



THE ROAD TO TRANSIT EQUITY:

The Case for Universal Fareless Transit in Los Angeles

SAJE
STRATEGIC ACTIONS FOR A JUST ECONOMY

act·LA



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This report was produced and published by Strategic Actions for a Just Economy (SAJE) and Alliance for Community Transit – Los Angeles (ACT-LA).

The lead author is Chelsea Kirk, director of policy and research for Building Equity and Transit, SAJE.

The authors extend special thanks to the bus riders of Los Angeles, whose stories and lived experience provided the momentum for this report, as well as to the members of SAJE’s Transit Justice Committee, who laid the foundation for this work. We are also grateful for ACT-LA allies, who provided critical guidance and perspective throughout the process.

ABOUT SAJE

SAJE is a 501c3 non-profit organization in South Los Angeles that builds community power and leadership for economic justice. Founded in 1996, SAJE focuses on tenant rights, healthy housing, and equitable development. SAJE runs a regular tenant clinic, helps connect local residents to jobs, organizes for tenant rights, and fights for community benefits from future development through private agreements and public policies. We believe that everyone, regardless of income or connections, should have a voice in creating the policies that shape our city, and that the fate of city neighborhoods should be decided by those who dwell there in a manner that is fair, replicable, and sustainable.

ABOUT ACT-LA

ACT-LA was founded in 2011 after a series of community assemblies were organized to address displacement of low-income families from Los Angeles’s transit-rich neighborhoods. ACT-LA formed out of these assemblies so that the region would have a coalition of grassroots and “grasstops” organizations working together to organize city and county-wide campaigns around transit justice, housing justice, public health, and quality jobs. As Southern California plans for the future, ACT-LA strives to eliminate the barriers and institutional policies that unduly and historically burden low-income communities and communities of color. Our goal is an equitable transformation that benefits and includes low-income communities and communities of color and preserves the cultural resources that already exist in Los Angeles’s neighborhoods.

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FOREWORD

For a long time, thousands of years, transportation systems in Los Angeles were human scale. Then Spanish padres and soldiers brought horses and slavery to the region and turned the well-worn footpaths between settlements into their day's ride between missions. The regime imposed social, economic, ecological, and spiritual practices onto Tongva, Kizh, Acjachemen, Tataviam, Chumash, and so many other peoples. After 1769, freedom of mobility would be scarce and reserved for the powerful. Later came U.S. occupation, when horsepower was replaced by locomotives and electric trolleys. Slavery had ended, and yet the people scarred by it remained, undesired and invisible in their own homelands. These local Indigenous communities and the Black, Indigenous, people of color who came here during the early-twentieth-century decades of exponential population growth would find work but not welcome in the Los Angeles promoted as a vision of white prosperity.

The streetcars required too much shared time and space with those undesirables, one of the reasons that the powers that be worked to shape public opinion against them from the 1920s onward. More motivating, however, to L.A.'s white male movers and shakers was getting those big, clumsy vehicles out of the way of their new freedom machines: private automobiles. Where did that project get us? Well, you know the story. The freeways: sometimes quick, always dirty. They may have seemed democratic, letting everyone in on speed, but the bad air and the crashes have always fallen hardest on those we now called impacted, disadvantaged, priority communities. In other words, the people most burdened by legacies of colonial violence, slavery, racism, and economic oppression. I don't fully understand why, given the car's hold on L.A.'s imagination, a public transit system was allowed to grow out of the death of the private streetcars that had enabled sprawl. It did, though, and today it's called LA Metro. Not all Angelenos could afford to buy cars and join in the populist scrum on the freeways, so there were always riders.

Riding wasn't easy. A friend told me how her grandmother, an Armenian refugee, kept a tidy catalog of RTD schedules in her purse during the 1980s and 90s. They were treasures in a system that kept information scarce as a travel demand management technique. LA Metro, as a large public agency where employment could mean upward mobility, provided transit, but did it from a planning and popular culture perspective of Car as King. This culture preferred trains to buses and produced train lines that followed highway routes, which resulted in money flowing out of bus service and into rail expansion. During the 1990s, a political education effort, the Bus Riders Union, created a successful and influential model for holding transit authorities accountable to the Civil Rights-era vision of desegregated and equitable transportation. Although this movement was born in Los Angeles, most people here continued to look down on travel outside of a car.



TO ALL TRAINS &
TRANSIT SERVICES

When I moved to Koreatown in 2008, working to piece together an anthropology dissertation, I was drawn by the existence of advocates for better transit service, better conditions for active transportation, and better public spaces. We agreed that too much driving had torn Los Angeles apart for long enough. Could we get people out of their cars, or at least open their eyes to the life outside? Institutions such as CicLAvia grew out of this yearning for a human scale L.A. As an “open streets” intervention, the event aimed to give Angelenos a closer sense of connection with the streets, sidewalks, and transit systems that weave together the jumble of stuccoed homes and strip malls we navigate each day. We move through them, but are they open to all of us?

Fifteen years ago, I couldn't have imagined that a pandemic would initiate an unethical experiment exploring what happens to L.A.'s public spaces, including buses and trains, when everyone who can afford to stays at home. It's been rough. Recently, I was a panelist at LA Metro's Visionary Seed Fund Innovation Forum, and when asked how the agency could return to a pre-pandemic normal, I decided to focus instead on the future: when would we get to a system where freedom of mobility could be accessible to all? Because that was never normal here, at least not since before 1769.

In that vein, the report that follows argues that LA Metro should take a bold step toward opening to equity, instead of continuing to invest in technological solutions that haven't panned out. Fareless transit, SAJE and ACT-LA tell us, would meet LA Metro's own stated commitment to mobility for all. The report authors use a range of sources to make a compelling case that the costs of the TAP system outweigh

the benefits. This report lays out a simple solution that would represent a sea change, breaking with the status quo of piecemeal, partial projects to move transportation institutions toward equity. Given the clear data that the bulk of LA Metro's riders are living with all the strain of economic struggle, going fareless would eliminate a tax on being poor in our region. Why continue nickel-and-diming the people who most need a break?

Also of note is the methodology used in this report. While equity is gaining ground in transportation planning and policy, what often gets lost is the central importance of communities speaking on their own behalf. Without partnership with the people most impacted by transportation inequities and mobility injustices, equity projects can become merely a marketing game, with companies making the case that their mobility products will benefit people who, in reality, they might harm. SAJE and other ACT-LA members have ground truthing in their DNA, and the methodology used here reflects this commitment to elevating lived experiences from bus riders. If a significant segment of riders pay with cash and will continue to do so, they will be harmed by fare systems that incentivize electronic transactions. Should LA Metro ignore this reality because it does not fit the outcomes they desire from the TAP and LIFE programs?

I am optimistic that LA Metro's leadership, staff, and operators will receive this report as fellow travelers. It is clear that, in recent years, they have moved understanding and serving core riders toward the center of their planning. So, once we get through the decision-making part of fareless transit, I look forward to seeing the impacts of an open Los Angeles play out. What effect will an open LA Metro system have on today's children? What effect will it have on those quoted in the report, who want to visit more museums and parks but can't afford to under the current model? What effect will it have on the (speaking from experience) harried moms who can't remember if they loaded their TAP card and end up driving instead of taking the train? By reinforcing what LA Metro is for (moving us all), maybe we can shift the system away from what it should never have to be (the only place to stay alive). LA Metro: let's get free.

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TABLE OF CONTENTS

1. Executive Summary
2. Purpose and Methodology
3. Introduction
4. Unique Characteristics of Los Angeles' Public Transit
 - a. Rider Demographics
 - b. Farebox Recovery Ratio
5. The Case for Fareless: Advancing Equity
 - a. Alleviating the Transportation Burden
 - b. Increasing Mobility for Disadvantaged Communities
 - c. Improving Air Quality
6. The Case for Fareless: Public Money That Serves the People
 - a. Eliminating Ineffective Spending
 - b. Increasing Ridership and Improving Safety
7. The Case for Fareless: LA Metro's Temporary Fareless Program
 - a. Background
 - b. Increased Ridership and Other Outcomes
 - c. Fareless Policy Status
8. Conclusion

APPENDICES

1. LA Metro Transit Operations Resources (Fiscal Years 2018–23)
2. Methodology and Findings for Quantitative Surveys of LA Metro Bus Riders
3. Methodology and Findings for Group Interviews of LA Metro Bus Riders
4. Los Angeles County Housing and Transportation Costs (2020)
5. Los Angeles County Rent Burden by Income Group (2020)
6. LA Metro Fare Revenues and Operating Expenses (2002–21)
7. Farebox Recovery Ratios for Major U.S. Transit Agencies (Fiscal Years 2018–21)
8. LA Metro Monthly Ridership (January 2021–December 2022)
9. Report Methodology for Fare Collection

LIST OF TABLES

1. Farebox Recovery Ratio of U.S. Transit Agencies with Largest Ridership (Fiscal Year 2019)
2. Farebox Recovery Ratio for LA Metro (Fiscal Years 2018–21)
3. Housing and Transportation Burden of L.A. County Regional and Typical Households (2019)
4. LA Metro Estimated Average Fare Revenue and Costs (Fiscal Year 2023)
5. LA Metro Average Annual Estimated Costs of Fare Collection and Enforcement (Fiscal Year 2023)
6. LA Metro Code of Conduct Warnings and Citations (2019)
7. LA Metro Law Enforcement Costs (Fiscal Years 2019–23)
8. LA Metro Increases in Ridership after Fareless Implementation
9. LA Metro Fare Citations and Warnings by Race (2019)

LIST OF FIGURES

1. Race and Ethnicity of LA Metro Ridership (2022)
2. Household Income of LA Metro Train and Bus Riders (2022)
3. Household Income of LA Metro Ridership (2022)
4. Farebox Recovery Ratio for Major U.S. Transit Agencies (Fiscal Years 2018–19)
5. LA Metro Operations and Capital Resources (Fiscal Year 2023)
6. LA Metro Operations Resources (Fiscal Year 2023)
7. Average Housing and Transportation Burden in L.A. County (2019)
8. Regional Typical Transportation Burden (2019)
9. Regional Moderate Transportation Burden (2019)
10. Regional Typical Housing Burden (2019)
11. Regional Moderate Housing Burden (2019)
12. Regional Typical Housing and Transportation Burden (2019)
13. Regional Moderate Housing and Transportation Burden (2019)
14. LA Metro Bus and Rail Ridership (January 2019–July 2022)
15. Ridership of LA Metro and BART (January 2019–July 2022)



1. EXECUTIVE SUMMARY

Los Angeles is a place like no other, and that is especially true when it comes to public transportation. Its primary public transit agency, the Los Angeles Metropolitan Transit Authority (LA Metro), is one of the largest in the nation, with nearly one-fourth of California residents living in the agency’s 1,433-square-mile service area.¹ But LA Metro currently serves very few Angelenos—just 78 out of every 1,000 Los Angeles-area residents ride the bus or train.²

The majority of public transit riders in Los Angeles are low-income people of color who are financially burdened by the region’s high housing and transportation costs. Seventy-six percent of LA Metro ridership identifies as Latinx or Black, and approximately 63% of riders earn household incomes of less than \$25,000 annually,³ with 40% subsisting on household incomes under \$15,000 per year.⁴ Additionally, LA Metro, unlike most public transit agencies in large U.S. cities, nets very little revenue from fares. Government grants and sales taxes mostly fund the agency’s operations and capital expenses, with fares projected to make up just 4.8%⁵ of the agency’s operations budget in fiscal year 2023.⁶

LA Metro has attempted to solve the financial burden of fares on their riders through fare capping and means-tested discount programs. These initiatives are not only expensive to run, but they also have low enrollment rates. And, ironically, if LA Metro successfully enrolled all those eligible for discounts, their earnings from fares would be even more negligible than they are now. In effect, the agency is spending millions of dollars to get the majority of its riders to pay less in fares. Why not just go fareless?

1 “About Metro,” fact sheets available on the LA Metro website, <https://www.metro.net/about/>.

2 Analysis of Metro’s published ridership statistics compared to census population data for Los Angeles County. See “Interactive Estimated Ridership Stats (December 2022),” available on the LA Metro website, <https://isotp.metro.net/metroridership/yearover-year.aspx>.

3 “2022 LA Metro Customer Survey,” ETC Institute, May 2022, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

4 Ibid.

5 “Adopted Budget: July 1, 2022–June 30, 2023,” available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11ci-1az/FY23%20Adopted%20Budget.pdf?dl=0>.

6 LA Metro operates on a fiscal year that begins on July 1 and ends on June 30. The fiscal year serves as the basis for LA Metro’s budgeting and financial planning and allows the agency to align its financial operations with the state of California’s fiscal year.

Since the 1960s, universal fareless transit policies have been adopted by cities all over the world in order to relieve the transportation burden on low-income residents and advance other equity outcomes.⁷ Public transit agencies that opt for fareless are typically highly subsidized, with farebox recovery ratios below 20% prior to implementation.⁸ Eliminating fares also eliminates the need for fare management, collection, and enforcement, which can total in the millions of dollars and require third-party contracts. In fiscal year 2023, LA Metro estimates they will earn approximately \$106.5M in fare revenue.⁹ We conservatively estimate that close to three-fourths of that revenue—nearly \$78.84M—will be eaten up by the costs associated with running the TAP fare system.

The cost of adopting a universal fareless system is negligible and a small price to pay for the equity benefits it would bring to the vast majority of Los Angeles County residents that rely on public transit. Riders would see financial relief, increased mobility, and improvements to safety and the built environment. Adopting a fareless policy would also bring LA Metro closer to achieving its stated commitment to “transportation infrastructure, programs, and service investments...targeted toward those with the greatest mobility needs first, in order to improve access to opportunity for all.”¹⁰ Furthermore, implementing a universal fareless system would allow LA Metro to rebalance their operations budget to focus on initiatives and programs that truly benefit riders by divesting from the TAP fare collection and management system and expensive law enforcement contracts.

Not only is a universal fareless system more equitable and financially sensible, but it is also politically achievable: 86% of transit riders and 80% of non-riders in Los Angeles County support it.¹¹ We recommend that L.A. Metro’s Board of Directors adopt a universal fareless policy immediately to ensure that our region has a public transit system that serves the needs of the riders who depend on it.

7 At least 250 cities have a universal fareless transit system, including several in the United States. See “The Map of Fare-Free Public Transport,” Free Public Transport website, December 2022, <https://freepublictransport.net/map/>.

8 Prior to adopting fareless transit policies, Kansas City, Missouri, and Albuquerque, New Mexico, both had farebox recovery ratios of less than 10%. See Appendix 8.

9 “Adopted Budget: July 1, 2022–June 30, 2023,” available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11ci-1az/FY23%20Adopted%20Budget.pdf?dl=0>.

10 “Equity Platform Overview,” available on the LA Metro website, <https://www.dropbox.com/s/uvijroidnsqbkx/equity-platform-overview.pdf?dl=0>.

11 “Fareless System Initiative Task Force (September 2020–May 2021),” November 2021, update on the LA Metro website, <https://www.metro.net/about/fsi/>.

2. PURPOSE AND METHODOLOGY

We hope this report will be useful to electeds, policy makers, and advocates who are interested in understanding the feasibility and benefits of implementing a universal fareless transit system in Los Angeles. Our research focuses on LA Metro, Los Angeles County's largest public transit agency by far. We imagine "universal fareless transit" as a system-wide policy initiative that would allow the public to ride LA Metro buses, subways, light rail, and shuttles without having to pay a per-use fee.

Our methodology included an in-depth analysis of LA Metro's rider demographics, budget, and fare discount programs using publicly available LA Metro data, surveys, contracts, presentations, and reports. To access internal LA Metro records, we submitted public information requests under the California Public Records Act (CPRA). We analyzed transit databases, including those managed by the Federal Transit Administration, and we reviewed literature and media on fareless transit models in the U.S. and around the world. We interviewed transit experts, advocates, and policy makers, and we consulted with climate and economic justice advocates, understanding that these issues inform transportation planning.

We also sought input from LA Metro bus riders through surveys and interviews. Between September 2022 and January 2023, SAJE and other ACT-LA coalition partners surveyed 113 bus riders in Vermont-Slauson, Boyle Heights, and Exposition Park on the topic of fareless transit. We selected these locations because LA Metro has designated them as Equity Focus Communities and committed to prioritizing them in their Equity Platform.¹²

Of the 113 of riders we surveyed, 17 participated in interviews to supplement our survey data with in-depth qualitative insights. Excerpts from our interviews appear throughout this report to illustrate how transit policy affects LA Metro riders. We have kept interview participants anonymous to protect their privacy. Details about the purpose of and methodology for our rider surveys and group interviews can be found in Appendices 2 and 3 of this report.

¹² LA Metro Equity Focus Communities Map, available at <https://www.arcgis.com/home/item.html?id=f1a9ab-4624754970b2488e68a9adf0d0>.

3. INTRODUCTION

A universal fareless transit policy eliminates fares on public transit, allowing passengers to ride without paying a per-use fee. Since the 1960s, these policies have been adopted all over the world; today, at least 250 cities have a universal fareless transit system,¹³ including Kansas City, Missouri, Albuquerque, New Mexico, and Olympia, Washington. Transit agencies that opt for universal fareless policies tend to have low farebox recovery ratios prior to implementation, meaning they earn very little revenue from fares, and are heavily subsidized by public money.

