

DASH FARE FREE FRAMEWORK

Introduction

DASH buses will operate fare-free beginning on September 5, 2021. The purpose of this “DASH Fare Free Framework” is to establish a set of key considerations and parameters that will inform how this program is to be managed, evaluated, and modified in current and future years. This document serves as a resource for DASH and City Staff, the ATC Board of Directors, and City of Alexandria leadership.

I. Program Purpose & Goals

The primary goals of the DASH Free Fare program include:

- a. Reduce cost-related barriers to using transit for low income passengers by eliminating fares on DASH buses.
- b. Increase transit usage, both in terms of attracting new riders and increasing the frequency with which existing customers ride DASH.
- c. Reduce or eliminate costs and resources needed to collect fares.
- d. Promote awareness and usage of the *New DASH Network* and future DASH service improvements stemming from the Alexandria Transit Vision Plan.
- e. Increase operational efficiency and service reliability by reducing average dwell time and keeping buses moving.

II. Program Funding

- a. The City has funded the first ten months of fare-free operation in FY 2022 via an additional \$1,470,000 in operating subsidy to DASH.
- b. Additional funding is required to cover \$670,000 in foregone fare revenue, originally projected to be earned on service enhancements to Lines 35 and 36, as funded by the I-395 Commuter Choice Program. Potential funding sources include Virginia’s new Transit Ridership Incentive Program (TRIP) or American Rescue Plan Act (ARPA) transit funds.
- c. The Virginia Department of Rail & Public Transportation (DRPT) is currently accepting applications for the TRIP program for funding that can be used towards FY 2022 program costs. Applications are due by September 17th, with awards and funding disbursement in late 2021. City and DASH staff have collaborated on an application to obtain the maximum possible TRIP funding for the City’s fare-free program on DASH. Program guidelines and criteria suggest that the City’s application will be highly competitive relative to the stated scoring criteria.
- d. Due to the ongoing recovery from the COVID-19 pandemic and the service enhancements of the *New DASH Network*, ridership is projected to significantly increase in future years even before considering the impact of free fares. Therefore, the cost of foregone fare revenue will also increase in subsequent fiscal years. Projected passenger revenue (cost of fare-free program) is as follows for fiscal years 2023 – 2025: (*see next page*)

| Fiscal Year | Foregone Passenger Revenue |
|-------------|----------------------------|
| FY 2023 | \$4,716,107 |
| FY 2024 | \$5,093,078 |
| FY 2025 | \$5,512,309 |

III. Program Conditions

The following section identifies the key conditions that are to be taken under consideration for future DASH Free Fare program discussions:

- a. The free fare program can only be continued so long as sufficient funding is available to maintain the current services budget, avoid any service reductions, and avoid any adverse reductions in force.
- b. If the city subsidy is reduced and service cuts are to be considered, DASH is to conduct a public outreach process in order to solicit input as to public opinion whether service cuts should be implemented or fare collection should be reinstated. The results of this outreach shall be considered as part of the decision to continue the free fare program or reduce DASH service. See “Program Outreach” section for additional information on this topic.
- c. The DASH Board of Directors reiterates its support for the continued implementation of the 2022 & 2030 Alexandria Transit Vision Plan, as additional city funding is made available. The ATV Plan will provide major improvements in access to frequent, all-day transit service for minority and low-income residents, and will complement the DASH Fare Free program well. To this end, continued service improvements on the Duke Street corridors are a high priority for FY23—FY24.
- d. DASH shall continue to maintain fare collection equipment in “ready to go” status for at least one year following the initial launch of the fare free program.
- e. DASH will proceed with the permanent decommissioning of fare collection equipment and the discontinuation of SmarTrip program participation after the first year, and when the following conditions are met:
 - 1) City Council and the ATC Board of Directors agree that fares shall not be collected on DASH buses for a period of at least three (3) years. This commitment is necessary due to lead time required to procure new SmarTrip compatible “Next Generation” Fareboxes and related equipment for the entire DASH fleet should fares be reinstated for DASH at a future date; and
 - 2) DASH has completed the installation and validation of automated passenger counter (APC) equipment on over 90% of the active fleet, and is able to collect sufficient ridership data for reporting and analysis purposes.
- f. Should a decision be made by City Council and the ATC Board of Directors to reinstate fare collection, a minimum of two (2) years are required prior to the commencement of fare collection in order to procure SmarTrip compatible “Next Generation” Fareboxes for the entire DASH fleet, upgrade garage vaulting equipment, and ensure the system is fully installed and functional for fare collection. Adequate funding must also be provided at such time to acquire this equipment.

- g. A full-fleet implementation of the “Next Generation” Fareboxes, including rear-door SmarTrip validators, is estimated to cost roughly \$4 million at the time of this publication. This is per the current pricing in the WMATA-Cubic contract, however additional cost escalations in future years must be assumed.

IV. Program Equipment

Operating fare-free does not require an immediate implementation of any new technology or equipment but will allow DASH to disinvest from fare collection equipment over the long-term should the program be continued.

Disinvestment from fare collection equipment is implemented as follows:

- o **May 2022:** FY 2023 budget approved by City Council and the ATC Board of Directors extending the fare-free program. Should the program fail to be funded in the FY23 budget, fareboxes will be retained.
- o **December 2022:** Optical Automated Passenger Counters (APC’s) installed on all DASH buses. DASH is actively retrofitting older buses which have infrared APC’s with new optical APC’s which are much more accurate and reliable.
- o **June 2023:** DASH obtains certification for using APC’s for National Transit Database (NTD) ridership reporting.
- o **July 2023:** Fareboxes removed from the DASH fleet as they are no longer needed for ridership counting purposes.
- o **Thereafter:** If the City desires to resume fare collection, a minimum of two (2) years’ advance notice is required to refit the DASH fleet with SmarTrip compatible Next Generation Fareboxes.

V. Program Outreach

DASH Staff will conduct the following outreach activities in support of the DASH Fare Free Program:

- a. DASH shall advertise free fares through its normal outreach channels, including both digital and traditional outreach. An emphasis will be placed on traditional outreach channels such as destination signs, onboard announcements, and bus posters/flyers but additional community outreach to local organizations and paid advertising will also be included.
- b. DASH shall conduct regular customer surveys to gauge program effectiveness, customer satisfaction, and to seek ways that DASH could be improved.
- c. If any significant changes to the DASH Fare Free program are being considered, DASH staff will conduct public outreach to raise awareness and solicit input on the proposed modifications. DASH staff need sufficient notification at least three (3) months prior to any key decision points for which public feedback might be required.

VI. Program Analysis

The following steps will be taken to evaluate the DASH Fare Free program:

- a. Staff will conduct an annual review of program effectiveness at the end of each fiscal year in which free fares have been provided.

- b. Potential Metrics include Ridership, Ridership Demographics, Customer Survey Responses, Operator Feedback, and Fare Collection Cost Savings.
- c. Any evaluation of the Fare Free program that also contemplates the effect of service improvements should note that new transit service changes should not be evaluated until a period of 12-18 months has passed since their implementation. This is the typical period of time that is required for new transit services to attain maturity in terms of public awareness, shifting travel behaviors and ridership attainment.
- d. The annual “DASH Fare Free Program Summary” Report to be presented to the DASH Board of Directors each Fall for review and consideration.