaquin to best match the large EDCTA service area.</p> <p>Source: LSC Transportation Consultants, Inc. – compiled from transit providers July 2007, February 2008.</p>				

Potential Increase in Senior Day Care Subscription DAR Fare

Since 1980 and to the present day, the Senior Day Care program participants are charged a fare of only \$2.00 per day (for either one-way or two-way service), which results in an average fare of \$1.09 per one-way passenger-trip – substantially below the \$1.50 fare for other Seniors. This service is capped at 30 round-trips per day. Given that the cost of providing a DAR passenger-trip is on the order of \$41, the Senior Day Care program passenger revenues are currently covering only 2.6 percent of the cost of providing service. To make service more equitable, the daily fare could be tied to the base Senior DAR fare, resulting in a raise to \$3.00 per day. This option is not expected to result in any loss of ridership, and would increase fare revenue by roughly \$1,000 per year.

Potential Increase in DAR Fares in El Dorado Hills and Cameron Park/Shingle Springs Zones

The DAR service operates on a series of 12 zones, with fares based on the cost associated with providing service to each zone and the length of a passenger's trip (as measured in the number of zone boundaries crossed). While most fares were defined to result in passenger's paying roughly equivalent proportions of overall service costs, an exception was made for the El Dorado Hills zone (Zone A) and the Cameron

Park/Shingle Springs zone (Zone B). These fares were set equivalent to the base fares for Zone C (the Placerville area) even though the cost of providing service to these zones far from the existing EDCTA operating base in Diamond Springs results in substantially higher costs to serve passengers in Zones A and B. This strategy assumed that demand for DAR service in Zones A and B would grow to the point where it would be efficient to operate DAR vans on an ongoing basis in the western portion of the County, thereby reducing operating costs per passenger-trip. In reality, this demand has not materialized: as shown in Table 24, roughly 17 percent of DAR ridership is generated by Zone B and 3 percent by Zone A. All but a few of these riders are traveling from Zones A or B to Zone C, with very low level of ridership traveling within Zones A or B (which would justify basing a vehicle in these zones). The current fare system, therefore, is inequitable in that a passenger in other outlying areas (such as Pollock Pines or Camino) pays a higher fare and proportion of total costs than does a passenger in Zones A or B, even though the cost of service is comparable. For example, the Senior/Disabled fare for a trip within Pollock Pines is \$5.00 while the fare for a trip within El Dorado Hills is \$1.50, and the fare from a trip between Pollock Pines and Placerville is \$6.00 while the fare between El Dorado Hills and Placerville is \$2.50.

Under this alternative, fares in Zone A would be set equivalent to fares in Zone L (Pollock Pines), while fares in Zone B would be set equivalent to fares in Zone D (Camino). This would result in the following changes in Senior/Disabled fares for common trips:

- ♦ El Dorado Hills – El Dorado Hills: From \$1.50 to \$5.00
- ♦ El Dorado Hills – Placerville: From \$2.50 to \$6.00
- ♦ Cameron Park – Cameron Park: From \$1.50 to \$3.00
- ♦ Cameron Park – Placerville: From \$2.00 to \$3.50

Applying these fare increases to the estimated annual ridership generated by the affected zones, an elasticity analysis indicates that overall DAR ridership from the outlying zones would be reduced by approximately 600 one-way passenger-trips per year. However, it is expected that this capacity would be filled by trips in other portions of the service area that are not currently accommodated. Roughly \$3,400 in additional fare revenue would be generated.

Potential Increase in Commuter Fares

It is also appropriate as part of this study to evaluate the existing commuter fares. As a basis for this evaluation, existing fares on nine Sacramento region commuter services were evaluated as peers to El Dorado Transit. As shown in Table 48, this review indicates the following:

- ♦ **Single-Ride Fare** – The single fares range from \$1.50 on e-Tran to \$5.50 on Placer County Transit (from Colfax to Sacramento). The average single fare among the peers (considering the mid-point of the Placer County Transit route and the resident rate for Roseville Transit) is \$3.04, which is substantially less than El Dorado Transit’s \$4.00 base fare. Three systems charge a higher fare and three a lower fare.
- ♦ **Monthly Pass Cost** – The monthly pass is the primary choice of passengers on most commuter transit services. The monthly passes range in price from \$60.00 on e-Tran to \$170.00 on Placer County Transit’s Colfax commuter. Compared to other peer systems in the Sacramento Region, El Dorado Transit’s commuter monthly pass (\$144.00) is substantially more expensive than the average (\$100.40), with the second highest fare in the region.

