

To help fund the system’s extensive capital needs, BART has a program of small, inflation-based fare increases every two years. The next increase of 2.7%, with fares rounded to the nearest nickel, is scheduled for January 1, 2018. The increase amount is determined by averaging national and local inflation over a two-year period and then subtracting 0.5% to account for BART’s productivity improvements.

All new revenue from the fare increase goes to BART’s highest priority capital needs including new rail cars, a new automated train control system, and an expanded maintenance facility. For more information on BART’s capital needs and productivity-adjusted inflation-based fare increase program, [click here](#).

Below are some examples of current fares and fares scheduled to take effect next January:

	Effective Jan 1, 2018		
	Current Fare	+2.7%	Difference
Berkeley-MacArthur	\$1.95	\$2.00	\$0.05
EC del Norte-12th St/Oakland	\$2.55	\$2.60	\$0.05
Hayward-Embarcadero	\$5.00	\$5.15	\$0.15
Lake Merritt-Balboa Park	\$4.10	\$4.20	\$0.10
Walnut Creek-Powell	\$5.25	\$5.40	\$0.15

Budget Shortfall Fare Options

For the fiscal year starting July 1, 2017, BART is projecting a shortfall of approximately \$25-35 million to the budget for operating expenses. Note that Measure RR, approved by voters last November, provides BART with funding only for capital projects but not for operating expenses.

To help balance its operating budget, BART is considering the options described below, as well as other revenue-generating options and expense reductions. These would be in addition to the inflation-based fare increase described above. If approved, any fare options would take effect in January 2018.

A. Reduce to 50% the 62.5% Discount for Seniors, People with Disabilities, and Youth

BART offers an all-day discount of 62.5% to riders who are seniors, people with disabilities, or youth age 5 through 12 years; federal regulations require a transit agency to offer seniors and people with disabilities a 50% discount in the off-peak. This option would reduce the 62.5% discount to 50%, which is equivalent to a 33% fare increase. A 50% discount better aligns with the discounts other Bay Area transit operators offer, including San Francisco Muni (50% discount cash fare/56% discount Clipper fare), AC Transit (50% discount), and SamTrans (51% discount). Approximately 4.5% of BART trips are taken by senior riders, 2.1% by people with disabilities, and 0.9% by youth age 5 through 12 years.

Below are some examples of fares at a 62.5% discount and a 50% discount (fares are rounded down to the nearest nickel to ensure the discount is at least 62.5% or 50%):

	Current 62.5% Discount	Effective Jan 1, 2018		Difference
		62.5% Disc	50% Disc	
Berkeley-MacArthur	\$0.70	\$0.75	\$1.00	\$0.25
EC del Norte-12th St/Oakland	\$0.95	\$0.95	\$1.30	\$0.35
Hayward-Embarcadero	\$1.85	\$1.90	\$2.55	\$0.65
Lake Merritt-Balboa Park	\$1.50	\$1.55	\$2.10	\$0.55
Walnut Creek-Powell	\$1.95	\$2.00	\$2.70	\$0.70

The estimated revenue gained under this option is approximately \$3.3M annually, or \$1.7M for one-half of FY18.

B. Implement a Mag Stripe Surcharge

Currently, about one-third of BART trips are made with mag stripe tickets, and the remaining two-thirds with Clipper. Placing a surcharge on fares paid with mag stripe tickets could help shift riders to the Clipper card in support of the regional goal of optimizing Clipper use on transit. Many of the region's operators have implemented a surcharge on their cash fares, including San Francisco Muni (\$2.25 Clipper fare/\$2.50 cash fare), AC Transit (\$2.00 Clipper/\$2.10 cash), Caltrain (Clipper fares are \$0.55 less than zonal cash fares), and SamTrans (\$2.05 Clipper/\$2.25 cash). A mag stripe surcharge could also generate additional revenue.

Two mag stripe surcharge options that would increase fares paid with mag stripe tickets are under study:

1. A flat surcharge of up to \$0.50
2. A percentage fare increase of up to 10%, rounded to the nearest nickel

Below are some examples of current fares and fares that could take effect in January 2018 for Clipper and mag stripe users under the two surcharge options:

	Current Fare	Effective Jan 1, 2018		
		Clipper Fare	Mag Stripe Ticket Fare	
			\$0.50 Surcharge	10% Surcharge
Berkeley-MacArthur	\$1.95	\$2.00	\$2.50	\$2.20
EC del Norte-12th St/Oakland	\$2.55	\$2.60	\$3.10	\$2.85
Hayward-Embarcadero	\$5.00	\$5.15	\$5.65	\$5.65
Lake Merritt-Balboa Park	\$4.10	\$4.20	\$4.70	\$4.60
Walnut Creek-Powell	\$5.25	\$5.40	\$5.90	\$5.95

The flat surcharge is estimated to generate up to approximately \$11.1M annually, or \$5.6M for one-half of FY18.

The percentage surcharge is estimated to generate up to approximately \$7.2M annually, or \$3.6M for one-half of FY18.

C. Extend a 50% Youth Discount to Riders through Age 18

BART currently offers a 62.5% discount to youth age 5 through 12, and a 50% discount with the Orange ticket for students who attend middle and high schools participating in that discount program. The option under consideration is to offer all youth age 5 through 18 a 50% discount. Thus, the discount for youth age 5 through 12 would be reduced from 62.5% but still be significant, and all youth age 13 through 18 would have access to a 50% discount. Offering a discount to youth through age 18 supports the region’s goal of consistent discount policies among transit operators, as most of the region’s operators offer a youth discount to riders through age 18, including San Francisco Muni, AC Transit, SamTrans, Caltrain, Golden Gate Transit, and VTA.

Below are some examples of current regular fares together with regular and 50% youth discount fares that could take effect next January (fares are rounded to the nearest nickel to ensure the discount is at least 50%):

	Current Fare	Effective Jan 1, 2018		Value of Disc
		Regular Fare	50% Disc Fare	
Berkeley-MacArthur	\$1.95	\$2.00	\$1.00	\$1.00
EC del Norte-12th St/Oakland	\$2.55	\$2.60	\$1.30	\$1.30
Hayward-Embarcadero	\$5.00	\$5.15	\$2.60	\$2.55
Lake Merritt-Balboa Park	\$4.10	\$4.20	\$2.10	\$2.10
Walnut Creek-Powell	\$5.25	\$5.40	\$2.70	\$2.70

As this option would extend a discount, there would be a cost to the program. The maximum cost, based on all current full fare 13-18 year old riders getting the discount, is estimated at \$4.0M annually, or \$2.0M for one-half of FY18.