Public transit agencies may adopt universal fareless transit policies for a variety of reasons. They may want to make transit more affordable to disadvantaged communities, allowing them to have greater mobility and, therefore, access to food, jobs, health care, and green space. They may be seeking to reduce car emissions and related pollution by discouraging car use. Or, they may want to increase rider safety by increasing ridership and eliminating disputes over fares. Some transit agencies have implemented fareless policies as a way to improve cost efficiency, eliminating the need for expensive fare management and enforcement systems.

Universal fareless transit is not new to Los Angeles County. The first-ever fareless system in the nation was established in Commerce, California, in 1960, and continues today.¹⁴ In 2020, the COVID-19 pandemic prompted the LA Metro, the largest public transit agency in Los Angeles County, to eliminate fares on buses for almost two years.¹⁵ In January 2022, LA Metro resumed collecting fares and is currently focused on using discount programs with eligibility requirements and fare capping as ways to address affordability and mobility for low-income riders.



13 “The Map of Fare-Free Public Transport,” Free Public Transport website, December 15, 2022, <https://freepublictransport.net/map/>.

14 “Zero Fare Transit,” Shared-Use Mobility Center, July 5, 2022, Mobility Learning Center case study, available at <https://learn.sharedusemobilitycenter.org/casestudy/zero-fare-transit/>.

15 Dave Sotero, “L.A. Metro to Offer Discounted Fares for Riders when Fare Collection Resumes Starting January 10, 2022,” November 8, 2021, update on the LA Metro website, <https://www.metro.net/about/1-a-metro-to-offer-discounted-fares-for-riders-when-fare-collection-resumes-starting-january-10-2022/>.

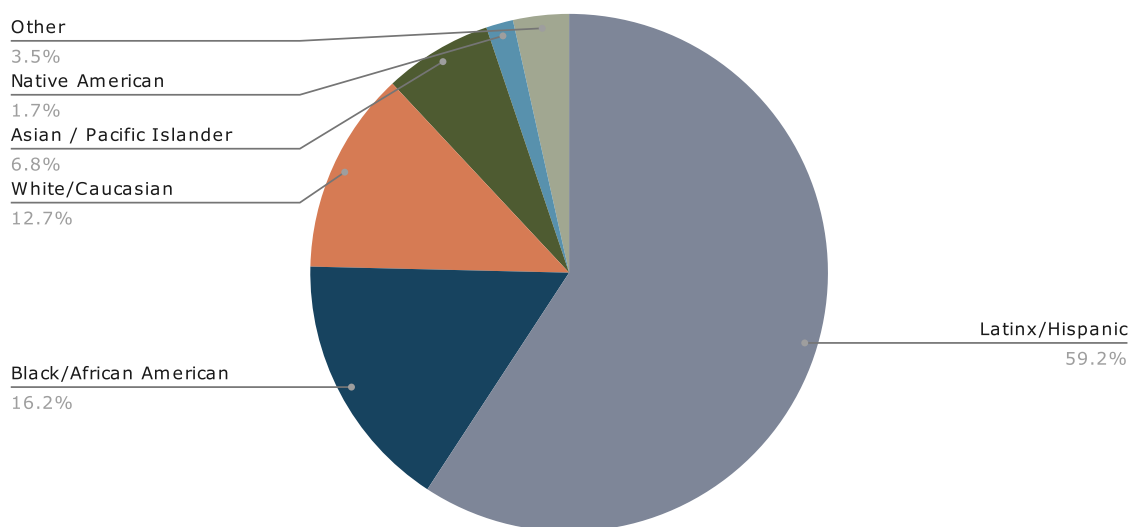
4. UNIQUE CHARACTERISTICS OF LOS ANGELES' PUBLIC TRANSIT

A. Rider Demographics

Most Los Angeles County households rely on a car as their primary mode of transportation.¹⁶ Many residents who cannot drive—youth, the elderly, and visually impaired or disabled people—or who cannot afford to own cars depend on the public transit system managed and operated by LA Metro.

Unlike public transit agencies in other large cities, such as New York or Chicago, LA Metro serves mostly low-income people of color. Seventy-five percent of the agency's ridership identifies as Latinx or Black, 12.7% as white (Figure 1), and approximately 63% of riders earn household incomes of less than \$25,000 annually,¹⁷ with 40% subsisting on household incomes under \$15,000 per year (Figure 2).¹⁸

FIGURE 1: RACE AND ETHNICITY OF LA METRO RIDERSHIP (2022)



(By comparison, 37% of New York City's MTA ridership is white, and households making under \$20,000 annually make up only 9%).¹⁹ LA Metro's bus riders tend to be worse off, financially; nearly 68% live on household incomes of less than \$25,000 per year (Figures 2 and 3).²⁰ (A family of four making less than \$27,750 per year is considered to be living in poverty, according to the U.S. Department of Housing

¹⁶ Los Angeles County Transportation Briefing, July 2018, https://ourcountyla.lacounty.gov/wp-content/uploads/2018/08/Our-County-Transportation-Briefing_For-Web.pdf.

¹⁷ "2022 LA Metro Customer Survey," ETC Institute, May 2022, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

¹⁸ Ibid.

¹⁹ "New York City Travel Survey," June 30, 2020, survey on the New York Metropolitan Transportation Authority website, <https://new.mta.info/document/28971>.

²⁰ "2022 LA Metro Customer Survey," ETC Institute, May 2022, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

and Urban Development [HUD]).²¹ Thus, for the majority of LA Metro riders, the expense of riding a bus or train every day, much less multiple times a day, especially in combination with the region’s high housing costs, is financially burdensome. These riders are poorly served by LA Metro’s discount programs, which are not well publicized, difficult to access, and unfavorable to cash users.

FIGURE 2: HOUSEHOLD INCOME OF LA METRO TRAIN AND BUS RIDERS (2022)

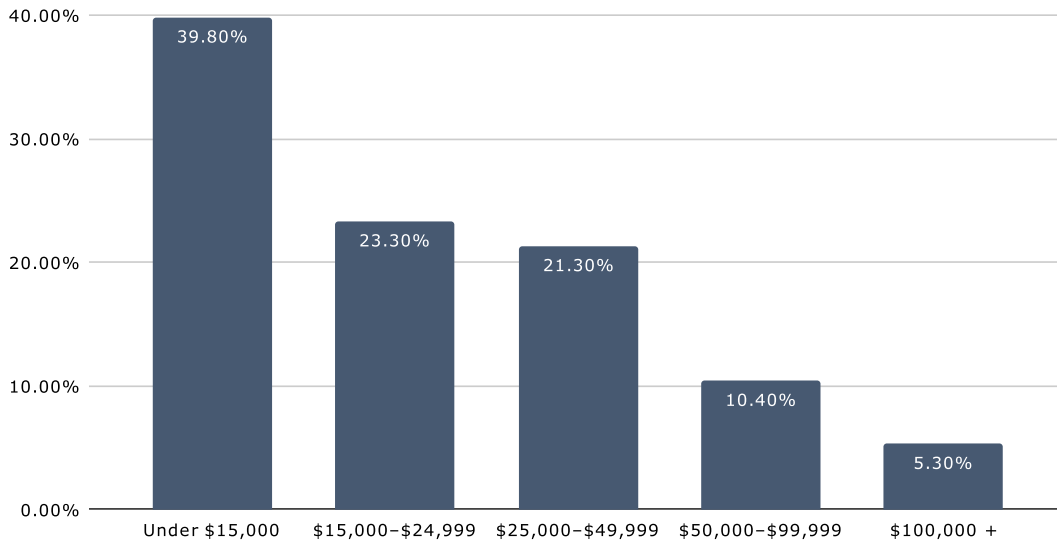
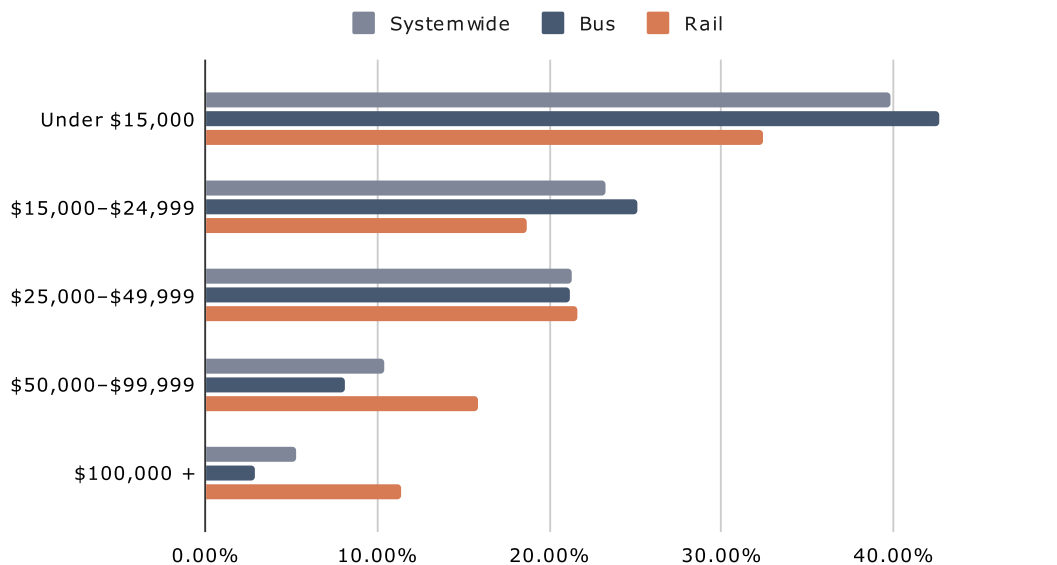


FIGURE 3: HOUSEHOLD INCOME OF LA METRO RIDERSHIP (2022)



²¹ “Poverty Guidelines for Los Angeles County, California,” Los Angeles Almanac, 2022, <https://www.laalmanac.com/social/so24.php>.

B. Farebox Recovery Ratio

The farebox recovery ratio—the fraction of operating expenses covered by passenger fares—is a metric used by local, state, and federal transit agencies and governments to assess performance and determine funding allocations. Generally, the larger the transit system, the larger the farebox recovery ratio. In spite of being one of the largest transit systems in the nation, LA Metro has an unusually low farebox recovery ratio compared to other agencies with comparable ridership (Table 1). In fiscal year 2019, before the pandemic, that ratio was 14.6%; last year, it totaled just 4.8% (Table 2).²² Compare this to New York MTA, which had a farebox recovery ratio of 52.6% in fiscal year 2019, or to Bay Area Rapid Transit, which had a farebox recovery ratio of 71.7% in fiscal year 2019 (Figure 4). LA Metro is primarily funded by local sales taxes and state and federal money.

TABLE 1. FAREBOX RECOVERY RATIO OF US TRANSIT AGENCIES WITH LARGEST RIDERSHIP (FISCAL YEAR 2019)		
	UNLINKED PASG RIDES	FAREBOX RECOVERY RATIO
MTA New York City Transit (NYCT)	3.45B	52.6%
Chicago Transit Authority (CTA)	455.8M	40.7%
Los Angeles County Metropolitan Transportation Authority (LA Metro)	379.7M	14.6%
Massachusetts Bay Transportation Authority (MBTA)	366.7M	44.6%
Washington Metropolitan Area Transit Authority (WMATA)	354.7M	33.0%
Southeastern Pennsylvania Transportation Authority (SEPTA)	308.3M	35.0%
New Jersey Transit Corporation (NJ TRANSIT)	267.3M	43.3%
City and County of San Francisco (SFMTA)	223.3M	23.0%
MTA Bus Company (MTABUS)	135.1M	26.3%

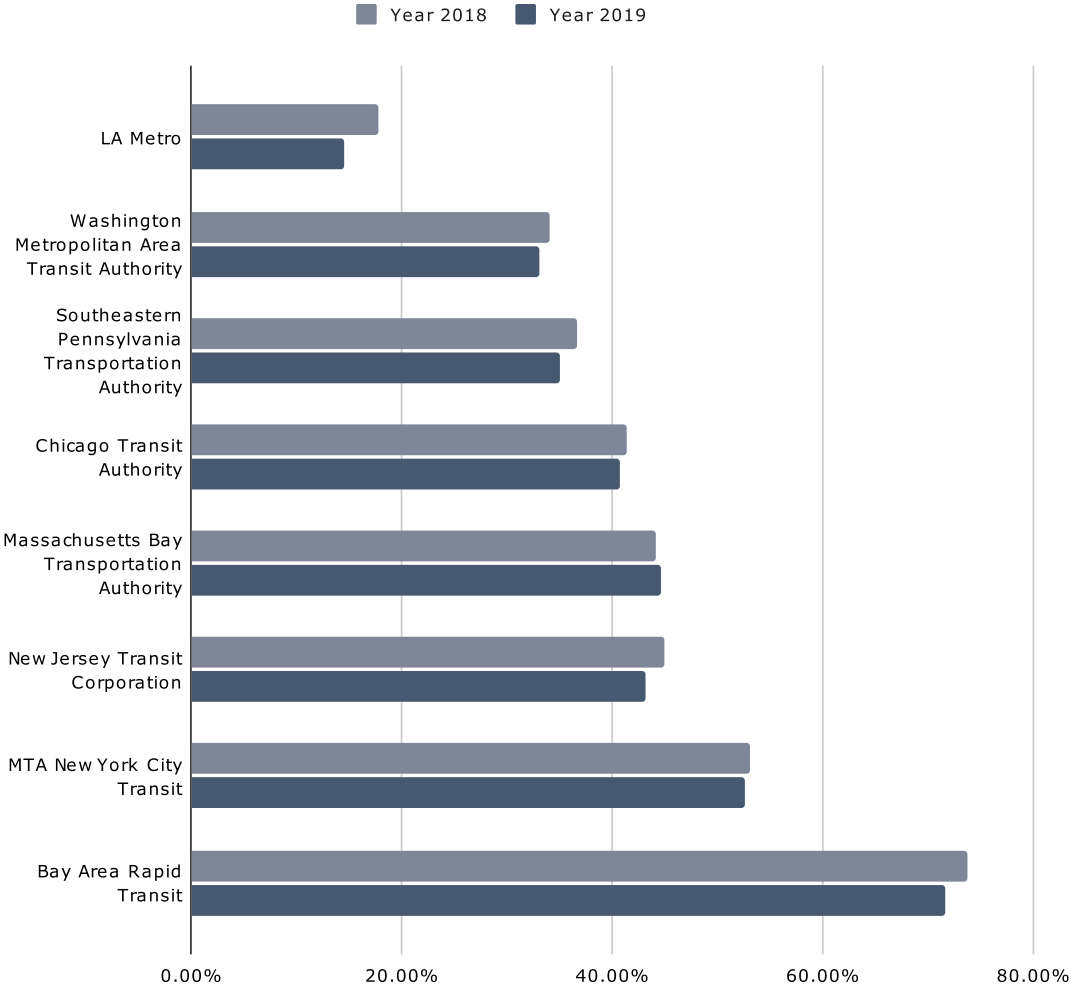
²² 14.6% is from the Federal Transit Administration's National Transit Database for fiscal year 2019, and 4.8% is the projected percentage of the operations budget that fare revenues for fiscal year 2023 will cover. We use two different sources because the FTA's National Transit Database data is only available up to FY 2021, and LA Metro's annual budgets have projections for each year.

TABLE 2. FAREBOX RECOVERY RATIO FOR LA METRO (FISCAL YEARS 2018–2021)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Farebox Recovery Ratio	17.7%	14.6%	10.8%	4%	3.9%	4.8%

Source: Data for fiscal years 2018-21 are from the Federal Transit Administration's National Transit Database, and data for fiscal years 2022-23 are from LA Metro's adopted budgets, available online. We use two data sources because the national transit database—the standard source—only provides data through fiscal year 2021.

