November 20, 2024
NVTA Agenda Item 11.4
Continued From: October 16, 2024
Action Requested: INFORMATION

NAPA VALLEY TRANSPORTATION AUTHORITY

COVER MEMO

SUBJECT

Free Transit and Fare Subsidy Programs

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board receive a report on the costs to subsidize fixed route fares for K-12, Low Income Adults and Elderly and/or Disabled riders.

EXECUTIVE SUMMARY

At its October 16, 2024 meeting, the Board of Directors requested an agenda item to discuss a Free Fare program. The attached board memo outlines the cost of each subsidy category by jurisdiction. It should be noted that these are just estimates based on boarding and alighting's, fare media sales, and poverty levels in each jurisdiction.

FISCAL IMPACT

None for this item, however, if the Board decides to subsidize K-12, low-income adults, and/or elderly and disabled rider fares, the cost could be up to $38,937 annually and new revenues would need to be identified to backfill the budget gap.

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NAPA VALLEY TRANSPORTATION AUTHORITY
Board Agenda Memo

TO: NVTA Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nvta.ca.gov

SUBJECT: Free Transit and Fare Subsidy Programs

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board receive a report on the costs to subsidize fixed route fares for K-12, Low Income Adults and Elderly and/or Disabled riders.

COMMITTEE RECOMMENDATION

None

BACKGROUND

At its October 18, 2024 meeting the NVTA Board received a comprehensive report about free and subsidized fare programs offered by public transit providers in the North Bay Area. During that meeting, the Board requested additional information about costs to provide free fares for K-12, low income, and elderly and disabled riders.

While specific rider demographic and associated exact costs are not known, NVTA staff extrapolated the data based on a combination of several factors: the location of where riders get on and off the bus, the number of youth and elderly/disabled passes sold, and the jurisdictions' poverty rate applied to the remaining riders after deducting youth and elderly/disabled riders. Table 1 below estimates the riders and revenues currently generated for each group by jurisdiction.

Table 1: Estimated K-12, Low Income, and Elderly/Disabled Riders and Subsidy Costs

Fare Category	Jurisdiction	Number of Riders	Annual Subsidy Cost
K-12	American Canyon	7,505	$ 3,002
Elderly and Disabled	American Canyon	6,092	$ 3,960
Low Income Adults	American Canyon	2,532	$ 1,646
Total American Canyon			***$ 8,608***
K-12	Napa City	7,797	$ 3,119
Elderly and Disabled	Napa City	19,987	$12,992
Low Income Adults	Napa City	10,218	$ 6,642
Total Napa City			***$22,752***
K-12	Napa County	153	$ 61
Elderly and Disabled	Napa County	904	$ 588
Low Income Adults	Napa County	401	$ 261
Total Napa County			***$ 909***
K-12	Yountville	N/A	$ -
Elderly and Disabled	Yountville	1,620	$1,053
Low Income Adults	Yountville	965	$ 627
Total Yountville			***$1,680***
K-12	St. Helena	1,272	$ 509
Elderly and Disabled	St. Helena	2,117	$1,376
Low Income Adults	St. Helena	678	$ 441
Total St. Helena			***$2,326***
K-12	Calistoga	487	$ 195
Elderly and Disabled	Calistoga	2,913	$1,893
Low Income Adults	Calistoga	883	$ 574
Total Calistoga			***$2,662***
Grand Total		***66,524***	***$38,937***

Free Fares and Ridership

There is no conclusive evidence that rider subsidies and or free fares have substantially increased ridership consistently across all systems in the Bay Area. NVTA's own promotions, some of which lasted an entire week or weekend, did not result in any sustained ridership increases. The Napa Valley College pass program may be a good indicator of how free fares could affect ridership in Napa Valley as fares are baked in student fees and de facto free over the course of a semester.

NVTA and MTC each recently issued surveys. For riders responding to the MTC survey, fares were significantly less of an issue than service frequency. On the survey that NVTA administered which was distributed to a sampling of Napa Valley residents, cost of fares did not rise to the top of issues or barriers for riding transit. Rider data from around the state have indicated a concern for personal safety while using transit. On many transit systems, free fares have resulted in higher proportion of unhoused, persons with mental illness, and severely drug addicted as transit vehicles provide a free shelter from the weather and a more comfortable place to sleep, which has intensified public safety concerns.

Staff has attached several research articles offering three varying perspectives on the topic of free transit fares for the Board's information.

As a reminder, NVTA currently provides the following fare subsidies:

- All fares on fixed route and VineGo services are heavily subsidized. Fares currently make up only 6% or $816,000 of the Vine $13.7 million operating budget and 4.6% or $62,000 of the $1.3 million Vine-Go operating budget. If riders were required to pay for the full cost, they would be charged $24.64 per ride on the Vine and $49.56 per ride on VineGo.

- Standard adult fares are currently the highest fare any person pays for riding Vine Transit. An adult fare is $2 on local and regional service, $3.50 for Express Service, $6 for the Route 29 to BART. Seniors and disabled individuals pay half that amount for riding a Vine local or regional bus and up to twice that amount on VineGo. Youth fares are $1.25. NVTA also provides day passes: $7 for adults, $5 for youth, and $3.5 for senior/disabled passes; 20-Ride Passes: $30 for adults, $21 for youth, and $15 for senior/disabled passes; and 31-Day Passes: $55 for adults; $37 for youth, and $25.50 for senior/disabled passes. Route 29 to BART 31-day passes are $125.

- Fares on the shuttle services operating in the Cities of American Canyon, Calistoga, and St. Helena and in the Town of Yountville are subsidized by the local jurisdictions, determined by the individual jurisdiction's desired approach. On American Canyon and St. Helena Shuttles, Adult rides are $1 and everyone else pays $0.50. On the Calistoga Shuttle, residents pay a $1 and some visitors staying at participating hotels ride for free. In Yountville, all rides are free. The jurisdictions all pay the difference between what it is collected in fares and the 10% to 15% mandatory farebox required by the Transportation Development Act (TDA).

- Other Fare Programs Offered by NVTA include:

    - NVTA participates in the Metropolitan Transportation Commission's Clipper START program which funds half of a single ride for low-income adults 18-64 with household incomes of 200% of the federal poverty level

or less. Participation in this program is low across the region and additional efforts are being made to market the program. In Napa, we provided 1,544 trips on Clipper START between June 2024-Setpember 2024, which equated to less than $5,000 in reimbursements from MTC. During that same time period, over 5 million Clipper START trips were reported region wide.

- Napa Valley College students receive a pass in exchange for paying $7.79 a semester for full time students and $3.89 a semester for part time students as part of the assessed student fees. Students show their ID which allows them to ride all Vine services for free. A reciprocal agreement with the Solano Transportation Authority allows them to ride Soltrans, Fairfield, and Vacaville Transit systems for free and in exchange, students attending Solano Community Colleges may ride Vine Transit for free.

- Free fares for all riders are provided during BottleRock and LaOnda which has been generously subsidized by the Latitude 38 Entertainment the Napa Valley Vintners who typically provide a combined amount of $10,000.

- NVTA also has on occasion participated in promotional opportunities providing free fares for a day during events such as Transit Month and Clean Air Days during the months of September and October. These promotions are funded through NVTA's marketing budget.

STRATEGIC GOALS MET BY THIS PROPOSAL

Not applicable

ATTACHMENT(S)

Attachment 1: PRI Article – Cities Should Think Twice Before Embracing 'Fare-Free" Transit. PRI is a free market think tank.

Attachment 2: Chapter 3 from National Academies Press Book on Fare-Free Transit Evaluation. The National Academies Press publishes reports issued by The National Academies of Science, Engineering, and Medicine.

Attachment 3: Transit Center Article - Should Transit Be Free? – Transit Center is a public transportation advocacy organization based in New York City.

