

# Consultation on Fare Rate



# FARE RATE ANALYSIS DISCUSSION TOPICS

1. Introduction to Fares
2. Peer Agency Fare Analysis
3. Consultation on Proposed Fare Adjustment



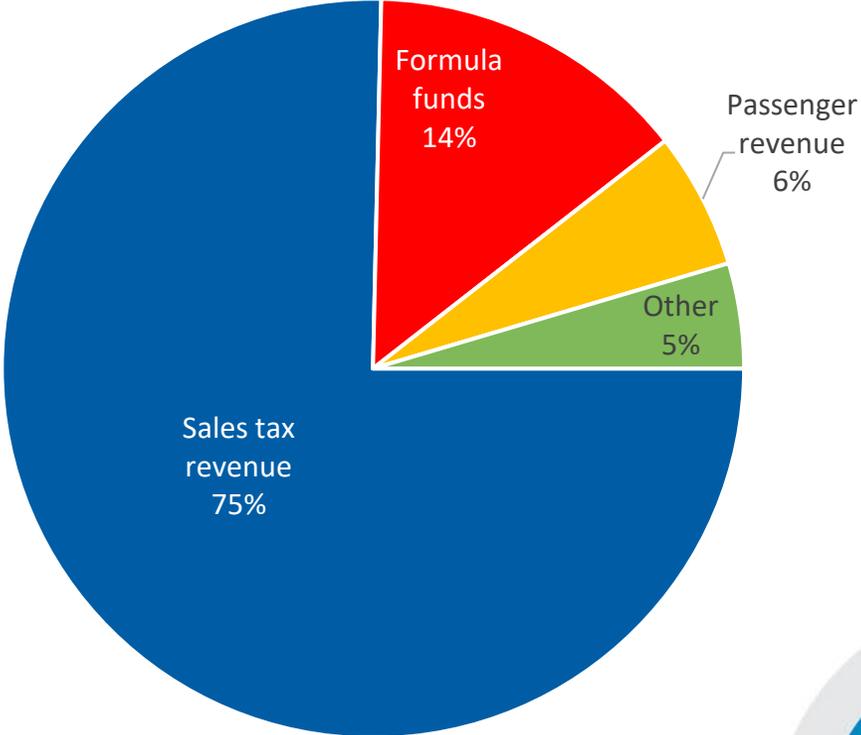
# INTRODUCTION TO FARES

## SECTION 1

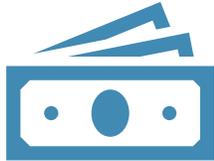


# 2026 OPERATING REVENUE BUDGET

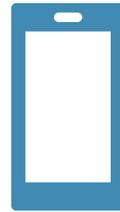
- Total Operating Budget Revenue - \$685 million
  - Sales Tax Revenue - \$517 million
  - Federal Formula Funds - \$97 million
  - **Fares - \$41 million**
  - Other - \$31 million