FIGURE 4: FAREBOX RECOVERY RATIOS FOR MAJOR US TRANSIT AGENCIES (FISCAL YEARS 2018–19)



LA Metro’s capital and operating budget for fiscal year 2023 is \$8.8 billion.²³ Half of this money is expected to come from sales tax revenue generated by Measures M and R and Propositions A and C. Revenue from fares is expected to make up just 1.2% of this budget (Figure 5).²⁴ Most of LA Metro’s operation costs will be funded by local subsidies and state and federal grants, with fares making up only 4.8% of the agency’s operations budget (Figure 6).²⁵

FIGURE 5: LA METRO OPERATIONS AND CAPITAL RESOURCES (FISCAL YEAR 2023)

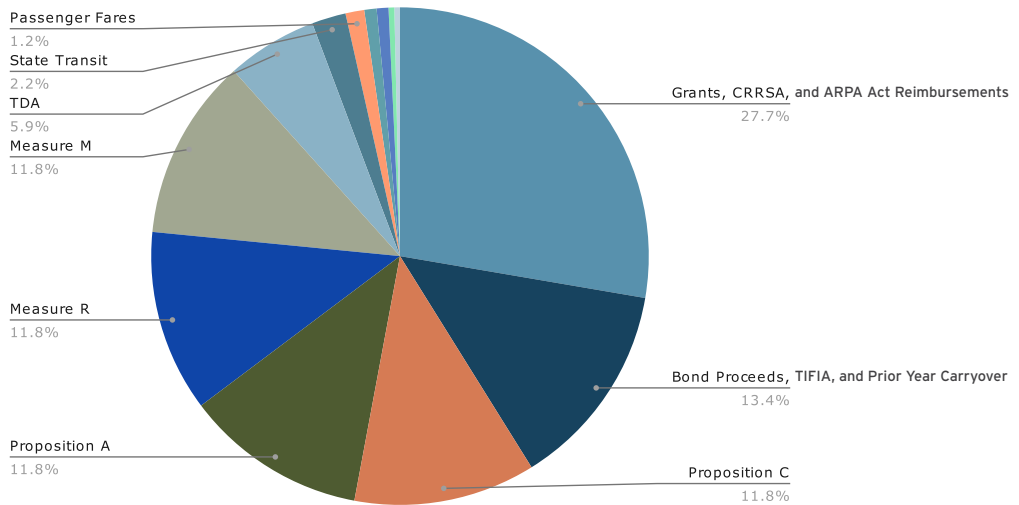
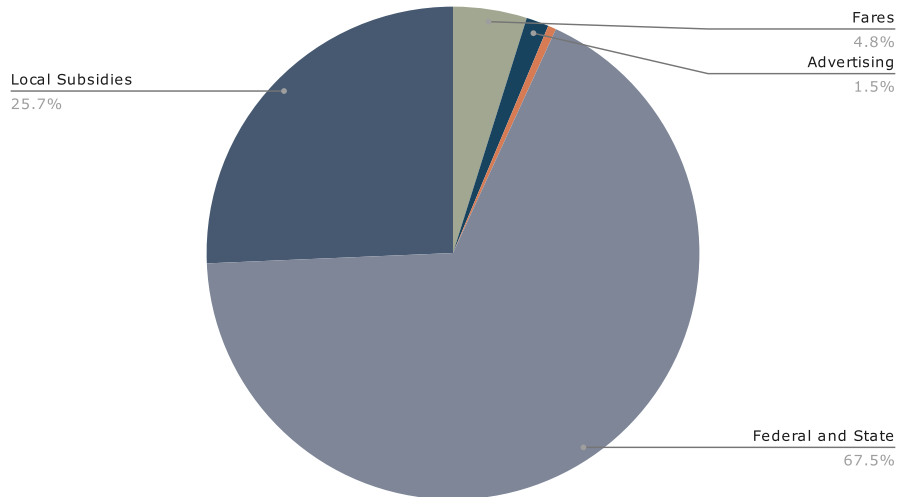


FIGURE 6: LA METRO OPERATIONS RESOURCES (FISCAL YEAR 2023)



²³ “Adopted Budget: July 1, 2022–June 30, 2023,” available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11ci-1az/FY23%20Adopted%20Budget.pdf?dl=0>.

²⁴ Ibid.

²⁵ See Appendix 1 for a more detailed breakdown of LA Metro’s operations resources.

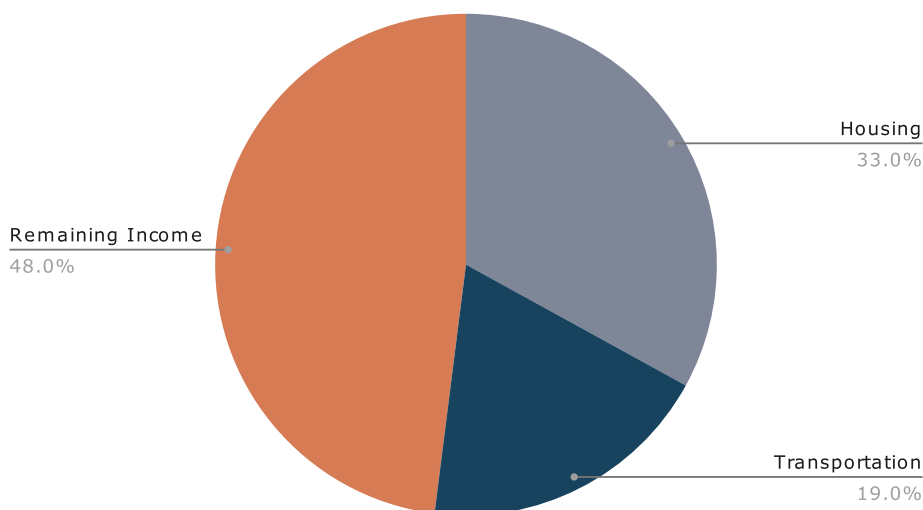
5. THE CASE FOR FARELESS: ADVANCING EQUITY

A. Alleviating the Transportation Burden

Los Angeles County is not an affordable place to commute. The Center for Neighborhood Technology created the Housing and Transportation Affordability Index (H+T Index) to provide a comprehensive view of housing and transportation affordability across the U.S.²⁶ They define a transportation-burdened household as one in which the portion of income spent on transportation exceeds 15% annually.²⁷ They also assess transportation burden in the context of housing burden, which, according to HUD, occurs when the portion of household income spent on housing exceeds 30% annually.²⁸ Whenever the combined costs of housing and transportation exceed 45% of annual household income, that household is considered transportation burdened.²⁹

Most Los Angeles County households spend more than they can afford on getting around. According to the H+T Index, transportation is the second-largest cost for most households in Los Angeles County, with the average cost per household eating up 19% of income annually (Figure 7).³⁰ Eighty-four percent of county residents spend more than 15% of their annual income on transportation (Table 3).³¹

FIGURE 7: AVERAGE HOUSING AND TRANSPORTATION BURDEN IN LOS ANGELES COUNTY (2019)



26 The Center for Neighborhood Technology's H+T Index uses American Community Survey Data from the U.S. Census Bureau to delineate two types of households, Regional Typical Households and Regional Moderate Households. According to the index, the Regional Moderate Household assumes a household income of 80% of the area median, the regional average household size, and the regional average commuters per household. The Regional Typical Household assumes a household income that is the median income for the region, the average household size for the region, and the average commuters per household for the region. "The Housing and Transportation (H+T) Affordability Index," The Center for Neighborhood Technology (CNT), <https://htaindex.cnt.org/>.

27 The CNT's 15% threshold for transportation burden is widely used, including by California's Housing and Community Development Department, which cites the H+T Index on their website, and by the Department of Housing and Urban Development, which funds the H+T Index.

28 "Glossary of Terms to Affordable Housing," fact sheet published by the U.S. Department of Housing and Urban Development, <https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm>.

29 "The Housing and Transportation (H+T) Affordability Index," The Center for Neighborhood Technology, <https://htaindex.cnt.org/>.

30 Ibid.

31 Ibid. See Figures 8–13 for a more detailed breakdown of housing and transportation burden in Los Angeles.

**TABLE 3. HOUSING AND TRANSPORTATION BURDEN OF L.A. COUNTY
REGIONAL AND TYPICAL HOUSEHOLDS (2019)**

Regional Typical Households			
	Average % of Household Income Spent	% of Households Exceeding Burden Threshold	Burden Threshold
Transportation	19%	84%	15%
Housing	33%	53%	30%
Combined	52%	69%	45%
Regional Moderate-Income Households			
	Average % of Household Income Spent	% of Households Exceeding Burden Threshold	Burden Threshold
Transportation	23%	92%	15%
Housing	41%	78%	30%
Combined	64%	89%	45%
<p>Source: "The Housing and Transportation (H+T) Affordability Index," The Center for Neighborhood Technology.</p> <p>Regional Moderate Household assumes a household income of 80% of the area median and the regional averages for household size and commuters per household. Regional Typical Household assumes a household income that is the median income for the region and the regional averages for household size and commuters per household.</p>			

FIGURE 8: REGIONAL TYPICAL TRANSPORTATION BURDEN (2019)

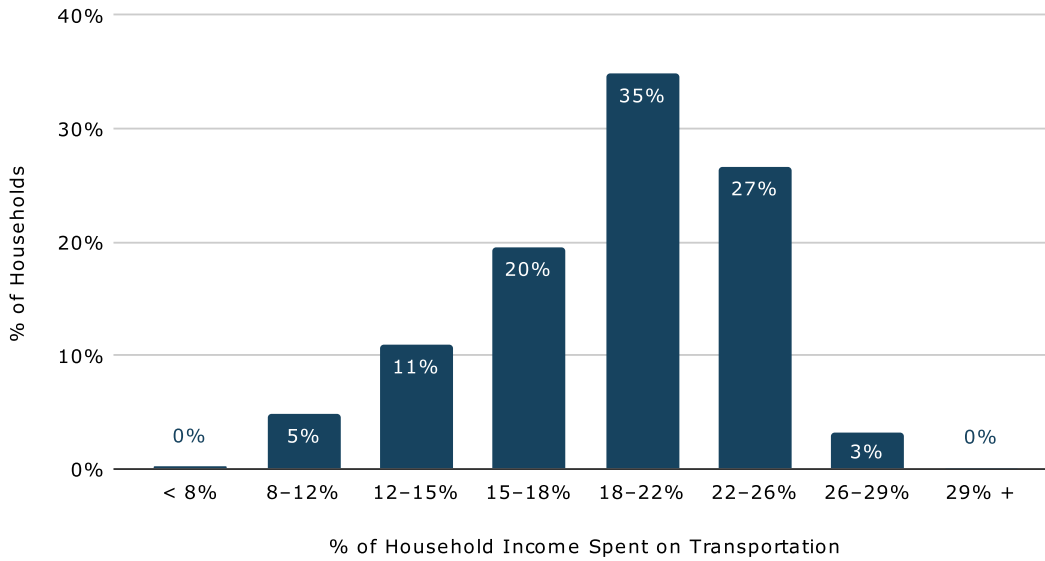


FIGURE 9: REGIONAL MODERATE TRANSPORTATION BURDEN (2019)

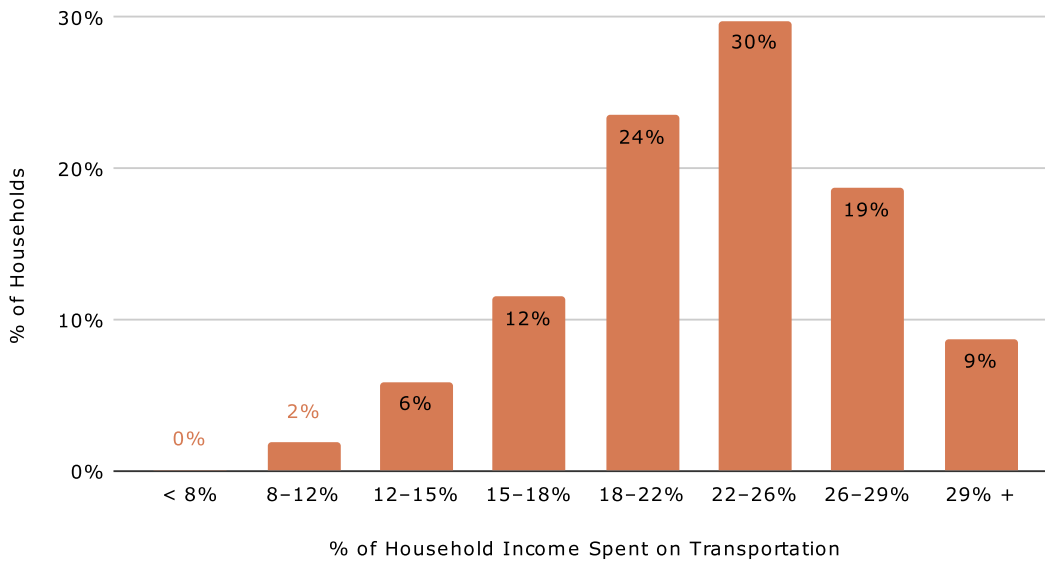


FIGURE 10: REGIONAL TYPICAL HOUSING BURDEN (2019)

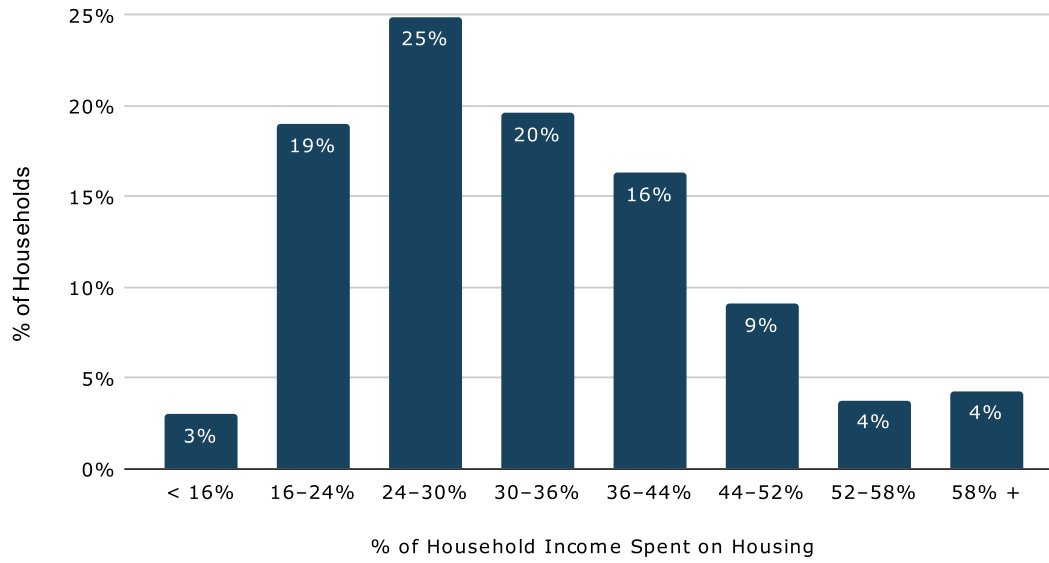


FIGURE 11: REGIONAL MODERATE HOUSING BURDEN (2019)

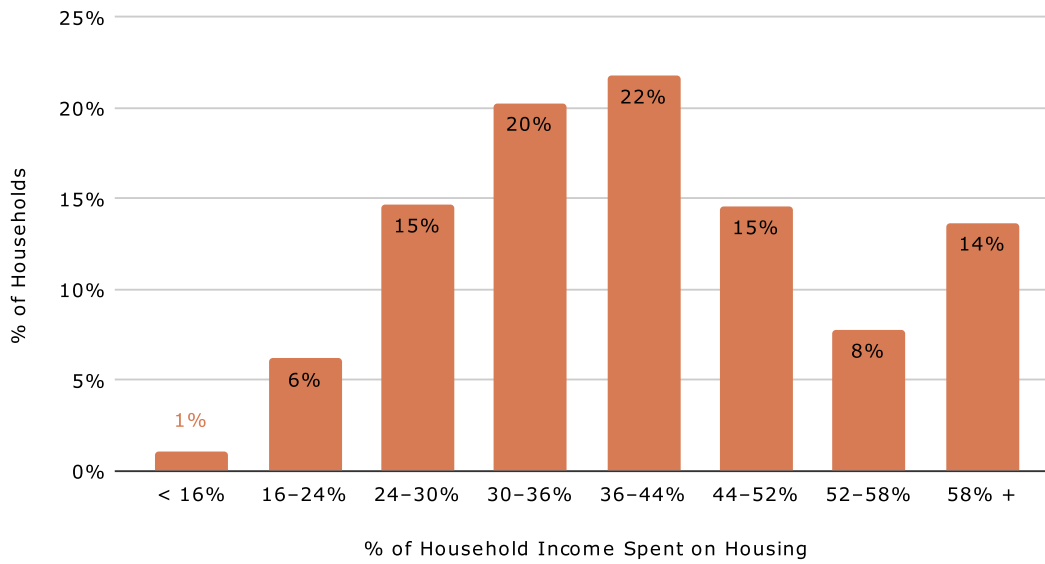


FIGURE 12: REGIONAL TYPICAL HOUSING AND TRANSPORTATION BURDEN (2019)