Cities should think twice before embracing ‘fare-free’ transit

pacificresearch.org/cities-should-think-twice-before-embracing-fare-free-transit

March 14, 2024

On Jan. 1, 2020, the InterCity Transit agency servicing Olympia, Wash., and nearby cities went “zero fare.” From 2020 through 2023, the city of Tucson, Ariz., made its public transit system “free” to ride, with the council declaring “our intention to go fare-free transit.” Activists in Los Angeles have argued that “public transit is a public good for which everyone should split the bill, no matter how often they use it.”

Proponents of abolishing fares correctly note that the typical public transit system is already heavily subsidized as it is and the amount of revenue collected through fares covers only a fraction of the money needed to operate such systems.

Given this, they argue, government should go the extra step, abolish fares entirely and find the money needed to cover the shortfall elsewhere. Often, proponents find zero-fare transit a desirable end in itself, while others will specifically cite the benefit of such a system for lower-income people and/or possible environmental benefits from more people potentially using transit instead of cars.

There are good reasons to be skeptical of ditching fares.

Problem 1: Few people use or will use public transit

Proponents of zero-fare public transit have to contend with a fundamental problem: most people don't use public transit and probably won't rely on it for the foreseeable future. Nationwide, according to the U.S. Census Bureau's American Community Survey, just 3.8% of the nation's commuters used public transit to go to work as their primary mode of transportation in the five year period up to 2022.

After years of stagnation in public-transit ridership throughout the years, the coronavirus pandemic resulted in a sharp drop in ridership across the country. Nationwide, public transit systems have shown slow reuptake in the years since 2020. Today about three times as many Americans work from home than rely on public transit.

Read the Free Cities Center booklet about transit, "Putting Customers First."

Watch this Free Cities Center video about public-transit subsidies.

While majorities of residents of some distinctively high-density cities like San Francisco report frequent usage of public transit, these are the exceptions rather than the rule. While less than 10% of Los Angeles commuters use public transit to get to work, as few as 1.6% of commuters in Tucson use public transit.

How do most Americans get around? By car, of course. As a strictly practical matter, in most cities, any proposal to make public transit "free" entails shifting finite public resources toward a means of transportation the vast majority most don't need to get around.

While abolishing fares often is followed by an increase in transit ridership, research from the National Academies of Sciences indicates much of the increased ridership comes from people who already regularly use public transportation. And much of the rest comes from people who otherwise would walk or bicycle.

Problem 2: Trade-offs of free transit are probably not worth it

There are reasons to be skeptical of the idea that dropping fares is the answer. For one, not all transit systems are the same. Some localities have a handful of bus lines along main streets covering a relatively small geographic area, while others have a robust mix of bus-lines and light-rail servicing vast regions. What might be plausibly argued for one can't necessarily be argued for another.

As the pro-public transit TransitCenter has argued, "the case for zero-fare transit is strongest at small agencies with low ridership, where going fareless can improve riders' experience with minimal impact on current service capacity. For agencies with significant ridership or agencies looking to put good transit within reach of more people, however, forgoing all fare revenue would substantially impede the ability to provide service, let alone improve or expand it."

Absent a substitute funding source, abolishing fares necessarily means foregoing revenue that could be used toward those very practical and desirable goals.

Los Angeles' Metro system is already propped up by a sales tax and Angelenos still mostly don't use it. Olympia's move to "zero fare" was in part made possible by a local sales tax measure approved in 2018 to specifically help fund the agency. Tucson, meanwhile, has been considering a sales tax hike to make "free" transit possible.

Problem 3: Fare-free transit comes with its own problems

Research published in 2012 by the National Academies of Sciences noted that, "Some public transit systems that have experimented with or implemented a fare-free policy have been overwhelmed by the number of new passengers or been challenged by the presence of disruptive passengers, including loud teenagers and vagrants."

A decade after those observations were reported, Tucson's experience with fare-free transit from 2020-2023 is certainly representative of the latter set of problems. Bus drivers and riders reported a sharp increase in assaults and general perception of lawlessness on city buses.

"We have become a mobile refuge from the elements, frequented by drug users, the mentally ill and violent offenders that have made Sun Tran unsafe to ride," the local Teamsters union warned in a letter to the city. "I literally saw a guy pull down his pants and poop on the bench that our passengers are supposed to be sitting on," a union representative reported at a city transit meeting.

Such instances mirrored what happened in Portland, Ore.'s "Fareless Square." For four decades until 2012, Portland offered fareless transit around part of its downtown. While long popular, persistent issues with crime and fiscal concerns resulted in fares being returned to the zone.

Of course, such problems aren't unique to fare-free transit systems. The Los Angeles Metro system, for example, has long been plagued by rider reports of reduced safety.

But city leaders seriously considering fare-free transit need to think carefully about the potential for safety issues to undermine public interest in using transit, as well as whether dropping fares will make it easier or harder to deal with such problems.

Instead of foregoing revenue from fare collection, local transit agencies should ensure they are making the most of the resources they have. Revenue collected from transit riders is revenue that can go toward improving and expanding service.

Sal Rodriguez is opinion editor for the Southern California News Group and a senior fellow with the Pacific Research Institute. He is the author of Dynamism or Decay? Getting City Hall Out of the Way, published by the Pacific Research Institute.

CHAPTER 3

Fare-Free Transit Evaluation in Practice

This chapter reviews the state of the practice of fare-free transit evaluation. This review was informed by a transit agency survey and interviews with staff from transit agencies, community organizations, and transit advocacy groups. The findings from this research informed the development of the fare-free transit evaluation framework.

What Research Has Been Conducted on Fare-Free Transit Evaluation?

Despite growing interest in fare-free transit among U.S. transit agencies, there are few studies on fare-free transit in the United States; most research appears to explore case studies in other countries (Kębłowski 2020). Before the publication of this report, there were no apparent examples of a robust fare-free transit evaluation framework.

Most research on fare-free transit in the United States has focused on small urban areas, rural communities, or university and resort towns where transit agencies provide full fare-free transit. Much of this research was synthesized in *TCRP Synthesis 101: Implementation and Outcomes of Fare-Free Transit Systems* (Volinski 2012).

Major findings from that report include the following:

- Most fare-free transit agencies serve small communities.
- Transit agencies with low farebox recovery ratios are most likely to implement fare-free transit.
- Some funding sources reward transit agencies for operating fare-free.
- Fare-free transit can be a competitive asset for resort communities.
- Fare-free transit can improve operations on high-volume services.
- Implementing fare-free transit typically increases ridership by 20% to 60%.
- Fare-free transit eliminates fare disputes with operators but can increase the presence of disruptive passengers.
- There can be new or increased costs associated with fare-free transit.
- About 5% to 30% of new fare-free transit trips are made by people switching from other motorized modes.
- Fare-free transit can be a point of community pride.

What Is the Basis of the Evaluation Framework Developed in This Research?

The fare-free transit evaluation framework presented in Chapter 2 of this report was developed based on qualitative and quantitative state-of-the-practice research described in the following. This research consisted of three primary methods:

- A **survey** of transit agencies at various stages of fare-free transit consideration or implementation.
- **Interviews** with staff from transit agencies, community organizations, and transit advocacy groups.
- A **literature review** of academic research, planning work, and journalism on fare-free transit.

More detail on each of these methods is provided in the following.

Survey of Transit Agencies

The research team surveyed 35 U.S. transit agencies and one state transportation agency to gather various perspectives on fare-free transit evaluation. The survey respondents represented transit agencies from various categories of fare-free transit (Exhibit 3-1).

The respondent agencies varied in terms of operating size and context. All full fare-free respondent transit agencies served small urban, rural, resort, or university-dominated communities, with smaller ridership, lower farebox recovery, and lower operating expenses than systems in larger metro areas. The partially and not fare-free respondents represented a wide range of transit agency sizes in terms of passenger trips provided, operating expenses, and farebox recovery. Additional information on the methods and findings from the survey is provided in Appendix A.

Interviews

The research team conducted interviews with two types of subjects:

- **Transit Agency Staff:** The project team identified 23 transit agencies with which to conduct staff interviews and assess as case studies based on the transit agency responses and other research into fare-free transit. These 23 agencies vary in terms of size and type of community served. Staff from the case study transit agencies were interviewed through video conference calls or by email. The role the interviewed staff played in the evaluation or implementation of fare-free transit var-

ied across transit agencies. Interview findings were used to create the case studies in Chapter 4 of this report and inform the findings on the state of the practice and the evaluation framework.

