CapMetro	**Fare Policy** Board of Directors	**Effective:** December 8, 2010 **Revised:** February 23, 2026 Resolution No. AI-2026-1751

Capital Metropolitan Transportation Authority (CapMetro) Fare Policy
Approved by the CapMetro Board of Directors on February 23, 2026

1. PURPOSE

The purpose of this policy is to establish goals, objectives and guidelines to assist the CapMetro Board of Directors (the "**Board**") and staff in making decisions regarding changes to transit fares. All such decisions will be made in accordance with CapMetro's enabling legislation, Texas Transportation Code Chapter 451, as amended, and Federal Transit Administration (FTA) fare requirements, including 49 CFR Section 609 related to reduced fares for elderly and handicapped persons. When considering increasing or restructuring fares, CapMetro will conduct a comprehensive review of ways to reduce costs and increase ridership, and the corresponding effects on fare box recovery, to minimize the effects of any fare changes on CapMetro's customers.

2. SCOPE

This policy applies to all transit fares established by CapMetro. This policy does not apply to CapMetro provided transit amenities, such as bike shares or park and rides.

3. GOAL

The goal of this policy is to support CapMetro's overall strategic mission to provide quality public transportation choices for our community that meet the needs of our growing region. To accomplish this mission, CapMetro must develop and use its resources in a manner that ensures sustainable business growth.

4. OBJECTIVES

The following objectives are designed to support CapMetro's Fare Policy goal and balance the desire to keep fares affordable for CapMetro customers with the need to maximize fare revenue to help maintain and expand transit operations.

A. **Customer/Community Objectives:** The Board and staff will consider the impact that fare changes have on customers and the community within the scope of the following three customer/community objectives:

i. ***Promote utilization of all modes of CapMetro transportation:*** CapMetro seeks to encourage and facilitate transit ridership within CapMetro's service area by setting fares that are accessible to the widest possible range of existing and potential rider groups.

ii. ***Establish equitable fares*:** To be equitable, fares should take into account the socioeconomic makeup of CapMetro customers and their utilization of the different types of services.

a. Fare Equity Analysis: CapMetro will perform a fare equity analysis to assess effects of proposed fare changes on riders and describe actions to avoid, minimize or mitigate such effects.

b. Agency Discounted Pass Program: CapMetro will provide discounted passes to qualifying non-profit, not-for-profit and governmental agencies that assist low-income persons and families. Qualifying agencies may provide passes purchased under this program to agency clients at no more than the discounted price. The Board may establish the discount (currently 50%) provided to agencies under this program when approving CapMetro's annual operating budget. The Board may establish limits for the Discounted Pass Program, by establishing a monthly allotment system based on: (i) the number of clients served by an agency; ii) the agency's annual budget; and/or (iii) a maximum amount any agency may purchase in any given month.

c. Basic Transportation Needs Fund: CapMetro may establish a charitable fund to assist persons and families who cannot afford the established transit fares. Such a fund can be created and maintained in partnership with social services providers and community-based organizations.

d. Transit Pass for the Unhoused Community: CapMetro may establish a program that offers transit passes at no cost to individuals experiencing homelessness if those individuals are receiving services from social service providers participating in Travis County HMIS (Homeless Management Information System).

e. Equifare Program: CapMetro may establish a program that offers discounted fares for low income-eligible customers.

f. Fare Capping: CapMetro may establish a fare capping structure to increase the affordability of fares by capping the amount that a customer pays on a daily or monthly basis at $2.50; $41.25 local and $7.00; $96.25 commuter per Service Day (defined as 4 a.m. to 3:59 a.m.) respectively. Fare capping does not apply to Pickup by CapMetro.

iii. ***Enhance mobility & access***: Fares should enhance the ability of customers to access the system and move through it with ease. To do so, fares should be frictionless, easy to understand, and provide uniformity throughout the system.