TABLE 48 : Peer Fare Review on Commuter Downtown Sacramento Services

Provider	Single Fare	Monthly Pass	Sac RT "Combo" Pass	Fare per Mile		Travel Time	Fare per Hour		Systemwide Farebox %
				Single	Monthly		Single	Monthly	
El Dorado County Transit	\$4.00	\$144.00	\$ 170.50	\$0.09	\$0.07	1 hr 40 min	\$2.41	\$1.97	22.1%
Elk Grove: e-Tran	\$1.50	\$60.00	--	\$0.08	\$0.07	50 min	\$1.81	\$1.64	20.0%
Placer County Transit, from...									
Colfax, Clipper Gap	\$5.50	\$170.00	--	\$0.10	\$0.07	1 hr 30 min	\$3.67	\$2.58	11.0%
Auburn, Penryn, Loomis	\$4.50	\$140.00	--	\$0.12	\$0.09	1 hr	\$4.50	\$3.18	
Rocklin, Roseville	\$4.00	\$125.00	--	\$0.17	\$0.12	45 min	\$5.33	\$3.79	
Yolobus	\$2.00	\$80.00	\$ 85.00	\$0.10	\$0.09	40 min	\$3.03	\$2.75	26.0%
Yuba-Sutter Transit	\$3.50	\$112.00 plus 50¢ plus	--	\$0.08	\$0.06	1 hr	\$3.50	\$2.55	22.0%
Amador Regional Transit ⁽¹⁾	\$3.50	\$0.25 per trip	--	\$0.08	\$0.05	1 hr 30 min	\$2.33	\$1.45	19.0%
Roseville Transit									17.9%
Resident / Reverse	\$3.25	\$110.00	not available	\$0.19	\$0.15	40 min	\$4.92	\$3.79	
Non-Resident	\$4.50	\$155.00	not available	\$0.26	\$0.21	40 min	\$6.82	\$5.34	
Peer Average ⁽²⁾	\$3.04	\$100.40	--	\$0.11	\$0.08	--	\$3.35	\$2.56	--
EDCTA Percent of Peer Average ⁽²⁾	132%	143%	--	83%	88%	--	72%	77%	--
EDCTA Ranking ⁽²⁾	4 / 7	2 / 7	--	4 / 7	4 / 7	--	4 / 7	5 / 7	--

Note 1: Amador Regional Transit monthly pass fare per mile assumes 44 trips per month.

Note 2: Assuming "Auburn" for PCT and "Resident" for Roseville Transit.

Source: LSC Transportation Consultants, Inc. Compiled from websites; January 2008