- **Staff from Community Organizations and Transit Advocacy Groups:** The project team conducted interviews with staff from community-based organizations and transit advocacy groups to gather information on perspectives of fare-free transit from various transit stakeholders. The project team leveraged existing connections with community representatives in Chicago and elsewhere in the United States to solicit feedback from eight organizations. Additional information about the interviews and key findings can be seen in Appendix C.

Survey Agency Category	Description of Category	No. of Agencies Surveyed
Full fare-free	Transit agency does not collect fares from any riders.	14
Partially fare-free	Transit agency does not collect fares from specific groups of riders on certain routes or transit services or in defined areas. These transit agencies may have been considering piloting or implementing fare-free transit.	16
Not fare-free	Transit agency collects fares from all riders. These transit agencies may have been considering piloting or implementing fare-free transit. This category also includes one state transportation agency respondent.	6
	Total	36

Exhibit 3-1. Transit agencies surveyed.

Literature Review

Throughout the development process for the survey, interviews, and evaluation framework, the project team reviewed various academic and professional research documents, journalistic assessments of fare-free transit evaluations and implementations, and transit agency or consultant reports and briefs. These documents are cited throughout this report.

What Is the State of the Practice?

Findings from the research team's survey, interview, and literature review work are summarized in the following under two main topics:

- **Fare-free transit impacts:** The measured and anticipated effects of fare-free transit for transit agencies and the communities they serve.
- **Fare-free transit evaluations:** How transit agencies have evaluated the impacts and long-term success of fare-free transit in their communities.

Fare-Free Transit Impacts

Fare-free transit has many impacts—both costs and benefits. These costs and benefits are borne by different stakeholders; riders, non-riders, transit agency staff, local government, non-profit organizations, and the broader community are all affected.

The impacts of fare-free transit were commonly cited by survey respondents and interviewees as the primary way transit agencies organized their evaluation and/or monitoring of fare-free transit. These impacts can be organized into two categories:

- **Measurable impacts.** These impacts can be measured and shown to have been an outcome of fare-free transit. Examples of measurable impacts include changes in ridership, operating costs, or farebox revenue. Although some transit agencies have measured these impacts, many other transit agencies have not. This makes generalizing and predicting measurable impacts of fare-free transit difficult in many cases.
- **Assumed impacts.** Assumed impacts include costs and benefits that *cannot* easily be measured, but reason and logic and sometimes qualitative information lead transit agencies to assume they are occurring. Examples of assumed impacts include changes in the perceived or actual safety and comfort of passengers, community traffic congestion, and greenhouse gas emissions.

This section summarizes the research team's findings on the measured and assumed benefits and costs of fare-free transit. Further, the impacts are organized under four common themes: access, mobility, and equity;

operational efficiency, financial health, and community impacts (see Exhibit 3-2). Exhibit 3-3 outlines the impacts discussed in this section.

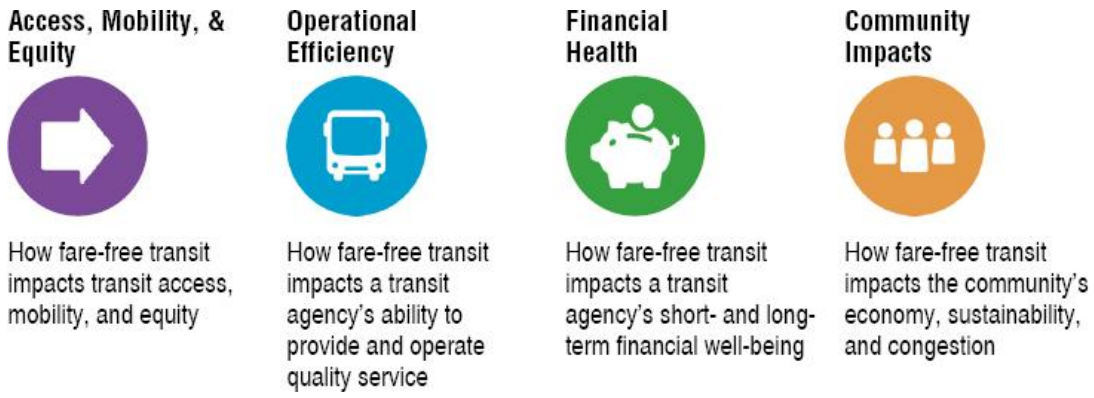


Exhibit 3-2. Fare-free transit impact themes.

Themes	Impacts
Access, Mobility, & Equity	**Benefits** ▪ Increases transit ridership ▪ Reduces financial barriers to accessing transit ▪ Mitigates impacts of historically inequitable transportation policy ▪ Increases focus on operating service over collecting revenue ▪ Eliminates fare-related policing ▪ Expands access to those who do not benefit from discounted programs provided through employers **Costs** ▪ May constrain funding that could be spent on service ▪ May lead to a more regressive source of funding (e.g., sales tax)
Operational Efficiency	**Benefits** ▪ Increases service productivity ▪ May decrease dwell times, increasing speed and reliability ▪ Eliminates fare-related disputes ▪ Eliminates fare collection equipment and attendant labor requirements (e.g., operations and maintenance) **Costs** ▪ May lead to overcapacity on some trips and require additional service ▪ May increase paratransit demand and require additional service ▪ May restrict a transit agency's ability to collect ridership data ▪ May increase the presence of disruptive passengers and result in additional security costs and impacts
Financial Health	**Benefits** ▪ Reduces or eliminates fare collection costs ▪ May reduce overall cost per passenger trip ▪ May expand transit agency eligibility for new funding sources **Costs** ▪ Eliminates farebox revenue, which may be considerable for many transit agencies ▪ Likely to require new revenue sources, such as taxes, municipal contributions, or private partnerships
Community Impacts	**Benefits** ▪ May reduce traffic congestion ▪ May reduce local pollution and greenhouse gas emissions ▪ May catalyze development and/or increase land value ▪ May increase community pride ▪ Allows riders to spend money in the community that they would have spent on transit **Costs** ▪ May increase public criticism of transit agency and its fare policy

Note: Impacts noted in this chart may vary by type of fare-free transit. For example, a partially fare-free transit system may not completely eliminate farebox equipment, which would not allow the transit agency to benefit from reduced operating and maintenance costs associated with fare collection equipment.

Exhibit 3-3. Summary of fare-free transit impacts.

Benefits

The primary benefits from fare-free transit reported by survey respondents and interviewees include greater mobility for community members, social equity improvements, more efficient transit service, reduced fare collection costs, and local economic growth. These key benefits and others are discussed in more detail in the following.

Access, Mobility, and Equity

Survey respondents and interviewees reported that fare-free transit almost always causes an immediate increase in transit ridership. To the extent that a financial barrier to accessing transit is removed for community members, their mobility is also improved. In many instances, this improved mobility means greater access to opportunity (e.g., school, shopping, recreation, healthcare) for community members. Survey respondents and interviewees also reported that fare-free transit is assumed to improve social equity outcomes, as passengers with low incomes save money they might otherwise have spent on transit.