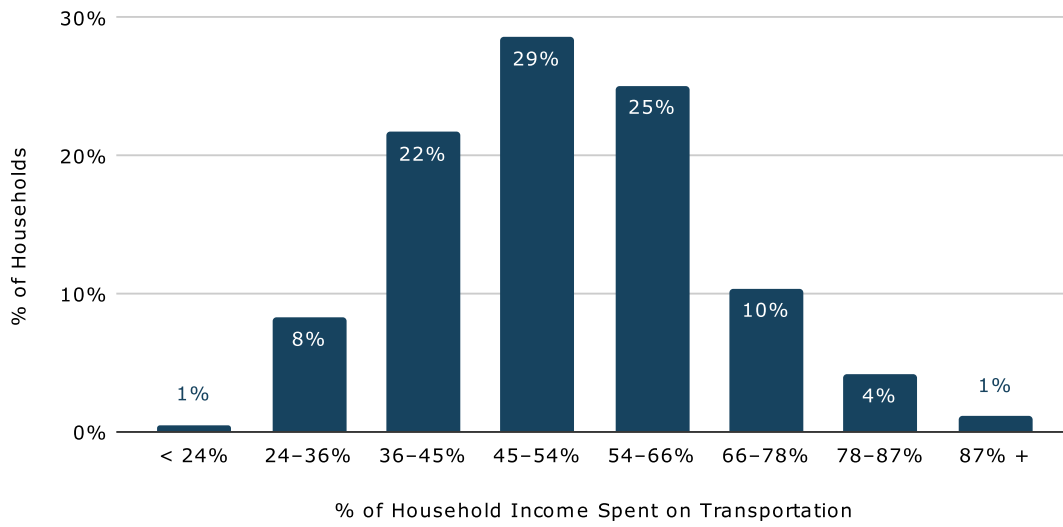
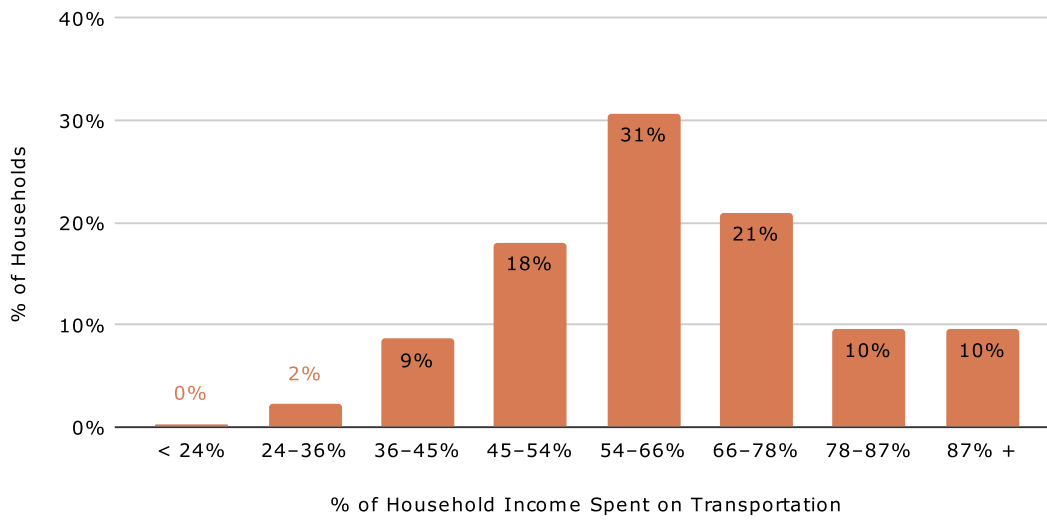
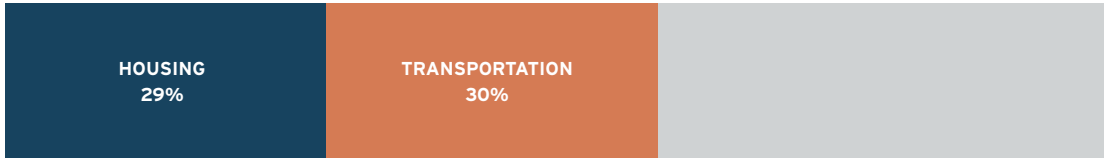


FIGURE 13: REGIONAL MODERATE HOUSING AND TRANSPORTATION BURDEN (2019)

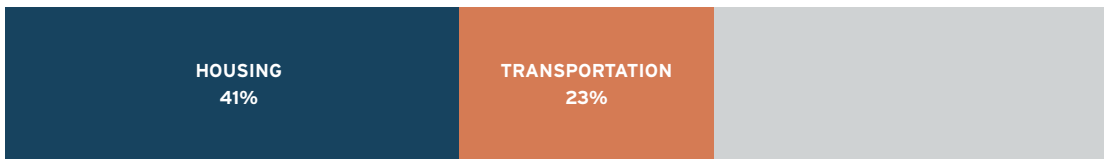


HOUSING AND TRANSPORTATION COSTS BY PERCENTAGE
OF INCOME FOR REGIONAL MODERATE HOUSEHOLDS
IN LOW-INCOME NEIGHBORHOODS IN L.A.

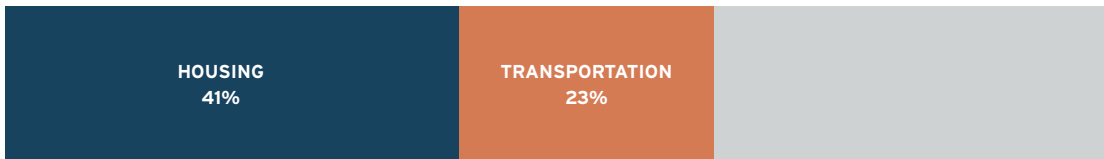
HISTORIC SOUTH CENTRAL



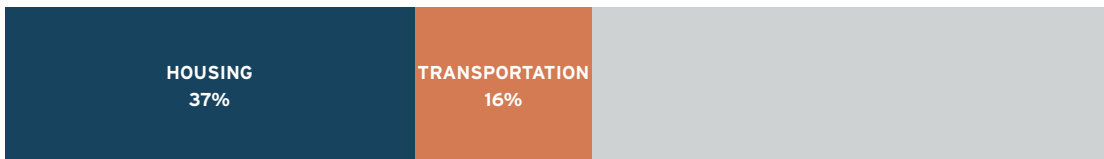
BOYLE HEIGHTS



EAST LOS ANGELES



UNIVERSITY PARK



Cost to Ride LA Metro

Currently, LA Metro riders pay \$1.75 for a one-way ticket, \$3.50 for a round-trip ticket, and, until recently, \$100 for a monthly pass.³² Under the agency's fare restructuring, proposed in late 2022 and planned to go into effect in summer 2023, riders will pay \$5 per day and \$18 per week or \$72 a month for unlimited rides. To participate in fare capping, riders must store money on and use a TAP fare card rather than pay in cash. Cash riders will pay a flat \$1.75 per ride.

³² Until the fare restructuring is implemented, monthly passes are being discounted for \$50 per month for unlimited trips on the LA Metro system.

These costs add up when several members of a household depend on public transit. As one rider put it, “Apparently a dollar is just a dollar, but on my end, I use [the bus] four times a day, so it’s a lot. Sometimes we don’t have money to eat, and paying for [transit] without money, we have to limit ourselves with other things because of expenses.”³³ A family of four might have two adults and two teenagers who each need to use LA Metro daily. Even with fare capping, this family might spend more than \$3,456 per year commuting to jobs, school, and activities. Five of the households we surveyed in December 2022 each reported earning under \$15,000 in annual income and having more than six members who use public transit. One of these households also reported that their members pay LA Metro fares in cash.³⁴ Considering that 63% of LA Metro riders subsist on household incomes of less than \$25,000 per year, it is easy to see how the percentage of income spent on transportation costs can exceed the 15% threshold for transportation burden for the majority of riders. For the 40% of riders who earn under \$15,000 per year, this savings might add up to an extra month of income.³⁵ As one rider told us, “We live check by check. As soon as we get paid, we have to pay this, pay that, and how are we going to go about the next month?”³⁶ According to another rider, “I pay my rent, I pay my lights, I pay for transportation, I pay for food, and I have extra costs with my kids, like school. I could use the extra savings on my kids.”³⁷ Said another: “We have serious bills. Instead of buying TAP cards, we could use the money to buy something else.... Paying off other bills, getting more clothes that I need, putting food in the house.”³⁸

Discount Programs

LA Metro offers discount programs to help reduce the transportation burden on riders, but these programs have been unsuccessful in reaching all those who qualify for them. The agency has discount programs for seniors, people with disabilities, students, and low-income riders and uses means testing to determine eligibility.³⁹ Enrollment in these programs remains low despite the fact that LA Metro has spent millions of dollars in outreach and marketing efforts: qualifying riders are either unaware they exist, or they face barriers to applying, including not having the technology to apply online, not knowing where or how to apply in person, or not being able to complete the application process.⁴⁰

33 Rider #3, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 3 for a detailed summary of methodology and findings.

34 Strategic Actions for a Just Economy bus rider survey, December 2022. See Appendix 2 for a detailed summary of methodology and findings.

35 “2022 LA Metro Customer Survey,” ETC Institute, May 2022, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

36 Rider #1, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 2 for a detailed summary of methodology and findings.

37 Rider #10, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 2 for a detailed summary of methodology and findings.

38 Rider #13, *ibid*.

39 “Means testing” refers to the process of determining eligibility for benefits or services based on an individual’s income or assets.

40 Ryan Fonseca, “Want to Save Money on Public Transit? Here’s How,” *LAist*, January 13, 2022, <https://laist.com/news/transportation/how-to-save-money-on-public-transit-la-county>.

As a rider we spoke with explained, “I pay for each ride. I did have a [discount] card. It’s like orange or yellow and had my face at the top, but I don’t know where the place [to obtain the card] is anymore. It’s for disabled people with SSI. I don’t know where to get the card anymore.”⁴¹

Means testing, in particular, often requires riders to provide paperwork to prove their incomes or other personal information. This can present obstacles for people who do not have easy access to such documents—they don’t have pay stubs because they are paid in cash, for example—or who have privacy concerns, such as undocumented riders. Means testing is also often stigmatizing, making riders feel shamed, punished, or unwelcome and therefore resistant to applying.⁴² LA Metro’s LIFE discount program for very-low-income riders no longer requires proof of income and is self-certified, but the agency still requires applicants to provide a form of identification. LA Metro also randomly audits LIFE enrollees; we were not able to determine what documents the agency asks for, what the consequences are for those who may not be eligible but who are enrolled, or how much money these audits cost the agency per year.

LIFE Program

The Low Income Fare Is Easy (LIFE) program is LA Metro’s discount program for riders who meet HUD’s criteria for very-low-income status.⁴³ Very-low-income households make at or below 50% of the median income for the county; in 2022, that threshold for a family of four was \$59,550.⁴⁴ The LIFE program costs millions of dollars to run and has proven to be both ineffective and inefficient. The agency has spent approximately \$3.5M per year on administering LIFE, contracting with FAME Corporations and the International Institute of Los Angeles to staff and maintain it.⁴⁵ Transit riders and advocates have pointed out the many ways in which the program is difficult for very-low-income riders to access,⁴⁶ including a lack of awareness it exists, a long enrollment process, complicated paperwork, and poor customer support for applicants, all of which LA Metro has spent money to improve. LA Metro estimates that 70% of its ridership is eligible for the LIFE program.⁴⁷ As of November 2022, just 33% of those eligible were enrolled.⁴⁸ Our own bus rider survey of 113 riders found that at least 94% of respondents were eligible for LIFE, but only 20% had ever heard of it (See Appendix 2).

41 Rider #14, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 3 for a detailed summary of methodology and findings.

42 Jennifer Stuber and Mark Schlesinger, “Sources of Stigma for Means-Tested Government Programs,” *Social Science Medicine* 63, no. 4 (August 2006): 933–45, <https://pubmed.ncbi.nlm.nih.gov/16542766/>.

43 “LIFE: Low-Income Fare Is Easy,” LA Metro TAP system website, https://www.taptogo.net/LIFE_Application_step1.

44 Megan Kirkeby, memo to the California Department of Housing and Community Development on State Income Limits for 2022, May 13, 2022, <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf>.

45 “Our Team,” staff list on the Fame Corporations website, <https://www.famecorporations.org/our-team/>, accessed January 2023.

46 “Concerns with Items 45 & 46 - Fareless Transit Pilot Program,” letter to the LA Metro Board of Directors from the ACT-LA coalition, May 2021, <http://allianceforcommunitytransit.org/wp-content/uploads/2021/05/ACT-LA-Fareless-Transit-Letter-May-2021.pdf>.

47 Elina Maldonado, “Want To Save Money on Public Transit? Here’s How,” *LAist*, February 16, 2019, <https://laist.com/news/transportation/how-to-save-money-on-public-transit-la-county>.

48 Steve Scauzillo, “LA Metro Adds Nearly 90,000 Low-Income Fare Pass Holders as Rate Hikes Loom,” *Los Angeles Daily News*, November 4, 2022, <https://www.dailynews.com/2022/11/04/on-cusp-of-higher-fares-la-metro-holds-outreach-and-nearly-doubles-low-income-fare-pass-holders/>. LA Metro states that roughly 70% of its membership are eligible for LIFE. In December 2022, the agency estimated that it had 780K riders. As of November 2022, only 182K riders of the 546K eligible were enrolled in the LIFE program.

GoPass Program

LA Metro's GoPass, launched in 2021, is a two-year pilot program that offers fare-free rides to Los Angeles County students at all LAUSD K-12 schools and some participating charter schools and community colleges—1,368 schools in total.⁴⁹ The cost to administer this program is \$3M annually.⁵⁰ In order for the program to be successful, participating schools must dedicate their own staff time to making students aware of the program and encouraging enrollment. In the lead up to launching the program, LA Metro staff estimated that about a million students would benefit, and distributed one million TAP cards to participating schools. Only 15% of these cards, or 160,000, have been registered for use as of October 2022.⁵¹

Cash-Paying Riders

Further undermining LA Metro's fare-capping and discount programs is the fact that 28% of LA Metro riders pay in cash,⁵² according to a 2019 customer survey, while a 2023 survey found that 43% of LA Metro bus riders pay in cash,⁵³ which makes participating in these programs difficult, if not impossible. According to a survey conducted by the Federal Deposit Insurance Corporation in 2019, 7.1% of Los Angeles-area households do not have a bank account, compared to 5.4% of households nationwide.⁵⁴



49 "GoPass School Listings," list of schools that participate in the GoPass program available on the LA Metro website, September 30, 2022, https://docs.google.com/spreadsheets/d/e/2PACX-1vSWbwrsqF-c---4fw0LZWymd-f8sy8s-LYkXgz0OyeGATWwrvv7V1Mq5BcApn7F_-WYKP1KXy5shKw/pubhtml.

50 This information was provided by LA Metro in response to our CPRA request.

51 "Fareless System Initiative (FSI) and Low Income Fare is Easy (LIFE) Update October 2022," available on the LA Metro website, <https://metro.legistar.com/LegislationDetail.aspx?ID=5887396&GUID=639DC568-2B43-42AB-B5E8-FB08E495A1A6&Options=ID|Text|&Search=gopass>.

52 "2022 LA Metro Customer Survey," ETC Institute, May 2022, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

53 Steve Scauzillo, "At LA Metro, Going Cashless Is a Bumpy Road, Especially for the 'Unbanked,'" Los Angeles Daily News, April 24, 2023, <https://www.dailynews.com/2023/04/25/at-la-metro-going-cashless-is-a-bumpy-road-especially-for-the-unbanked/>.

54 James Cutchin, "FDIC Report Points to Ongoing Unbanked Problem for LA," Los Angeles Business Journal, December 20, 2020, <https://labusinessjournal.com/finance/banks/fdic-report-points-ongoing-unbanked-problem-la>.

This is especially true in low-income immigrant communities, where language barriers, a distrust of financial institutions, the fear of deportation, or being paid in cash may deter residents from using banks.⁵⁵ Seventy percent of LA Metro’s cash-paying bus riders are among this unbanked or underbanked population, meaning they do not have the ability to pay for discount passes with credit or debit cards or checks.⁵⁶

LA Metro’s discount programs set up a system in which cash-paying riders, the group likely most burdened by the cost of transportation, are paying the most in fares.⁵⁷ Said one rider we spoke with, “I pay cash because...with the [TAP] card, they ask you for social security, they even ask you for residency. We don’t have anything.”⁵⁸ Another added that being unable to fill a TAP card or forgetting it, and having to pay cash, punishes riders that the system is supposed to be set up to help: “There are bills, rent, things for our children, and there are a lot of costs. Sometimes, when I can’t pay the monthly fee or when I forget my [TAP] card, I have to pay the \$1.75 [in cash]—and I grab three buses!”⁵⁹

B. Increasing Mobility for Disadvantaged Communities

The transportation burden represents more than just a financial cost for LA Metro riders. The lack of affordability limits mobility for low-income communities, exacerbating existing inequities. Riders who must reduce or forgo their use of public transportation to be able to afford other necessities lose access to jobs, education, food, health care, green space, and other resources that may otherwise be out of range and, therefore, reach.

LA Metro acknowledges the connection between mobility and equity: in 2018, the LA Metro Board of Directors adopted the Equity Platform, stating that the agency must do more to support their core ridership. According to the Equity Platform framework, “Vast disparity exists in LA County among neighborhoods and individuals...as a transportation leader, LA Metro can and should address disparities.”⁶⁰ The agency articulates this commitment to equity on its website, asserting that “Transportation infrastructure, programs, and service investments must be targeted toward those with the greatest mobility needs first, in order to improve access to opportunity for all.”⁶¹

LA Metro CEO Stephanie Wiggins named mobility as one of the agency’s top priorities when her hiring was announced, stating that “LA County has great mobility needs that we must develop with goals of achieving better health, opportunity

55 “2021 FDIC National Survey of Unbanked and Underbanked Households,” November 14, 2022, available on the FDIC website at <https://www.fdic.gov/analysis/household-survey/index.html>.

56 Steve Scauzillo, “At LA Metro, Going Cashless Is a Bumpy Road, Especially for the ‘Unbanked,’” *Los Angeles Daily News*, April 24, 2023, <https://www.dailynews.com/2023/04/25/at-la-metro-going-cashless-is-a-bumpy-road-especially-for-the-unbanked/>.

57 In their 2022 annual customer survey, LA Metro found that 28% of all riders and 33.4% of bus riders pay in cash rather than with a prepaid TAP card, and 58.8% of riders do not receive any kind of fare discount. “2022 LA Metro Customer Survey,” ETC Institute, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

58 Rider #4, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 2 for a detailed summary of methodology and findings.

LIFE does not require applicants to provide SSN, however, individuals maintain the perception that applications for government programs require the types of documentation undocumented people either do not have or are not comfortable providing, which is a barrier to accessing such programs.