- ♦ **Fare per Mile** – As the various commuter services vary in length, it is appropriate to also consider the fare charged per route mile. In the single fare category, fare per mile ranges from \$0.08 (Amador Regional Transit, Yuba Sutter Transit, and e-Tran) to \$0.26 (Roseville non-resident). The average single ride fare per mile is \$0.11 which is greater than El Dorado Transit’s single ride fare per mile (\$0.09). Monthly pass fares per mile range from \$0.06 on Yuba Sutter Transit to \$0.15 for a Roseville Transit (resident). El Dorado Transit’s monthly pass fare per mile (\$0.07) is less than the peer average of \$0.08. If the average single fare per mile and monthly pass fare per mile is multiplied by the one-way mileage between Placerville and Downtown Sacramento (45 miles) a single ride commuter fare of \$483 and monthly pass price of \$164 would result. EDCTA’s fare per mile ranks in the middle of the peers, with three systems with a higher value and three with a lower value.
- ♦ **Fare per Hour of Travel Time** – As most of the cost of providing transit service is associated with the time required for a trip (rather than the mileage), a better comparison is the fare per passenger-hour of travel time. A typical trip between Placerville and downtown Sacramento takes about 1 hour and 40 minutes. Peer transit agency fare per hour ranges from \$1.81 (single)/\$1.64 (monthly pass) on e-Tran to \$6.82 (single)/\$5.34 (monthly pass) on Roseville Transit (non-resident). The average single fare per hour is \$3.35 and the average monthly pass fare per hour is \$2.56. El Dorado Transit is roughly 25 percent below the average in both of these categories. If the average fare per hour values are applied to travel time between Placerville and downtown Sacramento, EDCTA fares would be on the order of \$5.56 for a single ride and \$187 for a monthly pass.
- ♦ **Farebox Return Ratio** – Also included in Table 48 is the systemwide farebox recovery ratio for each of the peer transit agencies. This data was obtained from the 2007 California Transit Association Fare Survey and does not include a break down of return ratio by type of service. Yolobus reported the highest systemwide farebox recovery ratio (26.0 percent) and Placer County Transit reported the lowest (11.0 percent). The fact that Placer County Transit has the lowest farebox ratio while fare per mile and fare per hour is relatively high compared to the other peers reflects the fact that commuter service (with a relatively high farebox return ratio) is a relatively small part of the overall Placer transit program. El Dorado Transit’s farebox recovery ratio is above the peer average of 19.7 percent.
- ♦ **Travel Conditions** – The type of terrain over which the peer commuter transit services also varies. Placer County Transit, El Dorado Transit, and Amador Transit are based in the foothills and therefore require travel up and down grades, whereas Yolobus has a rather flat journey from Davis to Sacramento. As mentioned above, transit operating costs are more closely related to vehicle hours not vehicle miles. The effect of hilly terrain on the cost of service or service life of an engine is minimal compared with the number of hours the bus is in service.

This analysis indicates that EDCTA’s fares are below the peer average when factors such as distance and travel time are considered. An elasticity analysis was performed to determine the impact on ridership and farebox revenues if EDCTA raised the base fare to \$4.50 and the monthly pass price to \$162.00, a 12.5 percent increase. Commuter route ridership would decrease from 126,700 to 125,300 annual one-way passenger trips and farebox revenue would increase by \$56,900. Fare on both a per-mile and per-hour basis would still be less than the average value for the peer systems in the region.

Potential Increase in Local Route Fares

Finally, fares for similar systems were reviewed with regards to the local route system. The general public base fare and monthly pass rate for nine rural transit agencies operating in Northern California were reviewed, as presented in Table 49. Single ride fares range from \$1.00 to \$1.75 and monthly pass prices range from \$30.00 to \$58.00. Both EDCTA’s single ride fare and monthly pass price are less than the peer averages of \$1.34 (single) and \$46 (monthly pass). A reasonable alternative would be to increase the

EDCTA base fare to \$1.25 (with a corresponding proportional increase in other fare types). Based on a fare elasticity analysis, this fare increase would decrease annual one-way passenger-trips by 6,200 or 4.4 percent, with a corresponding increase in fare revenue of \$16,800 or 8.6 percent.

Provider	General Public	
	Base Fare	Monthly Pass
El Dorado County Transit	\$1.10	\$33.00
e-Tran (Elk Grove)	\$1.50	\$60.00
Placer County Transit ⁽¹⁾	\$1.00	\$30.00
Yolobus	\$1.50	\$60.00
Yuba-Sutter Transit	\$1.00	\$30.00
Amador Regional Transit ⁽¹⁾	\$1.00	\$34.00
Roseville Transit	\$1.50	\$58.00
TART (North Lake Tahoe) ⁽¹⁾	\$1.50	\$45.00
BlueGo (South Lake Tahoe)	\$1.75	\$50.00
Peer Average	\$1.34	\$45.88
EDCTA Percent of Peer Average	82%	72%
EDCTA Ranking	6 / 9	7 / 9
Note 1: 40 ride book instead of monthly pass		
Source: LSC Transportation Consultants, Inc. Compiled from websites; January 2008		