

Industry Fare Free Systems

Where is the transit industry with providing free fares?



Types of free systems

1. Small urban areas
2. Rural areas
3. Resort communities
4. University-dominated communities

Free or partially free systems

- ~60 systems offer free or partially free
 - ~32 completely free systems
 - Small populations, under 45,000 population (e.g., Lake Oswego)
 - College towns and tourist destinations (Corvallis, Park City, Breckenridge)
 - Average number of bus lines for free systems ~8
 - Very limited and infrequent service, little or no evening or weekend service
 - Funded by city sales taxes, city bonds, businesses, community organizations

Kansas City, MO

- 2019, KCATA passed a resolution to implement free fares
- There was no funding for a system-wide program and fares continued to be charged until COVID-19 when the system offered zero fare

KCATA free fare costs

- Free fare costs were estimated at \$8M
- 2022-2023 City budget only provided \$5.1M
- Additional funding is being provided through civic partnerships, state, and federal funding

KCATA vs TriMet

Agency	Population	Annual Unlinked Trips	Revenue Vehicles	Fare Revenue	Operating Expense
TriMet	1,849,898	78,183,734	1,230	22.50%	\$518,451,362
KATA	788,748	9,767,393	474	3.40%	\$93,000,456

KCATA Program

- System has been fare free since COVID
- Funded mostly by City budget, no cost to KCATA
- Future funding beyond FY23 is uncertain

LA Metro

- Reported they had “The largest free fare pilot program in history”.
- Created a Fareless System Initiative Task Force for investigating a multi-phase approach to eliminate fares on Metro buses and trains.
- Created a phased fare free pilot effective September 2021-June 2023

LA Metro free fare costs

- Phase 1 K-14: \$33M per year to Metro with additional \$16M per year borne by participating agencies and community colleges
- Phase 2 LIF: Unknown and no funding secured or identified, free pilot not extended beyond 90-day free pass

Future of LA Metro fareless

- **September 15, 2022, California Gov. Newsom vetoed the bill to provide 5-year free transit access for all students K-California State university systems.**
- **Free pilot for all phases set to expire June 2023**

LA Metro Program

- Was “fare free” during COVID to protect drivers
- Will continue the K-14 free fare pilot through June 2023
- Free statewide K-16 vetoed by the governor
- Costs of the program would largely be absorbed by LA Metro

TriMet “fare free” findings

- Incurring costs as an agency to pay for a free system is not cost effective.
- No comparable agency has a free system.
- Free lines, circulars, or zones.

TriMet “fare free” findings

- There are equity concerns.
- Pilots are an excellent way to experiment and introduce fare offerings, but problems arise with expiration.
- Agencies that have fully free systems have long-term funding.