59 Rider 11, *ibid*.

60 “Metro Equity Platform Network,” presentation to the LA Metro Executive Management Committee, February 15, 2018, https://media.metro.net/about_us/committees/images/report_tac_epf_2018-03.pdf.

61 “Equity and Race,” September 2022, available on the LA Metro website, <https://www.metro.net/about/equity-race/>.

and equity for all of the region's residents."⁶² In her speech to the Mobility 21 Summit in August 2022, she recommitted to the priority, claiming that "Putting people first means putting Metro's customers and constituents first by improving their experience on our system. And delivering a robust transportation system that meets their needs for mobility."⁶³

Around the globe, universal fareless transit policies have been implemented to support the mobility of low-income populations by enabling them to use transit as often as they would like. In his survey of 39 universal fareless systems in the United States, Joel Volinski found that eliminating fares increased ridership no less than 20%, and that the majority of new trips were made by existing riders, suggesting improved mobility.⁶⁴ In Dunkirk, France, fareless was initiated to support low-income families that could not afford to front the lump-sum cost of monthly passes.⁶⁵ Zory, Poland, implemented a fareless policy to give working-class people, youth, and the elderly greater access to economic and social opportunities.⁶⁶ In our own group interviews with riders, we heard that the cost of transportation does limit their mobility. "I walk a little more...because [the bus is] \$1.75," said one rider.⁶⁷ Another told us, "I definitely don't ride as much as before because I am trying to save as much money as I can. I only ride it whenever I have to go to work.... Before I would go to festivals, the beach, and the library, and fun stuff like museums. And now, I stopped doing that because Metro is getting more expensive."⁶⁸

After implementing universal fareless policies, Dunkirk saw more elderly people using city amenities,⁶⁹ Aubagne, France, saw disadvantaged youth traveling into the city center more often,⁷⁰ and Hasselt, Belgium, found that people who did not own cars used public transit to take more trips to the grocery store.⁷¹ Research also shows that mobility and access increased for financially burdened groups in Estonia,⁷² and that in Kansas City, riders attributed a better quality of life to the city's Zero Fare policy.⁷³

62 Steve Hymon, "Metro Board approves Metrolink CEO Stephanie Wiggins as next CEO of LA Metro," *The Source*, April 8, 2021, <https://thesource.metro.net/2021/04/08/metro-board-approves-metrolink-ceo-stephanie-wiggins-as-next-ceo-of-la-metro/>.

63 Stephanie Wiggins, "Metro CEO Stephanie Wiggins on Putting People First," *The Source*, August 19, 2022, <https://thesource.metro.net/2022/08/19/metro-ceo-stephanie-wiggins-on-putting-people-first/>.

64 "Implementation and Outcomes of Fare-Free Transit Systems," *National Academies of Sciences, Engineering, and Medicine*, 2012, <https://doi.org/10.17226/22753>.

65 Laura Bliss, "How Free Transit in Dunkirk, France, Shocked Citizens," *Bloomberg*, December 12, 2017, <https://www.bloomberg.com/news/articles/2017-12-20/how-free-transit-in-dunkirk-france-shocked-citizens>.

66 See Judith Dellheim and Jason Prince, *Free Public Transit: And Why We Don't Pay to Ride Elevators* (Chicago: University of Chicago Press, 2017).

67 Rider #9, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 2 for a detailed summary of methodology and findings.

68 Rider #15, *ibid.*

69 Laura Bliss, "How Free Transit in Dunkirk, France, Shocked Citizens," *Bloomberg*, December 12, 2017, <https://www.bloomberg.com/news/articles/2017-12-20/how-free-transit-in-dunkirk-france-shocked-citizens>.

70 Wojciech Kęblowski, "A 'New May 1968' in Aubagne," in Judith Dellheim and Jason Prince, *Free Public Transit: And Why We Don't Pay to Ride Elevators* (Chicago: University of Chicago Press, 2017): 103–10.

71 Michael Brie, "Belgium: Ending the Car Siege in Hasselt," in *ibid.*, 81–88.

72 Oded Cats, Yusak O. Susilo, and Triin Reimal, "The Prospects of Fare-Free Public Transport: Evidence from Tallinn," *Transportation* 44 (2017): 1083–104, <https://link.springer.com/article/10.1007/s11116-016-9695-5>.

73 Linwood Tauheed and Panayiotis Manalagos, "RIDEKC- ZEROFARE: Quality-of-Life Survey 2021," University of Missouri-Kansas City Center for Economic Information, 2021. In "Charting the Path Forward: Is Equity Enough? 2021 State of Black Kansas City," report by the Urban League of Greater Kansas City, 2021, 80–85, https://static1.squarespace.com/static/59c3f63f49fc2b9eb12a6663t/61846fee0c2adb21f8e9835/1636069365443/2021%20SOBKC%20Charting%20the%20Path%20Forward%20flipbook_PDF.pdf.

CASE STUDY: TALLINN, ESTONIA

Population: 400,000

Tallinn is Estonia's capital and largest city. Former Mayor Edgar Savisaar instituted universal fareless transit to give low-income residents financial relief and increase their mobility.⁷⁴ Implementation began in 2013.⁷⁵

In 2016, researchers analyzed a survey comparing travel modes, including walking, biking, driving, and riding public transportation, prior to the implementation of the fareless policy and after. They found that the total share of trips on public transit increased by 14%, from 55% to 63%. They also found that public transit trips accounted for a greater percentage of travel modes used by riders between the ages of 15 and 19 and between 60 and 74 as well as riders over 75 and unemployed and low-income riders. The fareless policy also decreased the number of times people opted to stay home rather than travel. In another survey, more than 40% of unemployed residents credited the fareless system with improving their ability to find a job.

INCREASE IN PUBLIC TRANSIT'S SHARE OF TOTAL TRIPS BY POPULATION



21%
INCREASE



19%
INCREASE



15%
INCREASE



26%
INCREASE



32%
INCREASE

74 Daniel Baldwin Hess, "Decrypting Fare-Free Public Transport in Tallinn, Estonia," *Case Studies on Transport Policy* (2017): 690–98, <https://www.hesstonia.com/wp-content/uploads/2018/12/Decrypting-fare-free-public-transport-in-TallinnEstonia.pdf>.

75 Oded Cats, Yusak O. Susilo, and Triin Reimal, "The Prospects of Fare-Free Public Transport: Evidence from Tallinn," *Transportation* 44 (2017): 1083–104, <https://link.springer.com/article/10.1007/s11116-016-9695-5>. The findings that follow in this section are from this same source.

C. Improving Air Quality

Numerous studies have shown that low-income communities of color are disproportionately harmed by the impacts of environmental pollution and climate change.⁷⁶ The beneficial impact of fareless transit on the built environment has not been well studied, and the cities that do have some evidence of it are much smaller than Los Angeles and therefore not comparable. However, the fact that car use was reduced in these cities, including Tallinn, Estonia, and Hasselt, Germany, does suggest that a universal fareless policy could get more Los Angeles County residents out of their cars and onto public transit. This would have health and environmental benefits such as reduced emissions, shorter commute times, and more pedestrian-friendly neighborhoods for everyone in the region, especially those living in areas beset by climate inequity.

In their own 2021 study, LA Metro evaluated a set of current and proposed rider-recruitment initiatives to see which might reduce the greatest number of car miles traveled in Los Angeles County. They found that a move to fareless transit would be the most effective way to reduce transportation emissions—better than both congestion pricing and the NextGen Bus Plan to double the number of buses and frequency of service.⁷⁷ They concluded that adopting a fareless transit policy likely would reduce vehicle miles traveled (VMT) by between 50 and 60 billion through 2047 and reduce emissions by 16,389,997 metric tons,⁷⁸ which is the amount produced by 3.5 million gas-powered cars in a year.⁷⁹



76 Manuel Pastor, et al., “The Climate Gap: Inequalities on How Climate Change Hurts Americans and How to Close the Gap,” University of Southern California, 2009, https://dornsife.usc.edu/assets/sites/242/docs/ClimateGapReport_full_report_web.pdf.

77 “Metro Program Evaluation: VMT Reduced & GHG Emissions Avoided,” presentation available on the LA Metro website, January 14, 2021, https://jimbotimes.com/wp-content/uploads/2022/05/Metro-Program-Evaluation-VMT-Reduced-GHG-Emissions-Displaced_011422.pdf.

78 Ibid.

79 “Greenhouse Gas Equivalencies Calculator,” tool available on the Environmental Protection Agency website, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>.

CASE STUDY: KANSAS CITY, MISSOURI

Population: 460,000

Kansas City, Missouri, is served by four public transit agencies. The Kansas City Area Transportation Authority (KCATA) is the largest; it runs most bus service in the city and operates routes in seven neighboring counties. KCATA's farebox recovery ratio was 10.1% in Fiscal Year 2018 and 9.1% in Fiscal Year 2019.⁸⁰ As in Los Angeles, the majority of Kansas City's public transit riders are low-income people of color who do not own or have access to cars.

KCATA took a phase-in approach to universal public transit by first offering free rides for veterans in 2017, and then for students. In 2019, the Kansas City Missouri City Council voted to make the transit system permanently fareless for all. In 2020, KCATA launched the Zero Fare policy, giving the Kansas City area the largest universal fareless transit system in the U.S.⁸¹ Officials reasoned the new system would provide economic relief to low-income riders, improve access and mobility, increase ridership, reduce fare disputes, and improve efficiencies in KCATA operations.⁸²

In 2021, the Center for Economic Information (CEI) of the University of Missouri-Kansas City conducted a survey to understand the effects of the Zero Fare policy on quality of life. The survey was conducted 15 months after KCATA implemented Zero Fare, and it focused on working-class, transit-dependent riders. Most of the 1,686 respondents reported annual incomes of less than \$20,000 and lacked driver's licenses and access to cars.

The CEI survey results showed that the city's universal fareless policy had improved mobility, access, and opportunities for respondents:



92% said Zero Fare enabled them to shop for food or other essentials more often



90% said that Zero Fare increased their bus use



88% said that Zero Fare enabled them to see their healthcare provider more easily or more often



88% said Zero Fare helped them pursue personal goals



88% said Zero Fare enabled them to visit friends and loved ones more easily or more often



86% said Zero Fare made them feel that Kansas City leaders were concerned about their needs



84% said Zero Fare enabled them to travel places that were out or reach before



82% said Zero Fare helped them to get or keep jobs



79% said Zero Fare gave them access to job training or education



80% said Zero Fare increased their sense of safety on the bus

⁸⁰ "Service Data and Operating Expenses Time-Series System," National Transit Database, Federal Transit Administration website, <https://www.transit.dot.gov/ntd/data-product/ts22-service-data-and-operating-expenses-time-series-system-0>.

⁸¹ Sandy Smith, "Kansas City to Make Public Transit Free," Next City, December 11, 2019, <https://nextcity.org/urbanist-news/kansas-city-make-public-transit-free>.

⁸² "Transit Zero Fare Impact Analysis," report by the Mid-America Regional Council, April 2022, <https://www.marc.org/sites/default/files/2022-04/Transit-Zero-Fare-Impact-Analysis.pdf>.

6. THE CASE FOR FARELESS: PUBLIC MONEY THAT SERVES THE PEOPLE

A. Eliminating Ineffective Spending

LA Metro is spending a lot of public money on a fare system that not only does not serve riders, but also returns little revenue for the agency. LA Metro's farebox recovery ratio is a fraction of its operating costs: the agency is heavily subsidized by local, state, and federal funding sources, with fares making up less than 5% of revenue against budget in fiscal year 2023, and less than 15% over the past five fiscal years (Table 2).⁸³ But the feasibility of a universal fareless transit system is in part determined by a transit agency's *net farebox recovery ratio*, which is the total value of fares collected minus fare operating costs divided by transit operating expenses. According to this calculation, LA Metro's net farebox recovery ratio for fiscal year 2023 is 1.25%.

We conservatively estimate that LA Metro spends \$78.84M on its TAP fare system annually (see Appendix 9 for the full methodology), and the agency estimates they will collect \$106.5M in fares in fiscal year 2023, generating a net fare revenue of approximately \$27.66M (See Table 4).⁸⁴ We believe that the net fare revenue is likely lower; we were unable to account for all of the costs associated with collecting fares through the TAP system, and the \$78.84M in expenses does not reflect the hundreds of millions of dollars LA Metro spends on contracts with the Los Angeles Police Department, the Long Beach Police Department, and the Los Angeles County Sheriff's Department, agencies that historically have been responsible for checking fares and issuing citations.

Fare Revenue	\$106.5M
Fare System Maintenance	\$22.8M
Fare Administration	\$38.82M
Fare Program Evaluation	\$4.15M
Fare Enforcement (LA Metro Security)	\$13.07M
TOTAL Expenses	\$78.84M
Net Farebox Revenue	\$27.66M
Net Farebox Recovery Ratio	1.25%

⁸³ "Adopted Budget: July 1, 2022–June 30, 2023," available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w1lci-1az/FY23%20Adopted%20Budget.pdf?dl=0>.

⁸⁴ LA Metro's fiscal year 2023 ends in July 2023, so these budget numbers do not reflect the new fare-capping policy, which is planned to go into effect sometime in summer 2023. Because fare capping will reduce fares in some cases but continue to rely on the TAP system to operate, we expect that the agency's net farebox recovery ratio may be even lower in years to come. See section 6c of this report for more on fare capping.

Fare System Maintenance

LA Metro was unable to tell us how much they spend per year on third-party contracts to maintain TAP, their fare management and collection system. We arrived at an estimate of \$22.8M by examining twenty-four years' worth of LA Metro's contracts pertaining to TAP, including contracts for software upgrades and maintenance and the purchase and installation of fare gates, vending machines, card readers, and fare media (see Appendix 9 for the full methodology).⁸⁵ Since 2002, LA Metro has paid nearly \$400M to Cubic,⁸⁶ a private company specializing in transportation ticketing systems and weapons training for the military, to design and operate TAP.⁸⁷ LA Metro also contracts and subcontracts with several other companies to run the TAP system.

Fare System Administration

We sent multiple CPRA requests to LA Metro for information about the in-house cost of administering the TAP system. They provided the costs associated with cash collection and cash counting, TAP operation, operations gatebox unit repair and installation, communications customer information service, intelligent transportation systems, and legal/audit (see Table 5). The agency did not provide breakdowns for how they calculated these figures.

LA Metro also shared that the cost to administer the GoPass program is \$3.0M annually. We determined that LA Metro also spends at least \$3.5M to administer the LIFE fare discount program.⁸⁸

⁸⁵ We accessed these contracts by searching the LA Metro Board of Directors archives online and by submitting CPRA requests to the agency. We divided the total value of the contracts, \$502,356,302.32, by 24 (the number of years the contracts cover, from 2002 to 2024) to arrive at \$22.8M.

⁸⁶ "Contract with Cubic Corporation, File #: 2022-0413," September 2022, Legistar, Attachment B, available on the LA Metro website, <https://metro.legistar.com/LegislationDetail.aspx?ID=5836694&GUID=6492E85F-CE-CD-4BF6-B55E-8B2D99A7AEF3&Options=ID%7CText%7C&Search=tap%20attachment%20B%20%20Metro%20file%20%23%202022-0413>.

⁸⁷ "Training," overview of law enforcement and warfighter training offered by Cubic, available on the Cubic website at <https://www.cubic.com/solutions/training>.

⁸⁸ Contracts for LIFE were compiled from the LA Metro Board of Directors report archive. We divided the total value of the contracts for fiscal years 2020 through 2024 by four to arrive at an annual average of \$3.5M.

TABLE 5. LA METRO AVERAGE ANNUAL ESTIMATED COSTS OF FARE COLLECTION AND ENFORCEMENT (FISCAL YEAR 2023)		
AREA	ACTIVITIES	COST
Fare Maintenance	Third-party design, installation, and maintenance of hardware and software for the TAP system	\$22.8M
Fare Administration	Cash collection and cash counting	\$11.55M
	TAP fare system operation	\$9.54M
	Communications customer information service	\$11.21M
	GoPass fare discount program outreach and enrollment	\$3M
	LIFE fare discount program outreach and enrollment	\$3.5M
	Intelligent transportation systems	\$.01M
	Legal and audit	\$.01M
Fare Program Evaluation	Measuring the efficacy of the TAP system and means-tested discount programs and instituting changes such as the recent fare-capping proposal	Data unavailable*
	Fare capping initiative	\$4.15M
Fare Enforcement and Collection Security Chaperon	Metro Transit Security Officers to conduct fare audits, issue citations, and respond to fare disputes.	\$13.07M
Total Costs:		\$78.84M
Net Farebox Revenue:		\$27.66M
Total Operations Resource		\$2,199.2M
Net Farebox Recovery Ratio:		1.25%
*LA Metro did not respond to all questions in our CPRA requests for this information. Source: Methodologies are provided in Appendix 9.		

Each of LA Metro’s fare discount programs requires staff to process applications as well as funds for enrollment outreach and advertising. Most of the money spent on discount programs goes toward boosting enrollment. LA Metro has put significant resources toward reworking enrollment processes,⁸⁹ hosting events⁹⁰ to assist applicants, and designing and launching the LIFE Program Strategic Double Enrollment Plan, a set of strategies, tactics, and activities to increase the number of enrollees.⁹¹

89 “Metro Board Approves \$8.8-Billion Budget for FY 23 that Focuses on Improving the Customer Experience,” The Source, May 26, 2022, <https://thesource.metro.net/2022/05/26/metros-proposed-8-8-billion-budget-for-fy-23-focuses-on-improving-the-customer-experience/>.

