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CALAVERAS COUNCIL  
of GOVERNMENTS

## MEMORANDUM

**TO:** Council Members

**FROM:** Brittany Odermann, Transportation Planner

**DATE:** November 23, 2005

**SUBJECT:** TDA Farebox Ratio Survey

### **BACKGROUND**

The issue of farebox recovery ratio is one of many topics discussed by the Transportation Development Act (TDA) Working Group. In their discussions many concerns were expressed from various agencies across the state regarding farebox recovery ratios (FBRR). However, there was little data available that could confirm or identify to what extent the issue of FBRR is a problem. The TDA Working Group concluded that a survey was needed to determine if a problem with the FBRR exists.

### **SUMMARY**

The Working Group conducted a TDA Farebox Survey in April 2005. A total of 312 agencies were solicited to participate in the survey, 81 agencies responded representing a 26% response rate. The survey sought to identify the unique challenges of attaining farebox ratio recovery by type of operation and/or type of service area.

The survey asked respondents to identify their geographical service area as urban, rural, urban & rural, or frontier. In addition, agencies were asked to identify the type of service they operate - fixed route, fixed deviated, demand response, or other. Using this information the survey determined if difficulties or concerns with FBRR are apparent in all service areas and service types or if the problems exist mainly with entities providing specific services to a specific type of geographical area.

Farebox recovery ratios were identified as: meeting farebox; exceeding farebox; struggling to meet farebox; or failing to meet farebox. The survey found that "frontier" counties, those having a population density of less than 7 persons per square mile, are challenged the most in meeting FBRR. Rural operators do the best with the lowest percentage, 38.7%, identifying their agencies as failing or struggling to meet farebox. Deviated fixed route services struggle the most with FBRR, with 59% identifying their service as failing or struggling to meet FBRR. (Calaveras Transit offers deviated fixed route service). Fixed route service appears the most successful but still has almost half (48%) of providers either struggling or failing to meet FBRR.

A final question was posed regarding suggestions to improve farebox ratio recovery. Sixty-five percent of respondents were in favor of simplifying the TDA statute and 64% supported the allowance of local support dollars as revenue when calculating farebox recovery ratio. Currently, certain entities are allowed to use local support dollars and others are excluded.

The final section of the survey invited comments on how to meet these challenges. There were several themes repeated by various respondents:

- Allow income from bus advertising and package delivery to be counted in farebox calculations (no real incentive to develop additional revenue sources).
- Exempt costs that exceed current inflation rate (fuel, health insurance, etc).

## **CONCLUSIONS**

- Increased fuel costs present a challenge statewide.
- Calaveras County is not alone in the struggle to meet FBRR.
- The Working Group will continue to look for possible ways to help all operators meet TDA requirements, including the minimum farebox ratios.
- No clear consensus has yet evolved on exactly how to ease the challenges of meeting FBRRs.
- Almost two-thirds of respondents want to simplify the statute and/or allow use of other revenue (local support) to augment fares in the FBRR calculations.
- Staff will provide updates on the Working Group as their work progresses.