# FARE BASICS

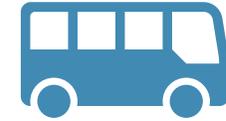


**The price a rider pays to use transit**



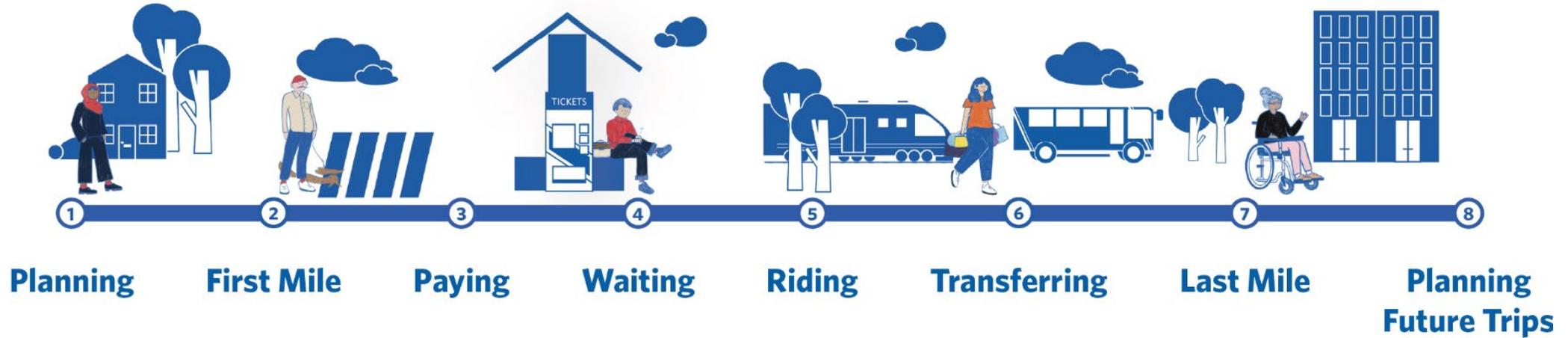
**How riders pay**

- Mobile App
- Ticket Vending Machine
- Reloadable Electronic Card
- Cash on Bus
- Online



**Fares help cover operating costs**

# CUSTOMER JOURNEY – FARE PAYMENT



A UTA Fare is the payment required for a customer to travel on any mode of transit services. It is an important part of the Customer Journey, and should reflect an appropriate price that is competitive with other transit agencies.



# FARE PAYMENT PROCESS

- 1  Determine Purchase Point
- 2  Select fare product
- 3  Pay fare
- 4  Obtain fare media
- 5  Validate fare



# BASE FARE RATE

**Base Fare rates have been in effect since April 2013**

<b>Local Bus, TRAX, BRT &amp; Streetcar</b>	<b>Adult</b>	<b>Reduced Fare</b>
One-way	\$2.50	\$1.25
Day	\$5.00	None
Monthly	\$85.00	\$42.50
<b>Express Bus, Ski</b>	<b>Adult</b>	<b>Reduced Fare</b>
One-way	\$5.00	\$2.50
Monthly	\$170.00	\$85.00
<b>FrontRunner</b>	<b>Adult</b>	<b>Reduced Fare</b>
One-way	\$2.50	\$1.25
Additional Stops*	\$0.60	\$0.30
Roundtrip	\$5.00	\$2.50
Additional Stops*	\$1.20	\$0.60
Day	**\$10.00	--

*\*Vineyard and North Temple stops are \$0.00 fare*

*\*\*Only available on the UTA FAREPAY card*



# GOVERNANCE OF FARE RATES

- Utah Public Transit District Act and Board of Trustees Fares Policy 4.1
  - Empower the Board to evaluate and establish base fare rates
  - Require the Board to consult with the Local Advisory Council to set fares
- UTA Fares policy No. UTA.02.03 requires:
  - Adjustments to fares be analyzed every two years
  - Any proposed fare adjustment be presented by the Executive Director to the Board of Trustees for approval.



# PEER AGENCY FARE ANALYSIS

## SECTION 2



# PEER AGENCIES

CITY	STATE	SHORT NAME	AGENCY NAME
Cleveland	OH	GCRTA	Greater Cleveland Regional Transit Authority
Dallas	TX	DART	Dallas Area Rapid Transit Authority
Denver	CO	RTD	Regional Transportation District
Phoenix	AZ	VM	Valley Metro
Pittsburg	PA	PRT	Port Authority Allegheny Co. (Pittsburg Regional Transit)
Portland	OR	TriMet	Tri-County Metropolitan Transportation District of Oregon
San Diego	CA	MTS	San Diego Metropolitan Transit System
San Jose	CA	VTA	Santa Clara Valley Transportation Authority
Seattle	WA	Metro	King County Department of Transportation

*Source: Peer Agencies group of nine cities as listed in the UTA 2023 Annual Comprehensive Financial Report*