90 Anna Chen, “Upcoming Enrollment Events for Low-Income Fares Postponed in January Due to COVID-19 Surge,” The Source, December 17, 2021, <https://thesource.metro.net/2021/12/17/upcoming-enrollment-events-for-life-program-2/>.

91 “LIFE Program Strategic Double Enrollment Plan (File Number: 2021-0732),” report to the LA Metro Board of Directors, November 18, 2021, <https://boardagendas.metro.net/board-report/2021-0732/>.

They also developed a 90-Day Public Education Strategic Communications and Marketing Plan to build public awareness about discounted passes and the LIFE program.⁹²

In November 2021, LA Metro began offering grants of between \$10,000 and \$80,000 to community-based organizations to facilitate program enrollment because the agency felt ill-equipped to interface directly with very-low-income communities.⁹³ They also receive support from other government agencies, such as the Department of Public Social Services (DPSS), Workforce Development, Aging and Community Services (WDACS), and the Los Angeles County Development Authority (LACDA) to coordinate outreach efforts.⁹⁴ LA Metro contracts with FAME Corporations⁹⁵ and the International Institute of Los Angeles to administer LIFE. On their website, FAME claims to employ seven staff members who work on the program.⁹⁶

Fare Program Evaluation

Determining the amount that LA Metro has spent to assess the performance of the TAP fare system is challenging. Program evaluation requires staff to collect and analyze data and review program objectives and effectiveness. LA Metro staff also regularly present TAP data and information to the board of directors for review and approval, and board members devote time to evaluating and approving staff recommendations. Although the exact cost of program evaluation for the TAP system is unknown, the fiscal year 2023 budget earmarks \$4.15M for the agency's fare-capping initiative, which will launch sometime in summer 2023.

Enforcing Fares

LA Metro spends a lot of public money on enforcing fares. They employ Metro Transit Security Officers to enforce their Customer Code of Conduct, which mandates that riders “shall show proof of payment of fare upon request by a Metro representative.”⁹⁷ The Customer Code of Conduct also designates rules for safety, alcohol use, smoking, loud and unruly behavior, and soliciting, among other issues. The overwhelming majority of citations are for fare evasion and not other Code of Conduct violations. In 2019, for example, of the 22,494 citations and warnings, 21,345 (or 95%) were for fare evasion (see Table 6).⁹⁸

92 “Public Education Campaign for Enhanced Life Program, Half-Priced Passes and Fare Resumption (File Number: 2021-0646),” report to the LA Metro Board of Directors, October 21, 2021, <https://boardagendas.metro.net/board-report/2021-0646/>.

93 “Metro Partners with CBOs to Promote Low Income Fare is Easy (LIFE) Program,” The Source, March 11, 2022, <https://thesource.metro.net/2022/03/11/metro-partners-with-cbos-to-promote-low-income-fare-is-easy-life-program/>.

94 “Fareless System Initiative (FSI) and Low Income Fare is Easy (LIFE) Update October 2022,” available on the LA Metro website, <https://metro.legistar.com/LegislationDetail.aspx?ID=5887396&GUID=639DC568-2B43-42AB-B5E8-FB08E495A1A6&Options=ID|Text|&Search=gopass>.

95 “Programs,” project list on the Fame Corporations website, <https://www.famecorporations.org/programs/>.

96 “Our Team,” staff list on the Fame Corporations website, <https://www.famecorporations.org/our-team/>.

97 “Metro Customer Code of Conduct,” July 22, 2010, available on the LA Metro website at http://media.metro.net/about_us/ethics/images/codeofconduct_customer.pdf.

98 We focused on 2019 because LA Metro temporarily paused fare enforcement between 2020 and 2021 when they launched a temporary fareless program on buses in response to the COVID-19 pandemic. LA Metro reinstated fares in early 2022, but their ridership has not recovered to pre-pandemic levels. For more on LA Metro's temporary fareless program during the pandemic, see Section 6 of this report.

LA Metro allocated \$30.9M of the fiscal year 2023 budget to pay for Metro Transit Security Officers. Unfortunately, the agency is unable to provide detailed information about how these officers' time is allocated. In response to our CPRA, the agency shared that they spend an average of \$13M on "fare enforcement and collection security chaperon," but it is unclear how this number was calculated.

TABLE 6. LA METRO CODE OF CONDUCT WARNINGS AND CITATIONS (2019)	
Citations for Fare Evasion	16,393
Warnings for Fare Evasion	4,955
Other Citations	1093
Other Warnings	53
TOTAL	22,494
TOTAL FARE VIOLATIONS	21,348
TOTAL PERCENTAGE OF FARE VIOLATIONS	95%

Law Enforcement Contracts

LA Metro is planning to spend \$280.7M on security and safety measures in fiscal year 2023.⁹⁹ The majority of this budget, approximately 61% (\$170M) pays for contracts with three local law enforcement agencies: the Los Angeles County Sheriff's Department (LASD), the Los Angeles Police Department (LAPD), and the Long Beach Police Department (LBPD).¹⁰⁰ That \$170M budget for law enforcement extends existing five-year contracts signed in 2017 that allocated \$645.7M total (\$130M annually) to the LAPD, LASD, and LBPD. In February 2021, LA Metro staff reported that the law enforcement budget had been overspent by \$111M in the first three years. This disclosure was followed by a recommendation to the board to increase police and sheriff's department contracts by \$110M (\$756M total).¹⁰¹ The contracts were increased by \$36M¹⁰² and then by an additional \$75M.¹⁰³ There has been public backlash about these ballooning costs.¹⁰⁴ Currently, the agency is again requesting more funding for these contracts.

LA Metro's law enforcement contracts charge the LAPD with patrolling the City of Los Angeles' buses, trains, and transit stops, including Union Station. The LBPD is assigned to patrol eight Blue Line stations, and the LASD patrols the rest of the system. These officers' time had been spent on fare enforcement, including conducting passenger screening and fare audits on buses and trains and issuing warnings

99 "Adopted Budget: July 1, 2022–June 30, 2023," available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11ci1az/FY23%20Adopted%20Budget.pdf?dl=0>.

100 "Adopted Budget: July 1, 2022–June 30, 2023," available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11ci1az/FY23%20Adopted%20Budget.pdf?dl=0>.

101 "Metro Overspent Its Policing Budget by How Much?!", Investing in Place, February 19, 2021, <https://investinginplace.org/2021/02/19/metro-overspent-its-policing-budget-by-how-much/>.

102 Ryan Fonseca, "LA Metro Boosts Police Contracts While Calling for Funding to Rethink Public Safety," *LAist*, March 26, 2021, <https://laist.com/news/transportation/la-metro-policing-contracts-public-safety>.

103 Robert Garrova, "LA Metro Votes To Extend Law Enforcement Contracts And Fund Public Safety Alternatives," *LAist*, December 2, 2021, <https://laist.com/news/transportation/la-metro-votes-to-fund-law-enforcement-contracts-and-public-safety-alternatives>

104 Ryan Fonseca, "LA Metro Boosts Police Contracts While Calling for Funding to Rethink Public Safety," *LAist*, March 26, 2021, <https://laist.com/news/transportation/la-metro-policing-contracts-public-safety>.

or citations to riders unable to provide proof of payment. In fiscal year 2022, the LA Metro Board of Directors removed law officers' Customer Code of Conduct enforcement duties, opting instead to rely solely on Metro Security Officers to enforce fares.¹⁰⁵ There was, however, no reduction in the budget for law enforcement contracts.

Some at LA Metro seem to recognize a law enforcement presence on buses and trains is not what riders need to feel safe. In July 2022, at the start of that fiscal year, the LA Metro board approved a new Transit Ambassador pilot program¹⁰⁶ to hire and deploy 300 staff members specially trained in customer service and rail and bus safety. This program frees up LA Metro from using law enforcement officers to intervene in incidents where mental illness, addiction, or homelessness is a factor, connecting vulnerable riders to social services rather than jail. The Transit Ambassador program is expected to cost \$40M in fiscal year 2023.

In January 2023, the Office of the Inspector General reported on their audit of LA Metro's law enforcement contracts for fiscal years 2021 and 2022.¹⁰⁷ The report emphasizes the need for a more transparent and effective approach to using sheriffs and police officers, outlining the agency's inability to establish a comprehensive and clear strategy for patrols. LA Metro lacks a coherent plan for deploying their various security staff and contractors, including setting targets for system-wide presence and assessing their effectiveness. In addition, there is no monitoring to ensure contracted law enforcement officers are on the job and fulfilling the terms of their contracts. In spite of all this, LA Metro continues to pour money into an approach to security that is not working. In November 2022, the agency reported that their ridership had decreased in large part because riders feel unsafe on buses and trains in spite of the hundreds of millions of dollars spent on security and policing.¹⁰⁸ These are funds that LA Metro could and should streamline and divert into implementing a universal fareless transit system.

TABLE 7. LA METRO LAW ENFORCEMENT COSTS (FISCAL YEARS 2019-23)

FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$134.0M	\$141.0M	\$148.0M	\$216.0M	\$170.0M
Source: LA Metro response to our CPRA request.				

105 "2016-0877 - Transit Law Enforcement Services," report to the LA Metro Board of Directors, November 17, 2016, available on the LA Metro website, http://boardarchives.metro.net/Items/2016/12_december/RBM%20Item%2041.pdf.

106 Rick Jager, "LA Metro Board Approves Bold New Transit Ambassador Program to Help Improve the Customer Experience," June 23, 2022, update on the LA Metro website, <https://www.metro.net/about/l-a-metro-board-approves-bold-new-transit-ambassador-program-to-help-improve-the-customer-experience/>.

107 "2022-0790 - Office of the Inspector General (OIG) Report on Metro Transit Security Performance Audit for Fiscal Years 2021 and 2022," January 19, 2023, available on the LA Metro website, <https://boardagendas.metro.net/board-report/2022-0790/>.

108 Grace Toohey, "Women's Ridership Is Down on LA Metro, and Ridership on Buses, Trains Falls," *Los Angeles Times*, November 4, 2022, <https://www.latimes.com/california/story/2022-11-04/female-ridership-on-la-metro-down-satisfaction-with-county-buses-drops>.

B. Increasing Ridership and Improving Safety

Fareless systems increase ridership quickly and dramatically, making buses, trains, stations, and stops more populated and, therefore, better monitored by those who ride.¹⁰⁹ Urban theorist Jane Jacobs characterized this phenomenon as more “eyes on the street,”¹¹⁰ positing that the more populous a public space, the safer it is because of the sense of community that crowds cultivate. LA Metro is a woefully underutilized system, and boosting ridership would likely have positive effects on both safety and perceptions of safety for riders who no longer have to wait alone for a bus during off-peak hours or traverse an empty subway station at night.

Making public transit fareless not only removes cost barriers for transportation-burdened populations, it also removes many of the logistical and psychological barriers that prevent non-riders from using the service. Prospective riders might be struggling to answer: How much is the fare? Where do I buy a ticket? Where is a ticket vending machine located? Is exact change required? Can I pay with my credit card? How about with my phone? What if I put money on my TAP card that I will need to use for other things later? A 1994 study suggests that uncertainties like these about how a public transit system works and how to use it are what cause many to avoid it altogether.¹¹¹

Transit agencies typically use the Simpson-Curtin Rule to understand the relationship between fare costs and ridership. According to this rule, a 10% fare increase will result in an approximately 3% drop in ridership. One might estimate, then, that eliminating fares would result in a 30% increase in ridership.¹¹² In fact, studies of fareless transit systems conclude without exception that ridership increased after fares were eliminated, usually by between 20% and 60% and, in some cases, by as much as 200%¹¹³ (see Table 8).

In fact, LA Metro itself provides a good case study: Between 1980 and 1983, after the passage of Proposition A, the agency reduced their base fare from 80 cents to 50 cents. Over that three-year time span, boarding increased by more than 140 million rides. When fares were raised, boardings decreased.¹¹⁴

109 Joshua Schank, “Say Yes to Fareless,” presentation for the Research-to-Practice Transit Symposium, October 2022, <https://www.youtube.com/watch?v=NAwwuiJLTdQ>.

110 Michael Lewyn, “Eyes on the Street,” *Planetizen*, December 21, 2017, <https://www.planetizen.com/blogs/96396-eyes-street>.

111 David C. Hodge, James D. Orrell, and Tim R. Strauss, “Fare-Free Policy: Costs, Impacts on Transit Service, and Attainment of Transit System Goals,” Washington State Department of Transportation, 1994, <https://www.wsdot.wa.gov/research/reports/fullreports/277.1.pdf>.

112 “Implementation and Outcomes of Fare-Free Transit Systems,” National Academies of Sciences, Engineering, and Medicine, 2012, <https://doi.org/10.17226/22753>.

113 Ibid.

114 Michael Manville, “Measure M and the Potential Transformation of Mobility in Los Angeles,” University of California Institute of Transportation Studies, December 2018, available at <https://escholarship.org/uc/item/3t41j8gv>.

Some other noteworthy examples of cities that eliminated fares and increased ridership include:



ASHEVILLE, NORTH CAROLINA: Implemented between August 2006 and November 2006. Ridership increased by 58.5%.¹¹³



BOSTON, MASSACHUSETTS: Implemented on three bus lines in 2021. Ridership was restored to 92% of pre-pandemic levels compared to 53% on bus lines that still required fares.¹¹⁴



CHANGNING, CHINA: Implemented in 2008 on three routes. Ridership increased from 11,400 passengers per day to 59,600 per day, a gain of almost 550% in less than two years.¹¹⁵



KANSAS CITY, MISSOURI: Implemented in March 2020 on buses. By October 2020, ridership was restored to 80% of pre-pandemic levels, while the national average lagged at 40%. This represented a 38% increase in ridership between May 2020 and October 2022.¹¹⁶



NEW DELHI, INDIA: Implemented in 2019 for women bus riders. Ridership increased by 10%.¹¹⁷



OLYMPIA, WASHINGTON: Implemented in January 2020 as part of a five-year pilot program. After one month, the system saw a 20% increase in ridership, or 60,000 additional riders.¹¹⁸



TEMPLIN, GERMANY: Implemented in 1997. Within a year, ridership increased by almost 750%—from 41,360 to 350,000 passengers. Two years later, ridership was above 512,000 passengers per year.¹¹⁹

TABLE 8. LA METRO INCREASES IN RIDERSHIP AFTER FARELESS IMPLEMENTATION		
CITY	YEAR IMPLEMENTED	EFFECT ON RIDERSHIP
Asheville, North Carolina	2006	58.5% increase over 4 months
Boston, Massachusetts	2021	Restored to 92% of pre-pandemic levels over 1 year
Changning, China	2008	550% increase over 2 years
Kansas City, Missouri	2020	38% increase over 8 months
Olympia, Washington	2020	20% increase over 1 month
Templin, Germany	1997	750% increase over 2 years

115 “Implementation and Outcomes of Fare-Free Transit Systems,” National Academies of Sciences, Engineering, and Medicine, 2012, <https://doi.org/10.17226/22753>.

116 Nik DeCosta-Klipa, “Boston’s Fare-Free Bus Pilot Will Run a Month Longer than Expected. Michelle Wu Plans to Keep It Going,” *The Boston Globe*, November 10, 2021, <https://www.boston.com/news/local-news/2021/11/10/boston-fare-free-bus-28-pilot-michelle-wu/>.

117 “Implementation and Outcomes of Fare-Free Transit Systems,” National Academies of Sciences, Engineering, and Medicine, 2012, <https://doi.org/10.17226/22753>.

118 “Transit Zero Fare Impact Analysis,” Mid-America Regional Council, April 2022, <https://www.marc.org/sites/default/files/2022-04/Transit-Zero-Fare-Impact-Analysis.pdf>.

119 “10% Rise in Female Commuters in Delhi’s Public Buses since Free-Ride Scheme Launch,” *Business Today*, November 21, 2019, <https://www.businesstoday.in/latest/economy-politics/story/10-rise-in-female-commuters-in-delhi-public-buses-since-free-ride-scheme-launch-240094-2019-11-21>.

120 Abigail Johnson Hess, “Americans Spend over 15% of Their Budgets on Transportation Costs—these U.S. Cities Are Trying to Make it Free,” *CNBC*, March 2, 2020, <https://www.cnbc.com/2020/03/02/free-public-transportation-is-a-reality-in-100-cities-heres-why.html>.

121 Templin ended their fareless transit policy in 2003. “Implementation and Outcomes of Fare-Free Transit Systems,” National Academies of Sciences, Engineering, and Medicine, 2012, <https://doi.org/10.17226/22753>.