More specific survey and interview findings related to access, mobility, and equity benefits of fare-free transit include the following:

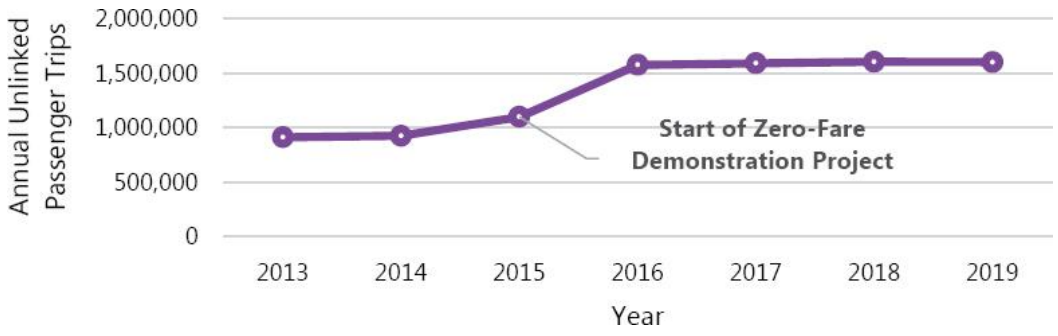
- Transit agencies that went fare-free before the COVID-19 pandemic saw an increase in fixed-route ridership from 20% to over 100% in the first 2 years, especially among those who are young, those with low incomes, and those experiencing homelessness. Most transit agencies that went partially fare-free for only select populations did not see significant increases in ridership.
- Transit agencies experienced a range of paratransit ridership changes after going fare-free, from no change to a 60% increase.
- Transit agencies that piloted or implemented long-term fare-free transit following the COVID-19 pandemic have also seen increased ridership, up to 26% (Northern Virginia Transportation Commission 2021).
- Although some transit agencies already provide discounts to some rider groups, there are often barriers to accessing these discounts, such as

personal identification or application requirements and other administrative burdens. The impact of these barriers is clear from observing the low uptake rates of many programs for people with low incomes. Full fare-free transit eliminates these barriers and reduces administrative burdens for both riders and transit agencies (Saphores et al. 2020).
- Partial fare-free transit that is focused in areas and on modes that are most used by minority and youth riders and riders with low incomes allows transit agencies to maintain a source of fare revenue, particularly from riders with higher earnings.
- Existing transit subsidies, such as employer passes, often provide de facto fare-free transit to certain riders, many of whom have higher incomes. This is an inequitable outcome where riders who can afford transit receive discounts, and riders who may benefit more from fare-free transit do not have access to these discounts (Saphores et al. 2020). Fare-free transit can reduce this inequity.
- Fare-free transit can reduce transit agencies' focus on farebox recovery and increase their attention to service provision based on need, creating a more equitable service that does not consider ability to pay (Cohen 2018).
- Many riders prefer full fare-free transit to partial fare-free transit because the latter may involve fare enforcement, which can lead to overpolicing of racial and ethnic minorities, who are often more likely to be transit-dependent (Perotta 2017, Carter and Johnson 2021).

Ridership Increase at Mountain Line

In 2015, Mountain Line (Missoula, MT) piloted its "zero-fare demonstration project." Within 3 years, the transit agency saw a 70% increase in ridership. The increase was largest in the first 2 years after the fare-free pilot began and then stabilized.

Mountain Line Ridership, 2013–2019



Source: National Transit Database, Annual Unlinked Passenger Trips

Operational Efficiency

Fare-free transit may produce operational benefits, such as increased productivity and reduced dwell times. More specific survey and interview findings related to operations benefits of fare-free transit include the following:

- Because fare-free transit almost always increases ridership, it also typically leads to increased productivity, in terms of boardings per revenue hour. This and other efficiency measures can make transit agencies eligible for additional funding, such as STIC funding (FTA n.d.).
- Eliminating fare collection can improve service quality by reducing dwell times through efficient, all-door boarding, without the need for additional technology such as rear-door card readers (Saphores et al. 2020, Volinski 2012, Northern Virginia Transportation Commission 2021). This increases reliability and can offset the increase in boarding time caused by increased ridership.
- Because full fare-free transit eliminates fare collection, it also eliminates the possibility of fare-related conflicts between operators and passengers.
- Full fare-free transit eliminates farebox and other fare collection equipment, which reduces the number of things an operator must operate, maintain, and monitor. This also reduces maintenance employees' workload and eliminates the step of emptying the farebox when the bus pulls into the base.

LINK Transit's STIC Funding Implications

Link Transit (Wenatchee, WA) found in its fare-free transit evaluation that the anticipated ridership increase was expected to qualify the transit agency for approximately $275,000 in additional funding from the STIC funding program. STIC is a federal program designed to reward high-performing small transit systems. The program provides

funding to transit agencies in small urbanized areas with a population under 200,000 through the evaluation of six performance metrics with established thresholds. Transit agencies qualify for $274,458 per metric threshold met or exceeded. Link Transit exceeded five out of six thresholds in 2019 (see "Link Transit STIC Funding Metrics and Thresholds, 2019").

Link Transit STIC Funding Metrics and Thresholds, 2019

Metric	Funding Threshold	Link Transit Values
Passenger Miles per Vehicle Revenue Mile	5.87	**5.44**
Passenger Miles per Vehicle Revenue Hour	100.70	**105.42**
Vehicle Revenue Miles per Capita	11.68	**29.74**
Vehicle Revenue Hours per Capita	0.74	**1.53**
Passenger Miles per Capita	78.55	**161.76**

Metric	Funding Threshold	Link Transit Values
Passenger Trips per Capita	11.98	**14.77**

Source: Nelson\Nygaard Consulting Associates, Inc. 2021, Figure 5-5

Financial Health

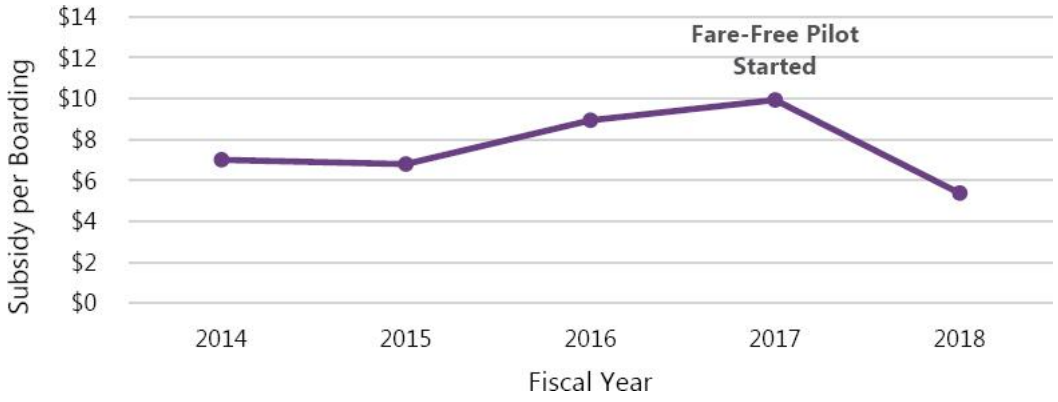
Fare-free transit can have financial benefits for transit agencies, such as reductions in fare collection costs, lower operating costs per passenger, and access to more stable funding. More specific survey and interview findings related to the financial benefits of fare-free transit include the following:

- Under full fare-free transit, transit agencies save on existing and future costs of collecting fares including producing and selling fare media; operating and maintaining fareboxes; counting, securing, and transporting cash; and upgrading fare technology.
- Fare-free transit often results in lower operating costs and increased ridership, which reduces a transit agency's costs per passenger trip.
- Fare-free transit expands funding opportunities that could become more reliable than fare revenue, including grants specific to fare-free transit, grants for increasing operating efficiency, and community funding partnerships (Volinski 2012, Northern Virginia Transportation Commission 2021).
- By eliminating fare collection costs and the administrative costs associated with discounted fares, small to mid-sized transit agencies have been able to lower operating costs and qualify for additional state and federal grant funding for operating expenses (Volinski 2012).
- Transit agencies have used a wide variety of replacements for farebox revenue, including a corporate gross receipts tax, sales tax, municipal general funds, advertising, private partnerships, a dedicated transit tax or fee, or a combination of methods.

Financial Efficiency at ART

Area Regional Transit (ART) (St. Lucie County, FL) saw an increase in financial efficiency following the elimination of fares. Despite the foregone fare revenue, the ridership increase resulted in a lower subsidy per boarding (the operating cost not covered by fares or advertising revenue) (see "ART Subsidy per Boarding, 2014–2018").