B. **Financial Objectives:** The Board and staff will consider the financial impact a fare policy or fare structure change has on the long-term sustainability of CapMetro within the scope of the following financial objectives:

i. ***Support predictable fare revenue stream***: Because fare revenue is a critical component of CapMetro's operating budget, any fare or fare structure change should ensure the total fare revenue stream is maintained at an appropriate level to meet CapMetro's immediate and long-term financial requirements within changing economic conditions.

ii. ***Provide sufficient fare revenues to meet statutory obligations:*** As required by CapMetro's enabling statute, Transportation Code Section 451.061(a), any fare policy or fare structure change must produce sufficient fare revenues, together with tax revenue to:

(1) pay all the expenses necessary to operate and maintain the system; (2) pay when due all principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by CapMetro; and (3) fulfill the terms of any other agreement with bond holders.

iii. ***Recover operating costs*:** The proportion of the amount of revenue generated through fares by paying customers as a fraction of the total operating expenses is the fare recovery ratio. Generally, the fare recovery ratio is influenced by three main factors:

a. <u>Fare levels</u>: The fare levels or structure influence the average fare collected per passenger and the overall fare revenue collected. By increasing fares or reducing the discounts set for fare categories, fare revenue can be increased. Similarly, fare reductions will result in a net loss of revenues. Changes in the fare structure also impact riders, with increased fares generally reducing ridership and reduced fares generally increasing ridership. Fare adjustments should be made with consideration to transit customers affected.

b. <u>Productivity</u>: The productivity of transit service is measured in terms of ridership per mile or hour of service. CapMetro attempts to balance route productivity with service policies aimed at developing new markets, serving remote areas, and accommodating disadvantaged populations. Decisions regarding route productivity should be made with consideration to social needs of the community and the transit customers affected.

c. <u>Efficiency</u>: Operating costs are partly within the control of CapMetro and partly a result of prevailing economic conditions. Cost efficiencies are achieved through careful budgeting, monitoring, and controlling expenditures and can be measured by operating costs per hour.

CapMetro will monitor the fare recovery ratio and use this information during the annual budget development process to recommend fare policy or fare structure changes. CapMetro will also monitor the productivity and efficiency of the operations as well as ridership and propose adjustments as necessary. Since fares help offset the operating costs of providing public transportation services, CapMetro's goal is to eventually recover a minimum of 20% of transit operating costs with passenger-paid and third- party fares.

iv. ***Minimize fare collection costs:*** CapMetro's fare structure and fare collection technologies should be developed and operated to minimize the costs associated with fare collection and revenue processing without compromising accuracy.

5. FARE CHANGE PROCESS

The following guidelines outline the required process for developing, evaluating, and implementing fare policy or fare structure changes:

A. Recommendations for changing fare policy or fare structure will be developed by CapMetro staff in keeping with this policy.

B. Any proposed change in fare policy or fare structure will include a fare equity analysis of the impact of the change on low-income and minority populations as required by Title VI of the Civil Rights Act, as amended, FTA C4702.1A, and submitted to FTA for review and comment.

C. In addition to the fare equity analysis, CapMetro will complete an operations and ridership analysis to evaluate the overall cost of operating service and levels of ridership.

D. Per CapMetro's enabling statute, Transportation Code Section 451.061(d-1), any change in the "Base Fare" defined as the single-ride, local bus, adult cash fare, is subject to review by the Capital Area Metropolitan Planning Organization (CAMPO). CapMetro may not implement a change to its base fare for a minimum of 60 days following approval by the CapMetro Board, and may not implement a Base Fare change if CAMPO rejects the proposed change by a majority vote of the CAMPO Board.

E. A public hearing is required for any change to fare policy or fare structure, with a minimum 21-calendar day notice prior to such hearing.

F. All fare policy or fare structure changes must be approved by the CapMetro Board.

G. Once a fare change is approved by the Board, appropriate ads notifying the public of the change should be placed with local media outlets and on the CapMetro website at least thirty (30) days prior to the effective date of the fare change. The notice will be posted in English as well as any non-English languages as determined by CapMetro's language assistance plan. In addition, notices will be placed on all revenue vehicles and at major transit centers. CapMetro may also notify customers through press releases or on its social media.

H. Generally, fare policy or fare structure changes will become effective in conjunction with service changes in January or August.

- Multiple-year planned fare changes including the current year and up to two (2) future increases may be approved, provided the public is notified and has an opportunity to comment. The timing and magnitude of subsequent changes will not be binding if economic conditions change. Deviations to approved future fare or fare structure changes, including accelerating the timing for implementation, will require a new Title VI fare equity analysis, public outreach process, including public hearing(s) and CAMPO review, as applicable.

6. FARE POLICY REVIEW

CapMetro will review this policy and its fares and fare structure annually with the expectation that this policy or the fare structure may be adjusted as necessary to keep pace with the rate of increase in the cost of transit operations and to ensure compliance with Transportation Code Section 451.061 and other applicable law.