Fare Disputes and Passenger Screening

According to a study commissioned by the Federal Transit Administration to improve safety for transit workers, the majority of violent incidents on public transportation are assaults on bus drivers caused by fare disputes.¹²² These assaults not only threaten the physical safety of drivers, but of passengers as well, who may feel unsafe even just witnessing these incidents. A study analyzing the outcomes of the Kansas City Area Transit Authority’s Zero Fare policy found that incidents of crime declined by 39% during the first year; then-CEO Robbie Makinen attributed this to the fact that disputes over fares were totally eliminated.¹²³ In a different study more than 80% of riders surveyed said the Zero Fare policy increased their overall sense of safety on buses.¹²⁴

In addition, eliminating the need for fare enforcement protects Black and Brown riders who may feel targeted, threatened, and harassed, rather than helped, by police. Numerous studies have shown how law enforcement exhibits bias against Black and Brown people, and LA Metro’s own data backs those findings up. An analysis of the agency’s citations and warnings by race in 2019 reveals that over 50% of all fare citations and warnings were issued to Black riders, even though Black riders represented only 20% of ridership (see Table 9).¹²⁵ Fare enforcement can be a pretense that police and security officers use to act on biases and target Black and Brown people. Eliminating fares eliminates the potential for that harm.

TABLE 9. LA METRO FARE CITATIONS AND WARNINGS BY RACE (2019)

	CITATIONS FOR FARE EVASION	PERCENT OF TOTAL (16,393)
American Indian/Alaskan Native	16	0.10%
Asian/Pacific Islander	244	1.49%
African American	8,746	53.35%
Hispanic	4,230	25.80%
Other	991	6.05%
Unknown	211	1.29%
White	1,955	11.93%

122 “Preventing and Mitigating Transit Worker Assaults in the Bus and Rail Transit Industry,” Transit Advisory Committee for Safety (TRACS) 14-01 Report, Federal Transit Administration, July 6, 2015, https://www.transit.dot.gov/sites/fta.dot.gov/files/Final_TRACS_Assaults_Report_14-01_07_06_15_pdf_rv6.pdf.

123 “Transit Zero Fare Impact Analysis,” Mid-America Regional Council, April 2022, <https://www.marc.org/sites/default/files/2022-04/Transit-Zero-Fare-Impact-Analysis.pdf>.

124 Linwood Tauheed and Panayiotis Manalagos, “RIDEKC-ZEROFARE: Quality-of-Life Survey 2021,” University of Missouri-Kansas City Center for Economic Information, 2021. In “Charting the Path Forward: Is Equity Enough? 2021 State of Black Kansas City,” report by the Urban League of Greater Kansas City, 2021, 80–85, https://static1.squarespace.com/static/59c3f63f49fc2b9eb12a6663/t/61846fee0c2adb21f8e9835/1636069365443/2021%20SOBKC%20Charting%20the%20Path%20Forward%20flipbook_PDF.pdf.

125 “2022 LA Metro Customer Survey,” ETC Institute, May 2022, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

LA Metro riders we spoke to in our December 2022 interviews had a lot to say about the ways in which fare collection and enforcement approaches and practices have negatively impacted them. One rider shared, “When we use Metro, sometimes I forget the [TAP card] at home, or I don’t have my wallet, then I have to ask the driver, ‘Hey, give me a chance, I forgot my pass,’ and it’s embarrassing, and when the month is over and you forget to recharge, then you get in trouble with the drivers, and sometimes they are very rude and have no consideration.”¹²⁶ Another echoed this experience: “If you forget your pass, the situation with Metro is complicated in that, if you do not pay for transit, the police are coming and they can fine you. I am not okay with that. I barely have enough to pay for it, and on top of that, having to be fined for not being able to pay for it. Maybe you aren’t doing it because you want to, but you forgot or sometimes you can’t because you do not have a single penny to your name.”¹²⁷

The Right to Public Space

Some critics claim that implementing a universal fareless transit policy on LA Metro will attract more unhoused people to the system. This critique proposes a policy of exclusion that says that unhoused people should not have a right to public spaces. In fact, LA Metro has a mandate to serve the public, which includes Los Angeles County’s unhoused population. Moreover, unhoused riders depend on public transit to access critical, sometimes life-saving services, including food, shelter, and health care. We spoke with one formerly unhoused rider in our group interviews, who told us: “I was homeless for a long time because I did not have any work. We have to have transportation to take us places. It’s important because if not, how are we going to be working or going a few miles, because transportation helps with that. And if we don’t have the money for transportation, how are we going to the other places? We need that transportation.”¹²⁸

In any case, there is evidence to suggest that a universal fareless policy would have no impact on the number of unhoused riders on LA Metro buses and trains. A 2022 study published in the *Journal of Planning Education and Research* examined the relationship between unhoused riders and fare policies during the pandemic. Researchers looked at forty-four operators that had temporarily waived fares on at least one mode of transportation, sixteen operators that temporarily suspended fare inspection and enforcement checks on at least one mode of transportation, and nine operators that continued to charge fares as usual. They found no causation between fare policy and an increase in unhoused riders.¹²⁹

126 Rider #10, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 2 for a detailed summary of methodology and findings.

127 Rider #11, *ibid.*

128 Rider #7, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 2 for a detailed summary of methodology and findings.

129 J. L. Wasserman, A. Loukaitou-Sideris, et al. “A Bus Home: Homelessness in U.S. Transit Environments,” *Journal of Planning Education and Research* (2022), <https://doi.org/10.1177/0739456X221121612>.

LA Metro is being asked to grapple with solving the issue of unhoused residents in Los Angeles County and is working hard to do so. For fiscal year 2023, the agency invested \$15.3M on new programs to support unhoused riders, including outreach efforts and programs to help connect them to supportive housing and jobs.¹³⁰ LA Metro has also instituted the Transit Ambassador program, a five-year pilot that staffs buses and trains uniformed professionals who have direct line of contact with providers of homelessness and mental health services. The program currently employs 300 ambassadors, who also help riders navigate the system and get where they need to go. Transit Ambassadors are unarmed and uniformed in a way that clearly differentiates themselves from Metro Security Officers and police.¹³¹



7. THE CASE FOR FARELESS: LA METRO'S TEMPORARY FARELESS PROGRAM

A. Background

In 2020, LA Metro adopted a temporary fareless transit program in response to the COVID-19 pandemic.¹³² From April 2020 until January 2022, buses were free to ride under this pilot program.¹³³ According to then-CEO Phil Washington, LA Metro had a “moral obligation to explore how a fareless system can aid those that have been hit hardest by the pandemic.”¹³⁴ This program aimed to bring financial relief to riders, the majority of whom are low-income and were bearing the brunt of underemployment and unemployment caused by lockdowns. The initiative was also a public health measure, as it required passengers to board and exit through the back of the bus, a practice meant to prevent the spread of infection and keep drivers safe.

130 “Adopted Budget: July 1, 2022–June 30, 2023,” available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11-ci1az/FY23%20Adopted%20Budget.pdf?dl=0>.

131 “Adopted Budget: July 1, 2022–June 30, 2023,” available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11-ci1az/FY23%20Adopted%20Budget.pdf?dl=0>.

132 Fareless transit in Southern California is not new. During the early 1960s, Commerce, California, adopted a fareless transit policy and their system is still fareless today.

133 Dave Sotero, “L.A. Metro to Offer Discounted Fares for Riders When Fare Collection Resumes Starting January 10, 2022,” update on the LA Metro website, November 8, 2021, <https://www.metro.net/about/l-a-metro-to-offer-discounted-fares-for-riders-when-fare-collection-resumes-starting-january-10-2022/>.

134 “Fareless System Initiative (OPERATION FSI),” available on the LA Metro website, <http://metro.legistar1.com/metro/attachments/7869781d-a8df-4bff-af6b-385157d53fd8.pdf>.

LA METRO BUS SURVEY RESULTS: EFFECT OF LA METRO'S TEMPORARY FARELESS POLICY ON QUALITY OF LIFE

For almost two years during the pandemic, LA Metro made buses fareless to bring financial relief to riders and promote public safety through rear-door, touchless boarding. The effects of this temporary policy on riders gives some insight into how a permanent universal fareless transit might advance equity and improve quality of life in Los Angeles. Between September 2022 and December 2023, SAJE and other ACT-LA partners surveyed 113 bus riders about their experiences using the temporary fareless transit system. Findings included:

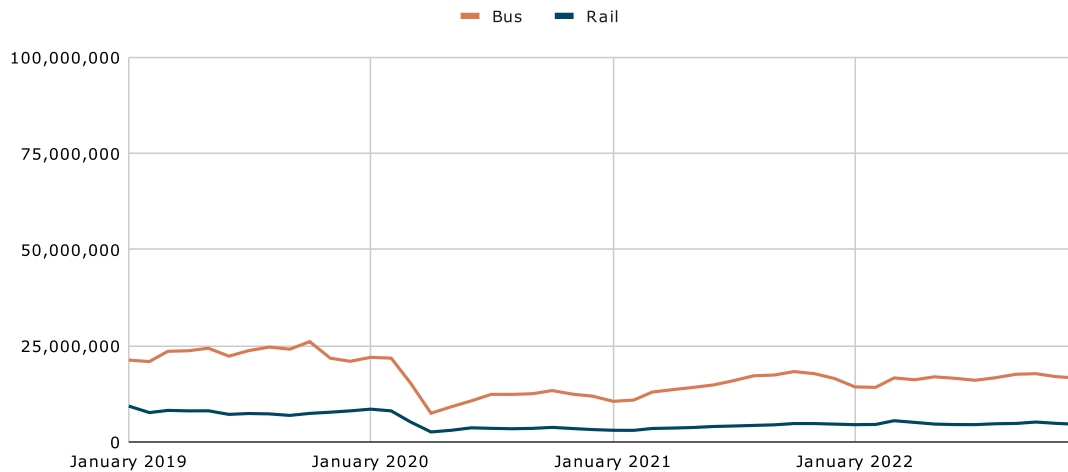


Source: Methodology and full results of this survey can be found in Appendix 2 of this report.

B. Increased Ridership and Other Outcomes

The fact that LA Metro’s fareless pilot program coincided with COVID-19 pandemic makes it difficult to determine the relationship between factors and outcomes. System-wide, ridership dropped by 66% between February 2020 and April 2020, when statewide stay-at-home orders were in place. However, between April 2020 and April 2021, during the first year of the temporary fareless program, bus ridership increased by 82%, whereas rail use, exempt from the program, increased by just 39% (Figure 14).¹³⁵ As of December 2022, bus ridership had recovered to 76% of pre-pandemic levels, while rail ridership had recovered to 57%.¹³⁶ Furthermore, relative to agencies in other large U.S. cities without fareless programs, LA Metro’s ridership recovered more quickly from the pandemic and has stayed consistent. For example, as of July 2022, Bay Area Rapid Transit had only recovered to 39% of pre-pandemic ridership levels, compared to 69% for LA Metro at that same time (Figure 15).

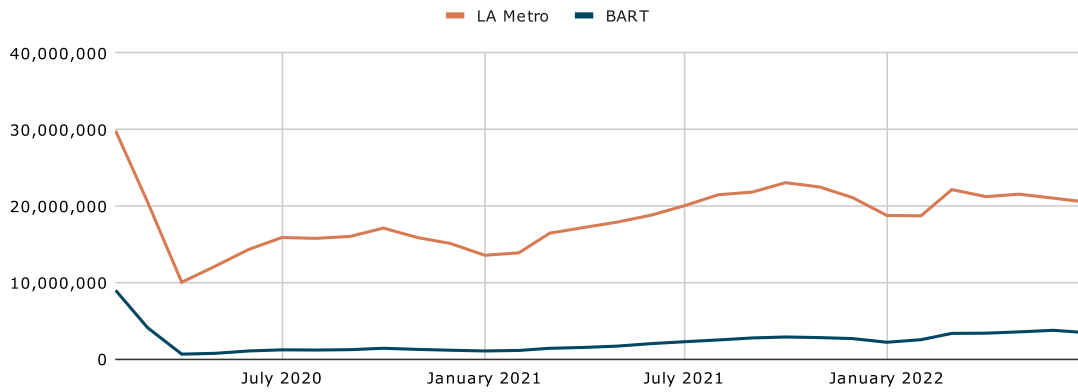
FIGURE 14. LA METRO BUS AND RAIL RIDERSHIP (JAN 2019–JULY 2022)



135 “Interactive Estimated Ridership Stats,” Los Angeles County Metropolitan Transportation Authority database, <https://isotp.metro.net/MetroRidership/>.

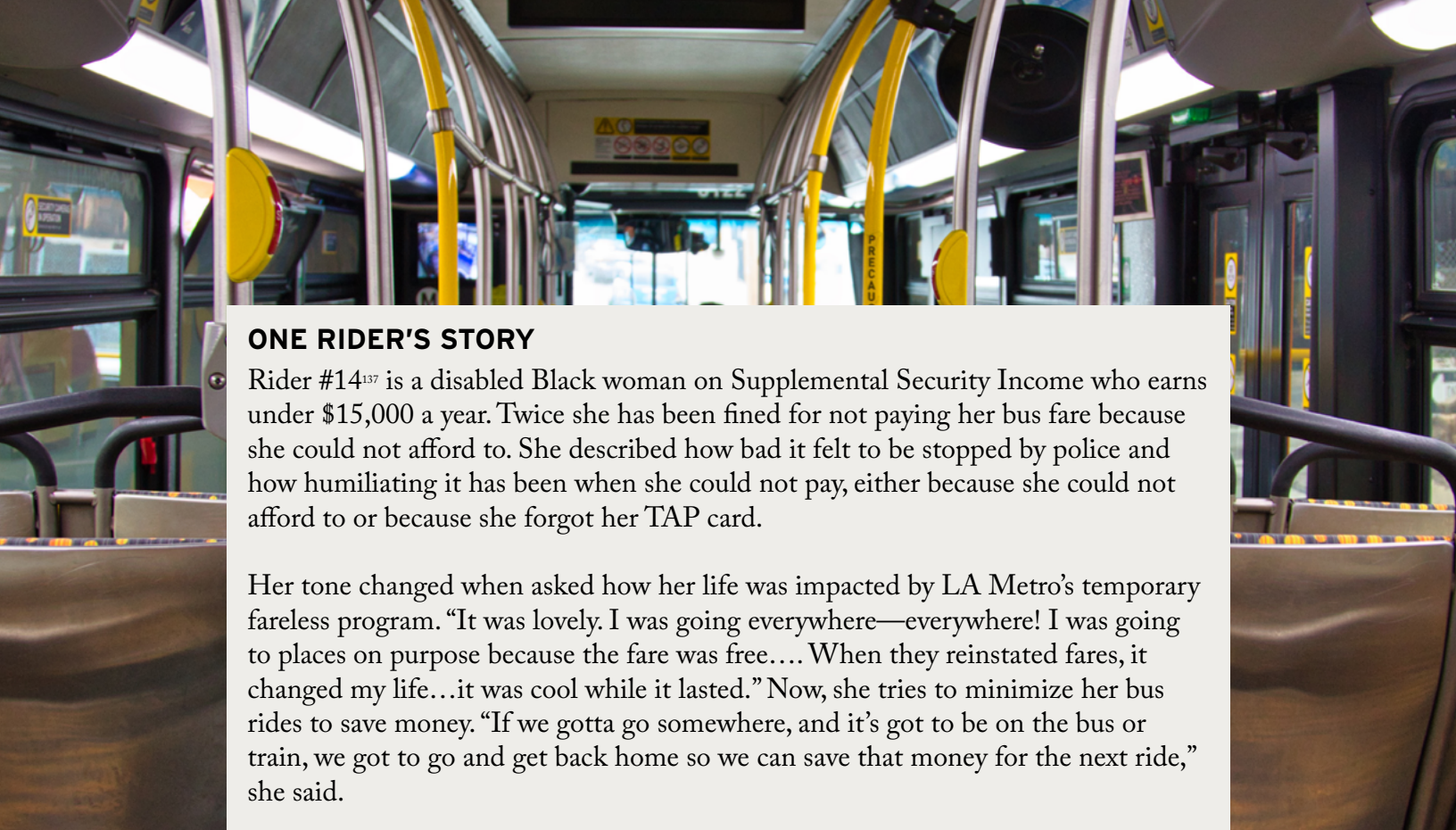
136 Ibid.

FIGURE 15. RIDERSHIP OF LA METRO AND BART (JAN 2019–JULY 2022)



Perhaps more interesting and indicative of the success of LA Metro’s temporary fareless transit program is how ridership patterns changed after the agency resumed collecting fares on buses in January 2022. The number of riders slightly decreased in November and December 2021, and then fell sharply in January and February 2022. Between December 2021 and January 2022, the number of bus riders decreased by 13%, while the number of rail riders, who had not been benefiting from the fareless program, decreased by just 3% (see Appendix 8 for ridership numbers).





ONE RIDER'S STORY

Rider #14¹³⁷ is a disabled Black woman on Supplemental Security Income who earns under \$15,000 a year. Twice she has been fined for not paying her bus fare because she could not afford to. She described how bad it felt to be stopped by police and how humiliating it has been when she could not pay, either because she could not afford to or because she forgot her TAP card.

Her tone changed when asked how her life was impacted by LA Metro's temporary fareless program. "It was lovely. I was going everywhere—everywhere! I was going to places on purpose because the fare was free.... When they reinstated fares, it changed my life...it was cool while it lasted." Now, she tries to minimize her bus rides to save money. "If we gotta go somewhere, and it's got to be on the bus or train, we got to go and get back home so we can save that money for the next ride," she said.