ART Subsidy per Boarding, 2014–2018



Source: Florida Department of Transportation—District 4 2020

Community Impacts

Fare-free transit doesn't just benefit transit agencies and their riders. External benefits can range from short-term congestion reduction to long-term economic development and civic pride. Many of these benefits align with community goals and priorities at all levels (e.g., stakeholder, transit agency, municipal, state, federal) around equity, mobility, and sustainability. More specific survey and interview findings related to external community benefits of fare-free transit include the following:

- Community members who do not ride transit can also benefit from the ridership increases caused by fare-free transit, as mode shift to transit may reduce carbon emissions and traffic congestion (Baxandall 2021, Kębłowski 2020). Some fare-free transit supporters describe mode shift

to reduce carbon emissions as a key reason for supporting fare-free transit. Fare-free transit is also considered by some to increase the quality of life and public health of residents by reducing their exposure to local pollution, also through mode shift and reduction of single-occupancy vehicle use (Kębłowski 2020, Northern Virginia Transportation Commission 2021, Baxandall 2021).

- Fare-free transit almost always improves mobility and access to destinations, which can increase land value for certain uses. This improved access can attract real estate development, which could grow a community's property tax revenue, as well as provide public realm and infrastructure improvements (Kębłowski 2020, Cohen 2018).
- Many transit agencies with fare-free transit report that their fare-free transit is a point of community pride—even to those who do not use transit.
- Although fare-free transit reduces or eliminates fare revenue to a transit agency, the money passengers save is likely circulated elsewhere in the community, potentially increasing its impact (Mid-America Regional Council n.d.).

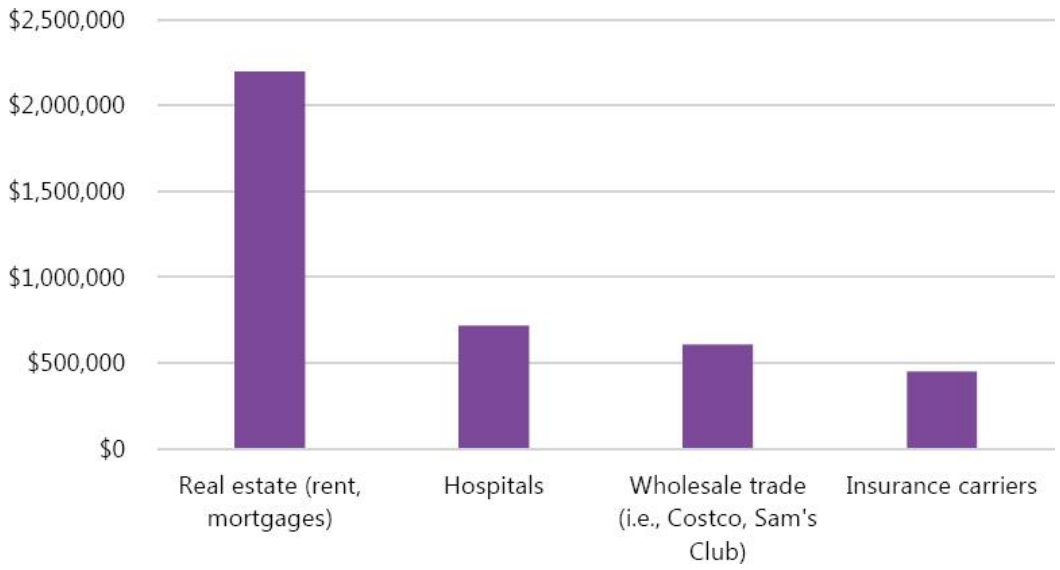
Local Economic Impact in Kansas City

In 2020, KCATA (Kansas City, MO) worked with the Center for Economic Information at the University of Missouri Kansas City to measure the economic impacts of a proposed fare-free transit policy, ZeroFare KC. The resulting research showed that fare-free transit would have a positive impact on the quality of life in the Kansas City Region. Based on the researchers' economic model, the regional gross domestic product was projected

to increase between $13 million and $17.9 million because of ZeroFare KC. This positive impact would be the result of the fare cost savings to riders, many of whom have annual incomes below $40,000. These riders would be able to redirect fare cost savings toward real estate,

hospitals, wholesale trade, and insurance (see "Estimated Spending in Top Four Categories").

Estimated Spending in Top Four Categories



Source: RideKC 2020

Costs

Despite the potential benefits of fare-free transit options, many transit agencies, riders, advocates, and other stakeholders see serious challenges and costs associated with fare-free transit, including fare revenue loss, a potential increase in service requirements, safety and security issues, and other trade-offs. These costs and drawbacks to fare-free transit are discussed in greater detail in the following.

Access, Equity, and Mobility

Negative or concerning aspects of the impacts of fare-free transit on access, equity, and mobility are most often tied to the potential for funding trade-offs. Specific survey and interview findings related to access, mobility, and equity costs of fare-free transit include the following:

- Some transit stakeholders think transit agencies should keep their primary focus on providing higher-quality service, especially to people with low incomes or people living in underserved communities. To these stakeholders, the focus on fare-free transit is misplaced; some argue that making a service free is not as important as making a low-quality service better, even if it costs a fare.
- Transit agencies should ensure that any fare revenue replacement funding sources are not regressive. The equity benefits of fare-free transit could potentially be lost if replacement revenue comes from a regressive source like a sales tax. Some advocates suggest a graduated income tax that ensures those who earn more pay more.
- Eliminating fare revenue may cause service cuts for some transit agencies, which may negatively impact transit riders' mobility. In areas where the majority of transit riders are those with low incomes or people of color, this may have negative equity impacts. Fare-free transit should not be used as an excuse for not improving service or ensuring access to transit (e.g., meeting Americans with Disabilities Act [ADA] requirements).

- Those who benefit from fare-free transit the most do not always have the time and energy to advocate for themselves, so it can be difficult to measure their priorities. Transit agencies should partner with community groups to disseminate information to their audiences with a particular focus on those with low incomes, people of color, older adults, persons with disabilities, and youth riders. Through this partnership, community groups should be compensated for their time. Additionally, it is important for transit agencies to acknowledge and respond to any feedback received.

Operational Efficiency

Increased ridership from fare-free transit can challenge transit operations. Specific survey and interview findings related to operational costs of fare-free transit include the following:

- The increase in ridership from fare-free transit can cause overcapacity issues on some trips. Some transit agencies have had a hard time supporting increased demand after a fare-free transit implementation. To support increased demand, some transit agencies need to purchase new vehicles, hire new staff, and operate additional service—all of which is costly.
- Because full fare-free transit requires complementary ADA paratransit to also be fare-free[3], transit agencies are concerned that the lack of fares will increase demand for paratransit trips to a level that cannot be supported by the transit agency, due to operational (i.e., driver and vehicle availability) and financial constraints. To counter this, some transit agencies tighten paratransit eligibility requirements to reduce demand while remaining in compliance with the law.
- Because hiring can be challenging for many transit agencies, many transit agencies are concerned about the prospect of needing to increase staffing to support fare-free transit (Dolven 2022, Rosenberg 2022).
- Eliminating fare collection may restrict a transit agency's ability to collect ridership data without fareboxes and fare media (e.g., origin-destination data). This may lead to increased costs for on-board surveys and other data collection methods.
- Many transit stakeholders are concerned about the potential for or actual increase in disruptive riders on fare-free transit. These concerns, which typically are about people with mental health or substance abuse issues, are a major barrier to fare-free transit.[4]
- Most surveyed transit agencies that had implemented fare-free transit did not find disruptive passengers to be a major challenge after implementation, due to their overall small numbers. Some transit agencies have had success mitigating disruptive behavior with strong code-of-conduct policies, destination requirements, and policies that require disembarking at the final stop.
- Transit agencies that measured the impacts on safety and security incidents after fare-free implementation either saw a slight increase or decrease in incidents per boarding. Many transit agencies experienced reductions in passenger conflicts due to the elimination of fare-related conflicts between passengers and operators (Hodge et al. 1994, Sharon Greene + Associates et al. 2008).

- If transit agencies respond to disruptive passengers on full fare-free transit with increased policing, then this may result in overpolicing of riders who are people of color and riders with low incomes.