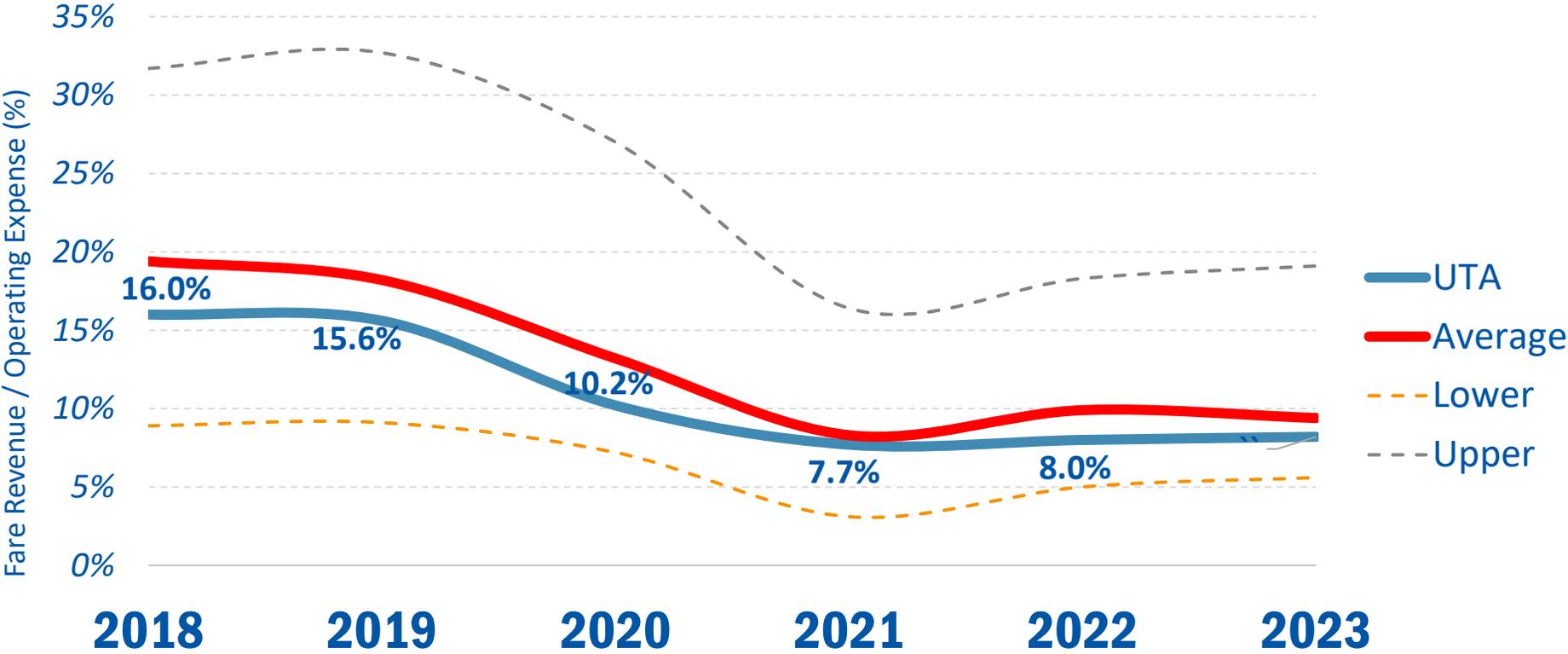


## FAREBOX RECOVERY

- Farebox recovery, also known as the fare recovery ratio, is a metric that quantifies how much of a transit system's operating expenses are covered by passenger fares. It's calculated by dividing the total passenger fare revenue by the total operating expenses.



# FAREBOX RECOVERY – PEER COMPARISON



Source: National Transit Database 2018-2023, Peer Agencies group of ten cities as listed in the UTA 2023 Annual Comprehensive Financial Report.

Definitions: Average is the annual farebox recovery ratio for all Peer Agencies. Upper is the highest farebox recovery ratio for a given year. Lower is the lowest farebox recovery ratio for a given year.