———————————————————

[3] Federal Regulation 37.135(c) requires that the paratransit fare for an ADA eligible rider not exceed twice the fixed-route full fare of a similar trip. FTA Circular 4710.1 (FTA 2015) clarifies that the maximum that may be charged for paratransit when the equivalent fixed-route fare is zero would therefore be zero as well.

[4] *TCRP Synthesis 121: Transit Agency Practices in Interacting with People Who Are Homeless* (Boyle 2016) noted that transit agencies do not have enough resources to meaningfully help people who are experiencing homelessness who are riding the system. Partnerships with social services, ongoing outreach, and recognizing the humanity of individuals were identified in this report as ways to create a safe atmosphere on transit.

The Rapid's Challenges with Disruptive Passengers

One example of a transit agency for which disruptive passengers were a significant challenge is The Rapid (Grand Rapids, MI). The transit agency provided fare-free transit on two routes, but reinstated fares on one line due to individuals experiencing homelessness utilizing the services for sheltering purposes and behavioral issues related to public intoxication. The Rapid did not have any type of code-of-conduct policy related to these issues in place and reported a desire for best practices from other agencies in dealing with disruptive passengers.

Financial Health

Long-term financial health is almost always the first concern facing transit agencies when they are considering fare-free programs. The impact of fare-free transit on costs and revenues varied widely across the transit agencies surveyed and interviewed, depending on existing ridership, transit agency size, alternate funding sources, and previous fare systems.

Specific survey and interview findings related to the financial costs of fare-free transit include the following:

- Full fare-free transit has proven more viable for small- to mid-sized transit agencies than for large transit agencies, as revenue from systems with a lower farebox recovery rate is more easily replaced.
- For larger transit agencies, where fare revenue is a larger portion of operating revenues, considerable replacement revenue would be required for the transit agency to go full fare-free without cutting service. Finding replacement revenue is often cited as the largest challenge to providing partial or full fare-free transit on systems with a high farebox recovery ratio.

Corvallis Transit System's Replacement Revenue

The idea of implementing fare-free transit on the Corvallis Transit System in Oregon was promoted by the Corvallis Sustainability Coalition as a strategy to make the city more livable. To replace fare revenue, the city of Corvallis implemented a Transit Operations Fee (TOF) on residents and businesses through their monthly utility services bill. During city council meetings, city and transit agency staff framed transit as a necessary public utility to which every member of the community should contribute. The transit agency credits this framing with the success of the program and reports high levels of community pride in fare-free transit service.

The TOF is reviewed annually by the city council, so the council has the option to adjust the fee every year. Revenue at the "floor" level is approximately $900,000 annually, with 76% of the fee replacing the general fund and 21% replacing fares. The remaining 3% is intended for increases in service. The TOF also provides a source for local matching fund requirements for the purchase of new equipment. In addition to TOF contributions levied on a per-bed basis, Oregon State University continues to support transit with a long-standing annual direct contribution of $130,000. In 2022, the fee was $3.44 per month for single-family homes, $2.38 per unit in multifamily homes, and $0.054 per trip for non-residential customers. This con-

sistent revenue source ensures long-term financial viability for the transit agency.

Community Impacts

There are considerably fewer negative community impacts from fare-free transit than there are benefits. One negative community impact that has occurred on some systems is an increase in public criticism of a transit agency, especially in the narrative that the transit agency is providing "handouts" to riders that don't pay their fair share for the service they are using. Although some transit agencies have seen an increase in public criticism, they also typically see an increase in public compliments following fare-free implementation. The prevalence of different responses may vary based on the transit agency's messaging.

The increase in public discourse in response to a change in policy is not unique to public transit; major transportation policy changes across all modes often result in an increase in positive and negative public discourse surrounding the policy change.

Challenges with Public Perspective in Ellensburg

Some fare-free transit agencies, such as Ellensburg Central Transit (Ellensburg, WA), experienced a small but loud opposition early in the program, which eventually faded out as people experienced the new system. Mountain Line (Missoula, MT) reported increases in community pride and ownership of the fare-free programs and that not charging fares is now an integral part of the system identity.

More public pushback occurred in systems that reported more problems with disruptive passengers. For example, Sandy Area Metro (Sandy, OR) instituted a $1 fare on its previously fare-free transit after complaints from local businesses about destination-less riders. However, ridership fell dramatically and began to negatively

impact downtown businesses. The city then returned to mostly fare-free transit while keeping a small charge for out-of-town routes to mitigate some of the issues stemming from fare-free service.

International Fare-Free Transit Context

Fare-free transit has been used as a tool to achieve sustainability goals, reduce congestion, and reduce the cost of transportation across Europe, South America, and Asia. To better understand the international context of fare-free transit, the research team reviewed a 2020 report, *Why (Not) Abolish Fares? Exploring the Global Geography of Fare-Free Public Transport*, which documented different perspectives on fare-free transit across the world (Kębłowski, 2020).

The report found that more than 100 cities worldwide had made public transit free, mostly in Europe, with implementations ranging from small communities of around 10,000 residents to counties of over 100,000 residents. Key outcomes from the case studies include the following:

- Full fare-free transit programs show that removing fares tends to substantially increase transit ridership.
- Full fare-free transit does not typically reduce car use unless combined with measures to increase the cost of driving, such as congestion pricing, parking pricing, or travel restrictions on personal automobiles.
- Additional benefits include additional access to jobs, increased public satisfaction with transit, opportunities for new funding, cost savings, and traffic safety.

Details on the outcomes from Estonia, France, Poland, and China are provided in the following:

- **Estonia.** In 2013, Tallinn became the first capital city in the European Union to provide free public transit after the city's annual public transport satisfaction survey, which had previously

shown that fare pricing was riders' most common source of disapproval of the system. Just a year after the introduction of full fare-free transit, ridership increased by 14% while nationwide public transit mode share decreased in Estonia during the same period. Full fare-free transit particularly improved the mobility of residents with low incomes. In the years since fare-free transit was implemented, survey respondents have reported improved access to employment opportunities and a significant increase in overall satisfaction with local public transportation (Cats et al. 2017). Because of the success of Tallinn's free public transport program, Estonia began a push toward nationwide fare-free public transport in 2018 (Gray 2018).

- **France.** Examples of fare-free transit from France show that eliminating fares can increase customer satisfaction and open doors for new funding sources. In Aubagne, France, implementing full fare-free transit eliminated €1.6 million of fare revenue, which spurred the region to levy a transport tax on large businesses that generates approximately €5.7 million for equipment, maintenance, and labor costs. The subsequent system improvements produced a 136% increase in ridership. Similarly, a weekend-only, fare-free bus program in Dunkirk, France, was extended to weekdays to accompany a network redesign and fleet expansion.
- **Poland.** Poland features 21 localities with fare-free transit, the highest nationwide concentration in the world. Each of these transit systems abolished fares after 2010, representing a shift in Polish transportation policy. Poland is using fare-free public transit as a strategy to reduce private vehicle ownership and the pollution and noise associated with car usage. In Lubin County, fare-free transit was implemented as part of a municipal social policy to expand access to transportation services. Initial results have been dramatic, as ridership doubled after a year of fare elimination. In addition to ridership gains, Lubin has seen substantial savings due to eliminating fare enforcement (Dellheim and Prince 2018).
- **China.** While only three municipalities in China offer full fare-free transit, early signs point to the policy's potential. Gaoping is a small but densely populated city of 72,000 residents in Northern China. The government established free transit in 2013 to relieve congestion, encourage transit use, and discourage illegal motorcycle taxis. A 2015 study found

that fare abolition increased transit ridership by 320%. Traffic safety greatly improved due to the subsequent mode shift, providing evidence that fare-free transit could be an effective solution for curbing traffic congestion in countries with high residential density (Shen and Zheng 2015). Changning and Kangbashi offer full fare-free transit as well. Changning's 300,000 residents make it one of the biggest cities without a transit fare; it serves as an international example for other mid-sized cities with similar transportation policy ambitions. The city of Kangbashi, built in anticipation of high population growth, eliminated the transit fare in 2015 to attract future residents (Kębłowski, 2020).

Fare-Free Transit Evaluations

There are two primary time periods in which fare-free transit can be evaluated: before and after implementation. These evaluation types can generally be described as

- **Feasibility Evaluation:** Conducted before fare-free transit is implemented, to see if it is feasible for the transit agency. This type of evaluation typically focuses on estimating the likely benefits and costs of one or more types of fare-free transit.
- **Post-Implementation Evaluation:** Conducted after fare-free transit has been implemented. This evaluation type usually analyzes how successful fare-free transit has been for the transit agency, including measured benefits and costs. Using this information, transit agencies may recommend continuing or stopping the fare-free transit implementation.

Common elements included in both feasibility and post-implementation evaluations as well as detailed descriptions of how feasibility and post-implementation evaluations have been conducted by U.S. transit agencies are provided in the following.

Common Evaluation Elements

Although several research documents synthesize evaluations of partial and full fare-free programs in the United States, there are no standard evaluation methods for feasibility or post-implementation evaluations. This research team's review of completed evaluations, however, did uncover several common elements of fare-free transit evaluations.

Most fare-free transit evaluations are focused on answering key questions regarding fare-free transit. In *TCRP Synthesis* 101, the primary questions transit agencies ask were identified through a survey (Volinski 2012):

- Is/was it cost-effective to eliminate the fare collection process?
- What effect did/will fare-free transit have on ridership and system capacity?
- What effect did/will fare-free transit have on service quality and customer satisfaction?

To attempt to answer these questions, transit agencies used a variety of metrics (many of which are measured as estimates), including the following:

- Cost of implementing the fare-free policy (e.g., lost revenue, new service, new vehicles, new facilities) on a per capita basis with the service area
- Change in farebox recovery ratio
- Change in subsidy per rider
- Change in overall service provided (e.g., service hours)
- Savings from eliminating fare collection
- Ridership Impact
- Revenue sources and amounts
- On-time performance
- Fare-free transit's impact on parking (e.g., utilization, cost, provision)

Some transit agencies also used qualitative metrics to evaluate fare-free transit's costs and benefits, such as

- Community feedback: compliments, complaints, and general sentiment
- Bus operator feedback: benefits, challenges, and general sentiment
- Issues with "problem passengers"

Feasibility Evaluation

In general, only a few transit agencies have systematically evaluated the feasibility of implementing fare-free transit before implementation. Those that did complete formal evaluations of some kind usually conducted literature, peer, and best practices reviews; operational analyses; and financial evaluations.

Some of the key financial issues that have been identified in feasibility evaluations are the following:

- Many transit agencies struggle to find replacements for lost farebox revenue. Without this replacement revenue, some transit agencies decided against going fare-free, especially agencies with higher farebox recovery rates and larger operating budgets.
- When transit agencies did identify alternative funding sources to make up for lost farebox revenue, they typically looked to taxes, municipal general funds, advertising, private partnerships, state and federal grants, or some combination of these and other methods.
- Many transit agencies did not have a long-term alternative funding source secured when beginning fare-free transit.

In *Zero-Fare and Reduced-Fare Options for Northern Virginia Transit Providers*, the Northern Virginia Transportation Commission examined regional, national, and international examples of both full and partial fare-free and reduced-fare programs (2021). As part of this assessment, the report identified several key guiding questions to be considered in feasibility evaluations:

- Who is riding transit currently and who would benefit most from the fare options?
- Is cost the determining factor for mode choice?
- What level of ridership growth can be sustained without substantial added investments?
- What are the costs of fare collection and their relationship to loss in revenue from fare-free implementation?

- What funding options might become available under a fare-free system?

Service Trade-Offs at Iowa City Transit

Some transit agencies have recently evaluated a fare-free transit option and decided to maintain fares due to concerns about gaps in funding and the need to increase service to keep up with the additional demand. Iowa City Transit (Iowa City Area, IA) conducted a fare-free analysis at the beginning of 2020 as part of the Iowa City Area Transit Study (City of Iowa City 2020). The transit agency opted not to go fare-free because staff felt the expansion of service to Saturdays for most routes and increased service frequency would not have been financially possible without farebox revenue.

In many cases, transit agencies have found that fare-free transit feasibility evaluations provide only high-level estimates of likely outcomes. With the uncertainty associated with these estimates in mind, several transit agencies found it prudent to advance a pilot fare-free transit program, giving the transit agency time to perform a blended feasibility and post-implementation evaluation that produces more information for decision makers. The structure of pilot programs may vary.

Intercity Transit's 5-Year Zero-Fare Pilot

After the passage of a citywide proposition (Proposition 1) in Olympia, WA, Intercity Transit committed to fulfilling its nine community-defined priorities, one of which involves making fare collection more efficient and in line with other peer agencies. After evaluating the impacts, the transit agency found that it was spending more to collect fares than it was receiving in fare revenue. In the end, the transit agency decided a fare-free pilot would serve as the most "economical, effective and fastest way" to achieve the proposition's goals.

In January 2020, the transit agency implemented a 5-year pilot of fare-free transit. The length of the pilot was chosen to provide

enough time to measure the full range of impacts of the policy, while not committing to a permanent change. In the first month of the pilot, the transit agency's ridership grew by 20% compared to the previous year. Due to the COVID-19 pandemic, the impacts of the pilot will be difficult to measure in the first few years, but the transit agency will continue to monitor progress.

Post-Implementation Evaluation

Only a few fare-free transit agencies completed an evaluation after the implementation. Of the transit agencies that performed post-implementation evaluations, the metrics used were largely operational and included

- Ridership
- Revenue
- Passenger or vehicle boarding times
- Additional service needs
- Change in passenger destinations
- Public opinion

When assessing public opinion and other, more qualitative metrics, transit agencies have used several tools, including informal operator feedback, on-board surveys, voter surveys, and online surveys. The post-implementation evaluations that were completed were noted as especially useful in guiding decision makers, such as transit agency leadership or government officials, on whether to continue the program.

Examples of Post-Implementation Evaluation

Multiple surveyed transit agencies have continued to monitor ridership, transit agency operations, finances, and the community after implementation:

- **Area Regional Transit** (St. Lucie County, FL) evaluated its full fare-free transit (during a 3-year pilot) across various metrics including ridership, productivity, subsidy per passenger, and operating speed.
- **Cache Valley Transit District** (Logan, UT) evaluates its fare-free policy every 5 years and looks at the qualitative and quantitative impacts of returning to fares.
- **DASH** (Alexandria, VA) is conducting several customer surveys in the first year following implementation to gauge the impact of the new network and free fares.
- **KCATA** (Kansas City, MO) is currently evaluating the community health benefits of the policy to leverage additional funding.
- **Link Transit** (Wenatchee, WA) plans to evaluate the policy for effectiveness. Potential operational aspects the transit agency plans to consider include ridership, paratransit demand, and passenger conflicts.
- **Mountain Line** (Missoula, MT) conducted a rider survey in the second year of the program to measure changes in ridership.

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POLICY

January 28, 2019

Should Transit Be Free?

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BUSES

EQUITY

Free transit sounds like a utopian fever dream. Imagine being able to hopscotch your city on a bus, never again needing to fumble for your ticket, seeing the dreaded

Fare-free transit has lately been floated as a panacea for solving any number of society's ills, including climate change, congestion, and income inequality. Seattle City Council Member Kshama Sawant used the recent closure of the Alaska Way Viaduct to introduce her vision of free transit for everyone. In March, Luxembourg will become the first country to make transit free entirely, but the scheme is already at work in cities like Tallinn, Estonia and Dunkirk, France. To date, there are 97 (mostly small) cities and towns around the world with fully fare-free public transit. Enchanted by the possibilities, several US transit advocacy groups are calling for the elimination of fares.

But what does the research tell us? Should free transit be the end goal for advocates and policy-makers?