# SUBSIDY PER RIDER

- A subsidy per rider refers to the amount of operational expense allocated to an individual rider less the cost of their transit fare. It also represents the other sources of revenue (sales and use tax, Federal preventative maintenance, advertising, investment income, and other revenue) beyond amount collected from fares.

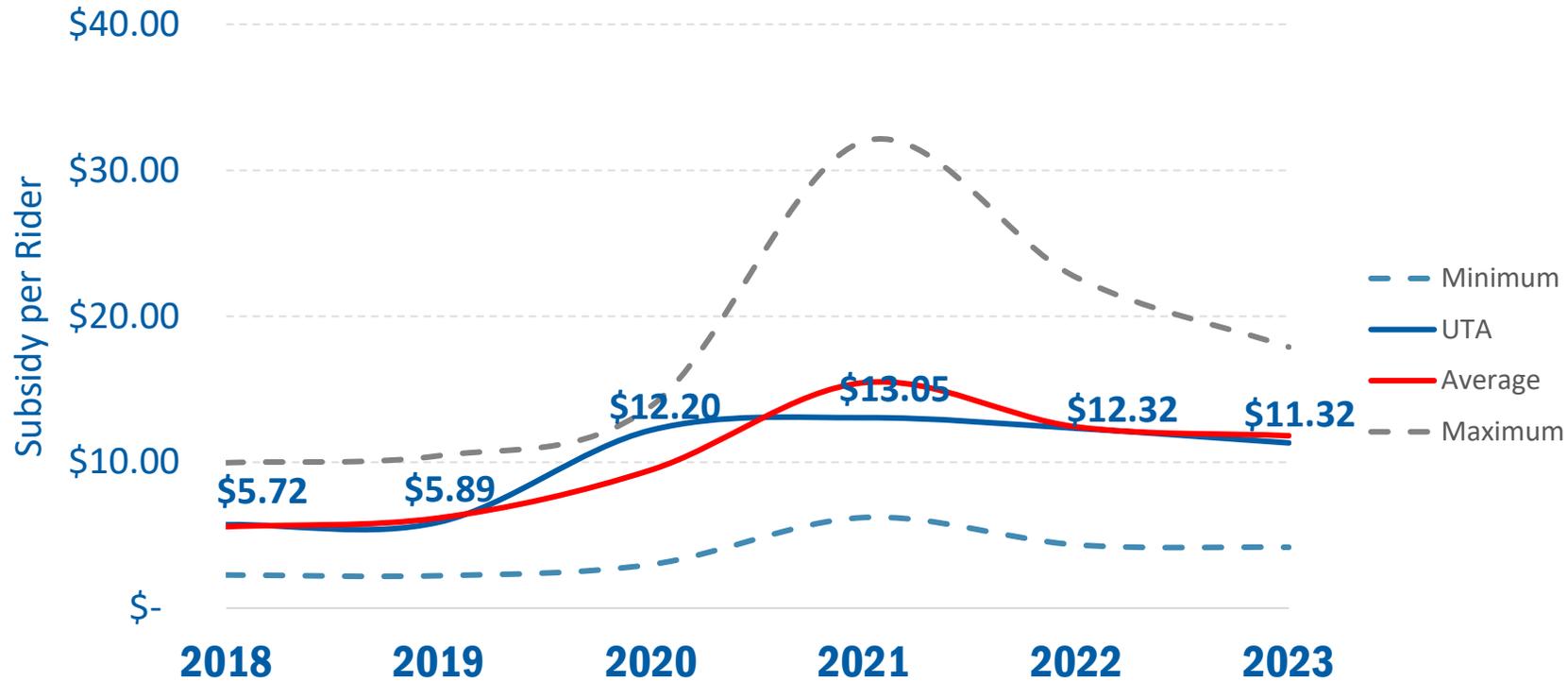


Operating Expense	\$301.0	\$311.0	\$319.9	\$338.8	\$421.1	\$432.2
Fare Revenue	48.1	48.5	32.5	26.0	33.5	35.4
Ridership	44.2	44.6	23.6	24.0	31.5	35.1

*(Amounts in millions)*



# UTA SUBSIDY PER RIDER – PEER AVERAGES



Source: National Transit Database 2018-2023, Peer Agencies group of ten cities as listed in the UTA 2023 Annual Comprehensive Financial Report.

Definitions: Average is the annual subsidy per rider for all Peer Agencies. Upper is the highest subsidy per rider ratio for a given year. Lower is the lowest subsidy per rider for a given year.



# KEY FINDINGS

- All transit agency operators experienced significant drop in Fare Revenue post COVID-19 (2019)
- Farebox recovery ratios have not recovered to pre-COVID-19 levels
- Subsidy per rider has increased since COVID-19 period



# CONSULTATION ON PROPOSED FARE ADJUSTMENT

SECTION 3

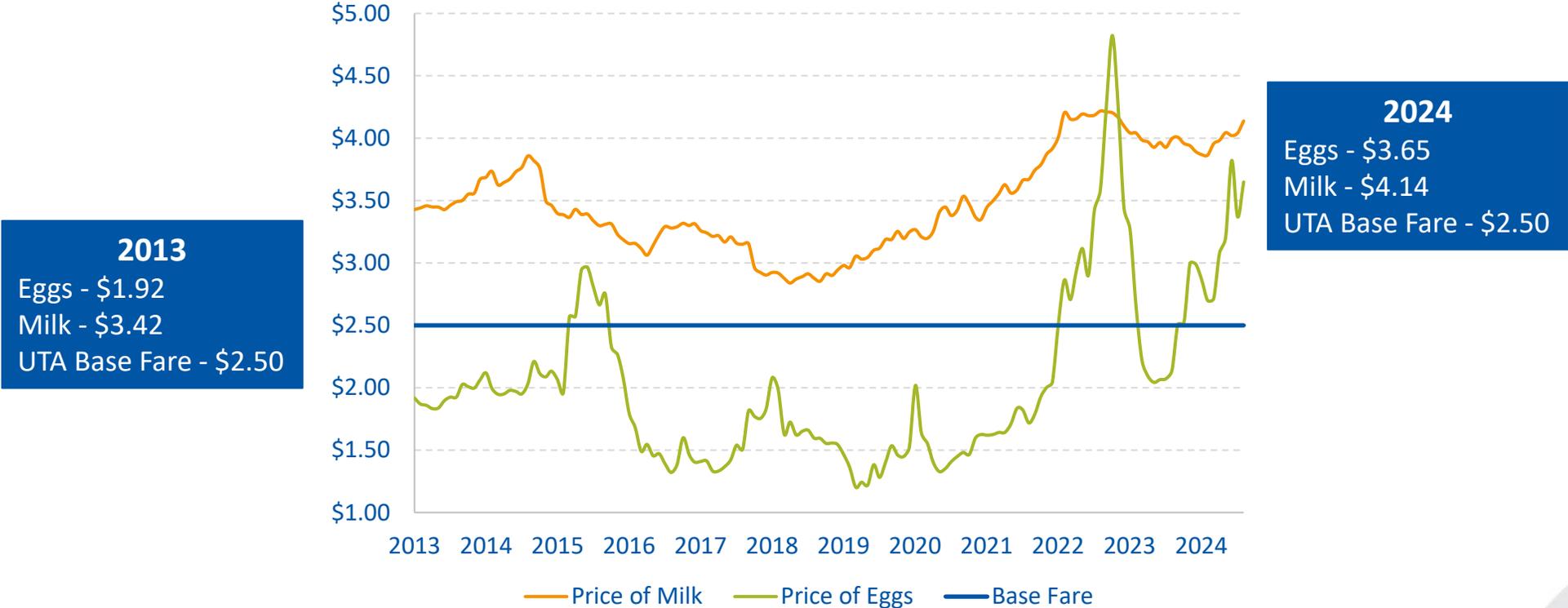


# FARE RATE CHANGE ANALYSIS

- **Proposed Fare Adjustment:** Base fare rate increase from **\$2.50** to **\$3.00**
  