Transit agencies need money to run service, and major transit agencies in the US rely on fares for a substantial portion of their operating revenue. In New York, the $4.5 billion the MTA receives in annual fare revenue comprises 50% of its operating budget. At the Chicago CTA, that percentage is 40%, and in San Franciso BART's is 62%. Eliminating fares means that revenue would need to come from somewhere else, and the federal government only provides very small transit agencies with operating assistance. Funding transit operations entirely by other measures (such as a tax on businesses) would be a heavy political lift, and hasn't been done in the US.

But let's say agencies did find other ways to subsidize operations. What effect would free transit have on ridership? Around the world, the verdict is still out on whether going fare free substantially changes people's travel choices. In Dunkirk, population 100,000, ridership increased by 85% immediately after the introduction of fare-free transit. But in Tallinn, population 426,000, ridership has only increased by 3% in the five years since transit was made free.

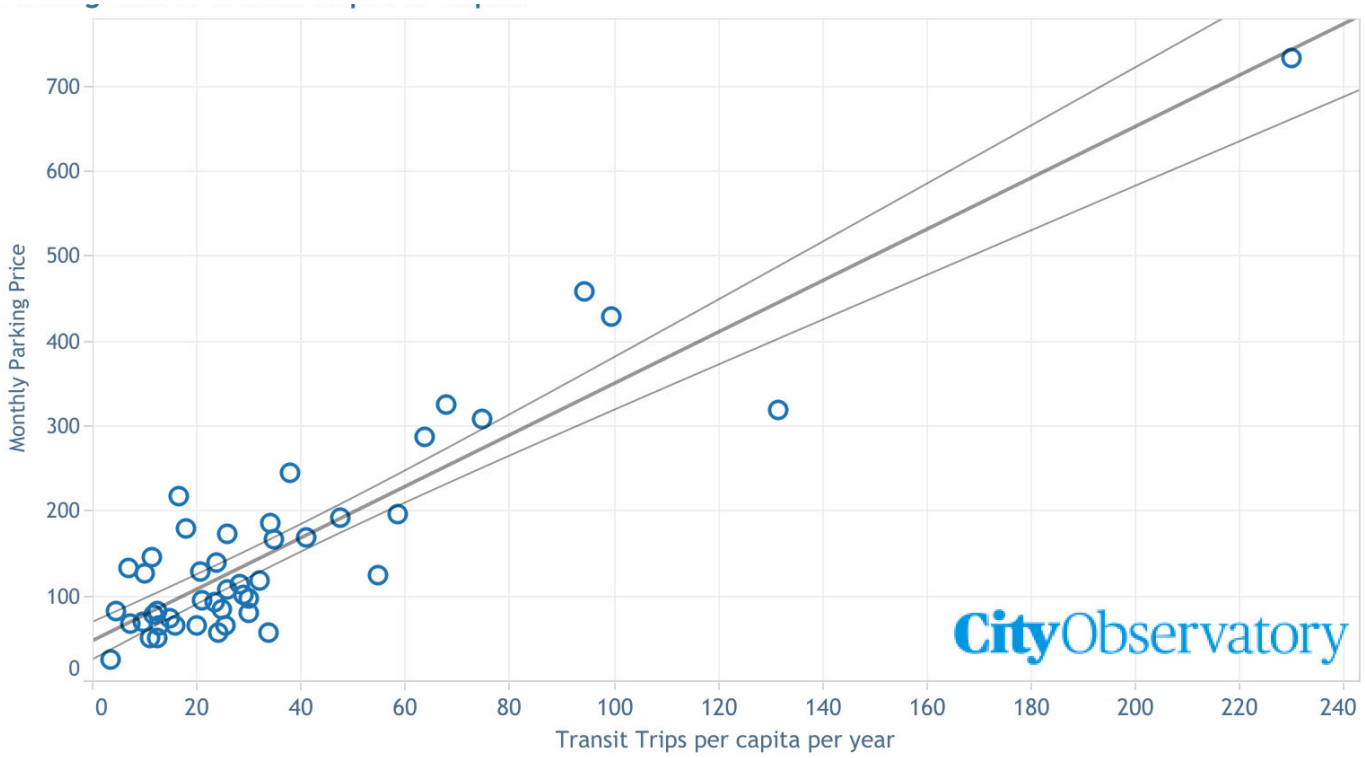
Ridership increasing is the desired outcome, but without sufficient revenue to increase service in response to new demand, agencies run the risk that riders will be

cities who tried free transit but abandoned the projects after they created more problems than they solved.

When researching our forthcoming report, Who's on Board 2019, we surveyed 1700 transit riders in seven different cities across the US. What we heard is that most low-income bus riders rate lowering fares as less important than improving the quality of the service. This suggests that if a transit agency had to choose between devoting funds to reducing fares or to maintaining or improving service, most riders would prefer the latter. The idea of making transit "free" turns out to be less appealing to the public than making improvements to transit.

What are superior and sustainable ways to move the needle on ridership? Making transit fast, frequent, and reliable. In just a few short years, Seattle has nearly tripled the number of people able to walk to frequent transit, and ridership continues to climb. Ridership has also been gaining in San Francisco, where SFMTA has an ongoing program to speed up buses. Cities like Austin, Richmond, and Columbus are redesigning their bus networks to better connect people to jobs, and seeing ridership growth as a result.

Raising the cost of driving also has a tremendous effect on transit ridership. Public transit ridership went up by 18% in London after the city enacted a toll on drivers entering the center city. And across the US, the cost of parking in central business districts tracks well with transit ridership, suggesting more people are willing to take transit if the price of parking goes up.



Shifting cultural norms around taking transit can also make a difference. Large numbers of middle class people riding transit in cities can change the abiding perception that transit is for poor people, and boost ridership overall. Thanks to Washington State's 1991 Commute Trip Reduction Law, which makes large employers responsible for reducing traffic congestion, 83% of employers in Downtown Seattle subsidize their employees transit passes. Employer-funded passes provide transit agencies with a consistent source of revenue, and ensure that transit riders represent a cross section of society. In Los Angeles, where transit ridership has been plummeting, a recent program at NBCUniversal offered employees subsidized transit passes, provided incentives for taking transit, and matched "transit curious" riders up with experienced transit riders. Within six months, the percentage of people taking transit to work at NBC went from 19% to 59%.

Of course, ridership isn't transit's only goal – ensuring access is also critical. Fortunately there are ways to make transit affordable without disrupting revenue

fare programs for riders below the federal poverty line. These programs can be funded by increasing the price of monthly passes (which are often dramatically discounted) or through partnerships with municipalities. Austin's transit agency Capital Metro recently made transit free for children under 18, and there's no reason that transit agencies shouldn't do this across the board. TransitCenter research indicates that people form opinions about transit when they're young, and early exposure can lead to long term loyalty.

LA Metro CEO Phil Washington recently made waves when he proposed to "save mankind" by making transit free by enacting congestion pricing on roads across Los Angeles. According to Washington, the $12 billion or so generated from congestion pricing could be used to fund transit investments "so major that buses could run every 90 seconds on many streets," among others. The proposal is in its infancy, and faces a bewildering number of obstacles. To date, no US city has enacted congestion pricing, and car dependent Los Angeles seems an unlikely first victory. But if free fares are appropriate at any big transit agency, it's probably at LA Metro. Metro's farebox recovery ratio is a mere 17%, and the average annual income of its riders is $17,000. The agency could technically get by without fare revenue, but the scheme would only work if massive funding was injected into improving current service, rather than into splashy, long-term rail projects. Success would also require repurposing traffic and parking lanes on city streets so that buses could move freely.

Free transit makes for a terrific news hook. But the only way to see the full benefits of transit – like improved air quality, less congestion, and more vibrant cities is for people to actually start riding transit in substantial numbers. To this end, agencies should immediately make transit more accessible by offering discounts to riders who need them the most. More employers should be compelled, whether through penalty or incentive, to subsidize transit passes. But what advocates and policymakers should actually be focusing on is a multi-pronged approach to make driving less attractive, and undoing policies that make driving feel free. Cities and

feasible for most US cities, large metro areas with robust transit networks should start laying the groundwork. Funneling money from these pursuits directly into improving transit will yield precisely the type of benefits sought by proponents of free transit.

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