- **Elements of the Fare Rate Analysis:**
  1. Comparison of peer agencies and other transit mode pricing
  2. Fare elasticity
  3. Financial analysis of adjustments
  4. Recommendation
  5. Proposed timeline



# PRICE OF GOODS

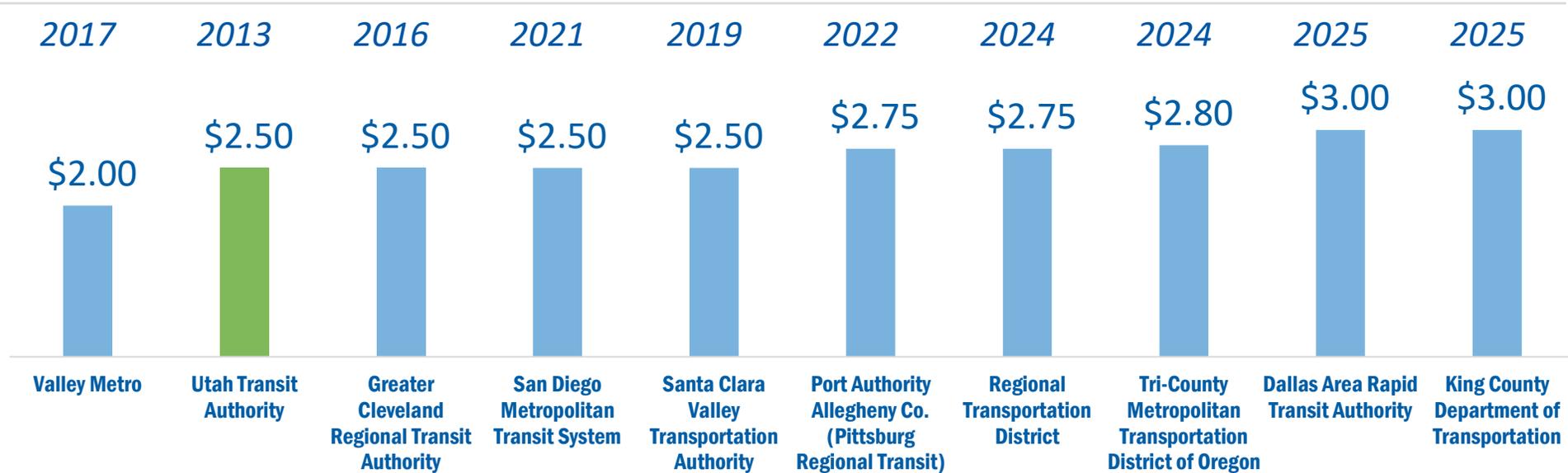


Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis December 1, 2024, Average Price: Milk, Fresh, Whole, Fortified (Cost per Gallon/3.8 Liters) in U.S. City Average, U.S. Dollars, Monthly, Not Seasonally Adjusted, Average Price: Eggs, Grade A, Large (Cost per Dozen) in U.S. City Average, U.S. Dollars, Monthly, Not Seasonally Adjusted, Utah Transit Authority Base Fare rate since April 1, 2013.



# FIXED ROUTE BUS

## Effective Year of Change



**Description:** Bus vehicles operating on a fixed route and schedule over roadways

**UTA Modes:** Regular, UTA Rapid (UVX, OGX)

*Source: Published base fares on transit agencies' website as of December 22, 2025*



# LIGHT RAIL

## Effective Year of Change



**Description:** A type of electric rail transit system that uses lighter cars compared to heavy rail cars on a fixed guide way

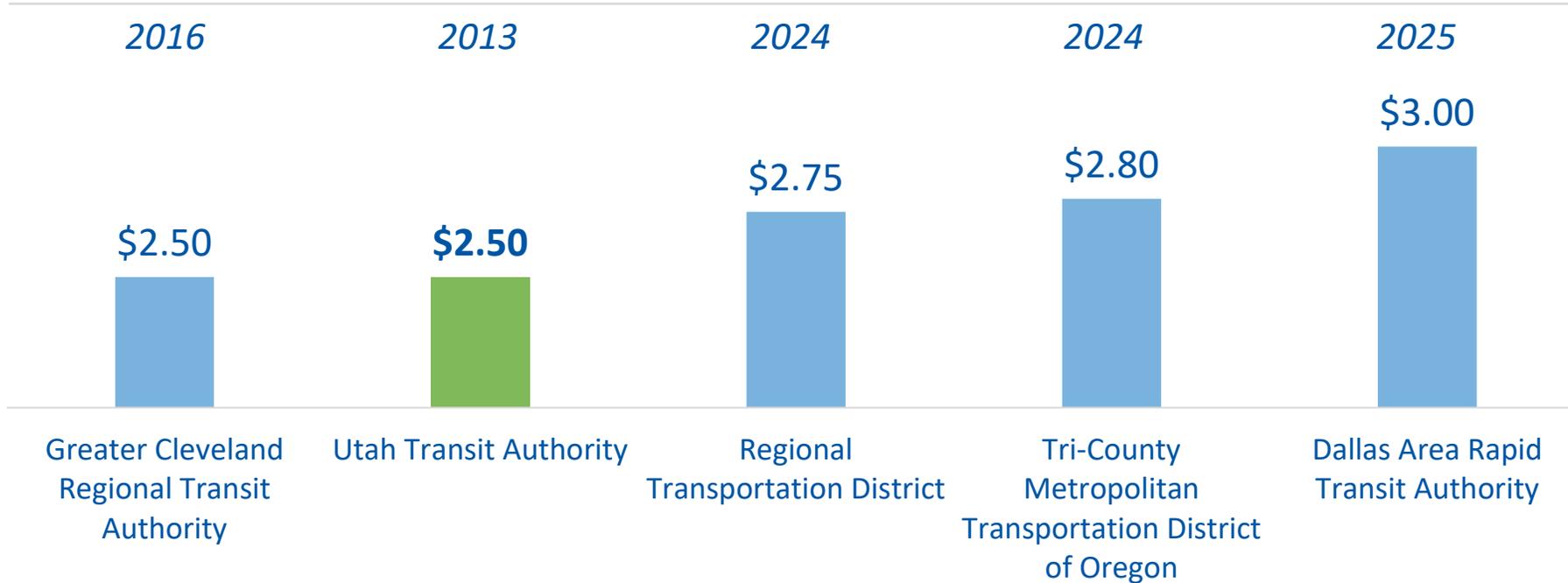
**UTA Modes:** TRAX, Streetcar

*Source: Published base fares on transit agencies' website as of December 22, 2025*



# COMMUTER RAIL

*Effective Year of Change*



**Description:** A regional railroad passenger service

**UTA Modes:** FrontRunner

*Source: Published base fares on transit agencies' website as of December 22, 2025*



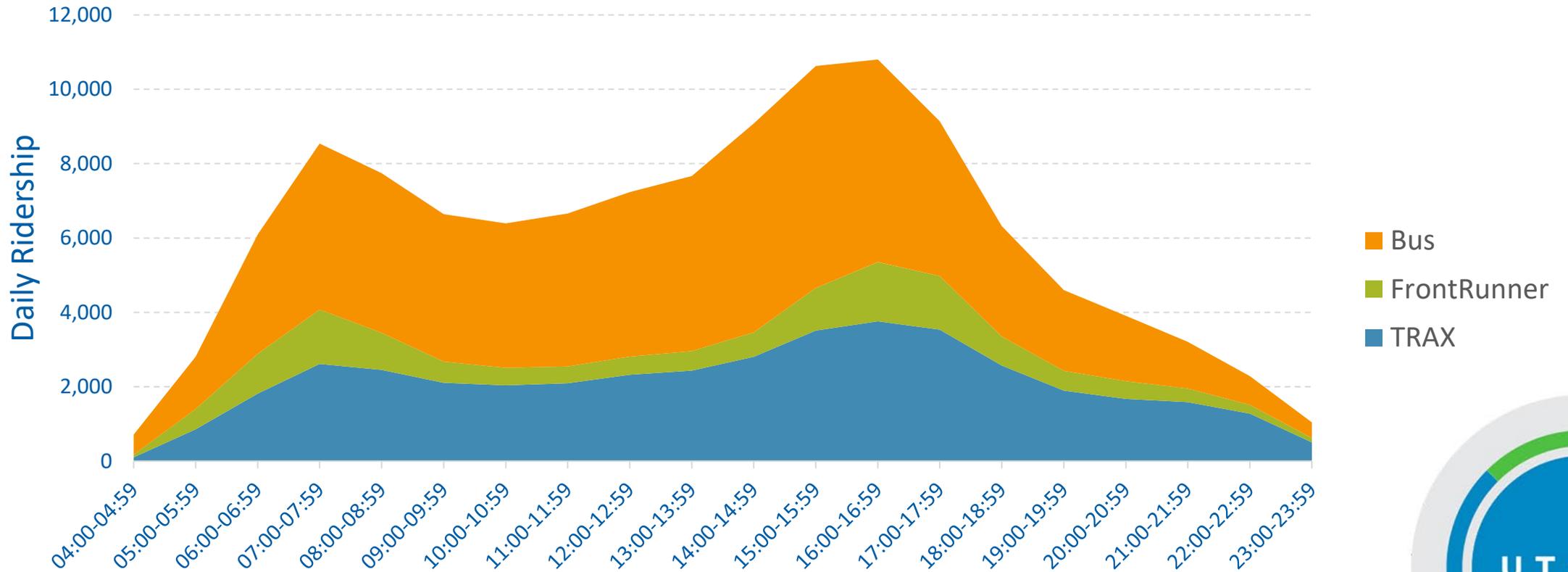
# FARE ELASTICITY

- Fare Elasticity measures how sensitive the demand and supply of a public transit is to changes in fare price.
- Elasticity Elements to Consider:
  - Simpson-Curtin, “rule of thumb”, 3% fare hike -> 1% ridership drop
  - Impacts to “peak” and “off-peak” riders
  - Modes of transit relative to income and alternative transportation



# DAILY AVERAGE RIDERSHIP - WEEKDAY

121 thousand Daily Riders on Average



# FARE PRICE REVENUE IMPACT

	\$2.50 Base Revenue	\$3.00 (20% increase)
Public Fare (No Adjustment)	\$15,359,609	\$3,071,922
Elasticity Adjustment	\$0	(\$374,144)
Public Fare (Elasticity Adjustment)	\$15,359,609	+\$2,697,778
Institutional Contracts	\$16,400,036	+\$3,280,007
<b>Total Fare Revenue (with Elasticity Adj)</b>	<b>\$31,759,645</b>	<b>+\$5,997,785</b>



## FEEDBACK ON RECOMMENDATION

- UTA Staff proposes to increase the **Base Fare Rate from \$2.50 to \$3.00** to support long-term financial stewardship, ensuring UTA can sustainably fund operations, maintain service quality, and continue investing in our system.



# PROPOSED TIMELINE

Month/Day	Task
January 14	Board of Trustees and Executive Director discussion on Fare recommendation
February 18	Consultation on Fares with Local Advisory Council
February 19 – February 28	Mitigation Plan for Preliminary Title VI Analysis
March 25	Board of Trustees Discussion
April 12 – May 15	Public Input Period
May 15 - June 5	Create Public Input Report
June 24	Board of Trustees, Title VI Report, Public Input Report, Fare Resolution
July – November	Communications Outreach to Public on Fare change
December	Winter Change Day – Effect Fare change