She primarily pays in cash. Asked why she doesn't have a TAP card, she said it's because she cannot afford the lump sum needed to load money onto the pass, even though she qualifies for LA Metro's LIFE discount program. (When asked if she's heard of the LIFE program, she says she hadn't.) She said years ago she used to have a disability discount LA Metro pass, but "I lost it before the pandemic and I couldn't figure out how to replace it."

Bus riders who participated in our fall 2022 survey and interviews shared overwhelming consensus that LA Metro's temporary fareless program provided economic relief and increased mobility. These riders reported feeling less stressed, being better able to access resources and amenities, and having more discretionary income to spend on other critical needs. "For me, it was great," said one interview participant. "I did save a lot of money. Because we have other needs, I was selling less [as a street vendor]. And since I didn't have to sell, I would take the bus and go to different places, even if it was night time. I used the money to buy food, for other bills. It helped a lot, to pay for face masks and other needs."¹³⁸

137 Rider #14, Strategic Actions for a Just Economy bus rider group interviews, December 2022. See Appendix 3 for a detailed summary of methodology and findings.

138 Rider #4, *ibid.*

C. Fareless Policy Status

Operation Fareless System Initiative

In August 2020, four months into LA Metro's temporary fareless program, agency leadership expressed a willingness to explore a plan for permanent universal fareless transit. Then-CEO Phil Washington charged an internal task force with drafting a proposal to permanently eliminate fares, asserting that "Fare-free transit will help essential workers, moms and dads, students, seniors and riders with disabilities. I view this as something that could change the life trajectory of millions of people and families in L.A. County, the most populous county in America."¹³⁹ The project was dubbed the Fareless System Initiative (Operation FSI).

Operation FSI task force members were asked to craft a universal fareless transit policy that would advance LA Metro's equity goals, relieve traffic congestion, and recenter city planning efforts toward more pedestrian friendly projects. Between September 2020 and May 2021, Operation FSI staff studied the challenges and opportunities of instituting a universal fareless system in Los Angeles.¹⁴⁰ They assessed its potential impact on customer experience, calculated ridership projections, and considered equity impacts. They also conducted a county-wide survey on fareless transit that garnered 46,000 responses; according to the survey, 86% of current LA Metro riders and 80% of prospective riders support fareless transit. Ultimately, the Operation FSI task force concluded that "a fareless system would grow ridership and help the region meet its mobility, congestion reduction, and sustainability goals more effectively than almost any other LA Metro initiative." Their findings were published in an August 2021 report that highlighted the benefits of fareless: increased transit ridership, reduced environmental impacts, COVID relief and access to jobs, schools, and essential trips, and immediate reduction in transportation expenses for households.¹⁴¹

The Operation FSI task force outlined some initial first steps in instituting universal fareless transit. They recommended that the LA Metro Board of Directors adopt fareless pilot programs for K-12 students, community college students, and low-income riders. The board unanimously approved the recommendation at a May 2021 meeting, determining the pilot programs would begin with K-12 students in late 2021 (Phase 1) and then expanded to low-income riders in 2022 (Phase 2).¹⁴² However, board member Janice Hahn introduced an amendment stipulating that fareless programs cannot be funded by reducing existing transit operations or state of good repair expenditures or by using regional funding typically committed to bus and rail transit operations or intended for the capital program. Thus, LA Metro's ability to move ahead with a universal fareless policy was hindered by disagreement about

¹³⁹ "LA Metro Task Force Will Seek to Eliminate Fares on Buses and Trains," *Los Angeles Daily News*, August 27, 2020, <https://www.dailynews.com/2020/08/27/la-metro-task-force-will-seek-to-eliminate-fares-on-buses-trains/>.

¹⁴⁰ "Fareless System Initiative Task Force (September 2020–May 2021)," available on the LA Metro website, <https://www.metro.net/about/fsi/>.

¹⁴¹ "Fareless System Initiative Fact Sheet," August 2021, available on the LA Metro website, <https://www.dropbox.com/s/zx6pnc8rkrj17t0/20210909-fsi-fact-sheet-english.pdf?dl=0>.

¹⁴² LA Metro Board of Directors meeting file, October 27, 2022, <https://metro.legistar.com/LegislationDetail.aspx?ID=5887396&GUID=639DC568-2B43-42AB-B5E8-FB08E495A1A6&Options=ID%7CText%7C&Search=fareless+system+initiative>.

how to fund it.¹⁴³ In May, the board approved moving forward with Operation FSI contingent on the approval of a funding plan.¹⁴⁴

In September 2021, LA Metro staff proposed turning away from the fareless pilot program for low-income riders to focus instead on making rides for K-12 students fareless while improving the agency's fare discount programs. According to their recommendation, there was "Not enough capacity in the current Metro Transit Operations budget for Phase 2 launch of the pilot for low-income riders. Future implementation is contingent on new sustainable federal, state, local, or other funding sources." LA Metro staff projected that Phase 2 of the FSI project would cost over \$400M if implemented countywide, meaning to implement fareless on LA Metro and all other municipal operators within Los Angeles County.¹⁴⁵ No calculation was made for Phase 2 of fareless implementation for just LA Metro, which is what advocates were asking for. We estimate the cost to be no more than \$75M.¹⁴⁶

In January 2022, LA Metro resumed collecting fares. The agency currently relies on means-tested fare discount programs to meet their equity goals. Although the agency spends millions of dollars on administration and outreach for these programs, these programs reach only 33% of eligible riders.¹⁴⁷

Fare-Capping Initiative

In September 2022, LA Metro proposed a fare restructuring plan that would increase base fares from \$1.75 to \$2.00 and fares for seniors from \$0.75 to \$1.00, introduce fare capping, eliminate free transfers, and recalculate base fares every four years based on inflation. The fare capping would give passengers free rides once they reach a daily, weekly, or monthly threshold. The agency undertook this restructuring to "expand mobility and increase access to opportunity through a simple, equitable, and forward-looking fare structure that supports a sustainable transit system."¹⁴⁸

There was immediate rider objection to the fare restructuring proposal. In public comments during a November 2022 Board of Directors meeting, critics claimed that the proposal would punish cash riders, deepen investment in an expensive TAP fare system, unfairly raise prices on seniors, eliminate free transfers, and shift focus away from implementing a universal fareless system.¹⁴⁹ In response, LA Metro revised the proposal so that fares would not go up and riders would continue to have free

143 Ibid.

144 Joe Linton, "Metro Board Suspended 710 Freeway Widening, Approved: Budget, Fareless, and Bus Rapid Transit," *Streetsblog*, May 28, 2021, <https://la.streetsblog.org/2021/05/28/metro-board-suspended-710-freeway-widening-approves-budget-fareless-and-bus-rapid-transit/>.

145 "Fareless System Initiative (FSI) Monthly Update September 2021," available on the LA Metro website, <http://metro.legistar.com/metro/attachments/623fb876-c2ea-491c-a131-b471f0a166c8.pdf>.

146 This number was calculated by taking fare revenue in fiscal year 2023 (\$106.5M) and multiplying it by the percentage of transit riders who qualify for LIFE (70%), which equals \$74.5M. If Phase 2 of the pilot applies to those eligible for LIFE, the agency would be losing revenue from LIFE participants, which should equal no more than \$75M annually, since LIFE enrollees pay a smaller share of fares than regular customers.

147 LA Metro states that roughly 70% of its membership are eligible for LIFE. In December 2022, the agency estimated that it had 780K riders. As of November 2022, only 182K riders of the 546K eligible were enrolled in the LIFE program.

148 "2022-0740 Fare Capping and Fare Change," report to the LA Metro Board of Directors, December 1, 2022, <https://boardagendas.metro.net/board-report/2022-0740/>.

149 Steve Scauzillo, "Metro Riders Blast New Fare Plan as Unfair to Low-Income Passengers," *Los Angeles Daily News*, November 14, 2022, <https://www.dailynews.com/2022/11/14/metro-riders-blast-new-fare-plan-as-unfair-to-low-income-passengers/>.

transfers. This new version was adopted at an LA Metro Board of Directors meeting in December 2022. The agency is currently offering 50% discounts on daily, seven-day and 30-day passes through June 30, 2023, when fare capping will be implemented.

Under the new fare-capping policy, riders will pay no more than \$5 per day, \$18 per week, or \$72 per month in fares. To participate in the fare-capping program, riders will need to load money onto a TAP fare card and use it to pay. Left out of this plan are LA Metro's cash-paying riders, who make up almost a third of riders.¹⁵⁰ LA Metro plans to spend \$5.85M¹⁵¹ over two years to roll out the new fare-capping policy, including launching a marketing and public information campaign to make riders aware of it and undertaking comprehensive research on cash riders to figure out how to get them to switch to using a TAP card.

LA Metro estimates that under their fare-capping policy, fare revenue will increase to \$145M annually, \$39M more than revenue in fiscal year 2023.¹⁵² It is unclear whether this will bear out: the fare-capping policy is costing millions to implement while at the same time offering deeper discounts to riders. LA Metro perhaps assumes that fare-capping will generate an increase in riders, which will in turn increase fare revenue. However, even if ridership was to return to pre-pandemic levels, the agency estimates their annual revenue from fares would only reach \$181M, far short of the pre-pandemic annual average of \$250M,¹⁵³ bringing the agency's farebox recovery ratio to around 4.6%.

150 "2022 LA Metro Customer Survey," ETC Institute, May 2022, <https://etcinstitute.com/communityplanning/transportation/la-metro-bus-customer-survey/>.

151 "Adopted Budget: July 1, 2022–June 30, 2023," available on the LA Metro website, <https://www.dropbox.com/s/29aqhg0w11-ci1az/FY23%20Adopted%20Budget.pdf?dl=0>.

152 "2022-0740 - Fare Capping and Fare Change," report to the LA Metro Board of Directors, December 1, 2023, <https://board-agendas.metro.net/board-report/2022-0740/>.

153 Ibid.



8. CONCLUSION

LA Metro should implement a universal fareless transit policy to advance social and economic equity and improve quality of life for Los Angeles County residents. Such a policy would be transformative, especially for current riders of public transportation, the majority of whom are low-income people of color. Eliminating fares would alleviate transportation costs that, especially in combination with the region's expensive rents, force households to forgo basic necessities such as food and clothing and limit access to jobs and services.

LA Metro would benefit from a universal fareless transit policy, too. Eliminating fares would go a long way toward helping the agency achieve its equity goals. It would also free the agency from having to pay for and run the TAP fare collection system as well as reduce their need for expensive law enforcement contracts. The small amount of revenue LA Metro might lose by implementing a universal fareless transit policy could be recouped by streamlining or reducing functions associated with the TAP system and discount programs, reorganizing the budget, and pursuing state and federal grants. Specifically, the millions of dollars the agency spends on contracts with the Los Angeles Police Department, Long Beach Police Department, and Los Angeles County Sheriff's Department could be redirected to implement a universal fareless transit system. A thorough review of these contracts seems necessary, given the fact that, as of 2022, law enforcement officers are no longer responsible for fare collection and enforcement, but the amount of money LA Metro is spending to employ them has not been reduced to reflect this diminished scope of work. The agency could also use this money to fund alternative methods of ensuring the safety and security of its riders and employees, such as its Transit Ambassador Program, that may be more cost-efficient and effective.

Appendix 1: LA Metro Transit Operations Resources (Fiscal Years 2018–23)

LA METRO TRANSIT OPERATIONS RESOURCES (FISCAL YEARS 2018–2023)						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fares	\$302.6M	\$302.6M	\$284.5M	\$22.2M	\$73.2M	\$106.5M
Advertising	\$25.1M	\$24.7M	\$25.6M	\$18.9M	\$24.1M	\$32.6M
Other Revenues	\$10.6M	\$12.4M	\$12.9M	\$12.2M	\$12.3M	\$11.8M
Federal and State Grants	\$280.4M	\$310.1M	\$291M	\$1134.8M	\$780.8M	\$1483.7M
Local Subsidies	\$1,138.4M	\$1,131.4M	\$1,226.8M	\$652.5M	\$1,183.9M	\$564.5M
Percentage of LA Metro operating budget that fares account for	17.2%	16.9%	15.4%	1.2%	3.9%	4.8%
Total:	\$1,757M	\$1,781.2M	\$1,840.9M	\$1,840.6M	\$2,074.3M	\$2,199.2M
<p>The percentages provided here are not farebox recovery ratios. Rather, they represent the percentage of fare revenue that covers operating expenses. They therefore differ from the ratios listed in the National Transit Database (NTD), which reports farebox recovery. For example, according to the NTD, LA Metro's fiscal year 2019 farebox recovery ratio was 14.6%, while the agency reported in their own budget a net recovery of 16.9% for that same fiscal year.</p> <p>Source: "Finance and Budget. Budgets Fiscal Years 2018–23," LA Metro.</p>						

Appendix 2: Methodology and Findings for Quantitative Surveys of LA Metro Bus Riders

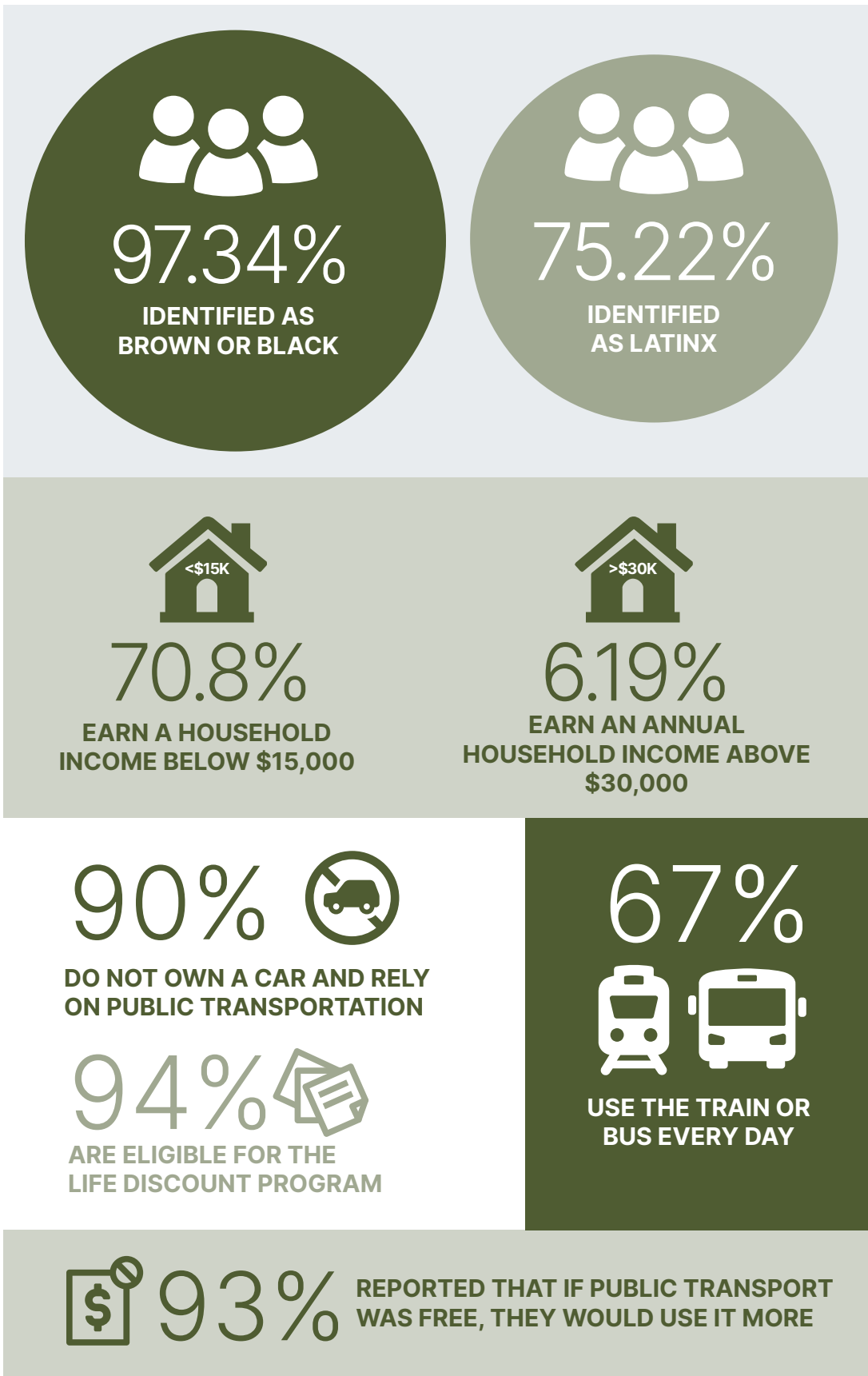
Between April 2020 and January 2022, to mitigate the financial impact of the COVID-19 pandemic on riders and increase ridership, LA Metro made buses fareless. How this temporary policy affected riders gives some insight into how a permanent universal fareless transit might advance equity in Los Angeles. Between September 2022 and December 2023, Strategic Actions for a Just Economy and other ACT-LA partners surveyed 113 bus riders in Vermont-Slauson, Boyle Heights, and Exposition Park on the topic of fareless transit. These locations were selected because they are considered Equity Focus Communities, which LA Metro has committed to prioritizing in its Equity Platform.¹⁵⁴

Our quantitative survey consisted of 22 questions, including demographic questions, questions on ridership behavior, and questions about quality of life during the agency's fareless transit pilot program. The surveys were conducted at bus stops and in compensation for taking the survey, riders were offered LA Metro day passes.

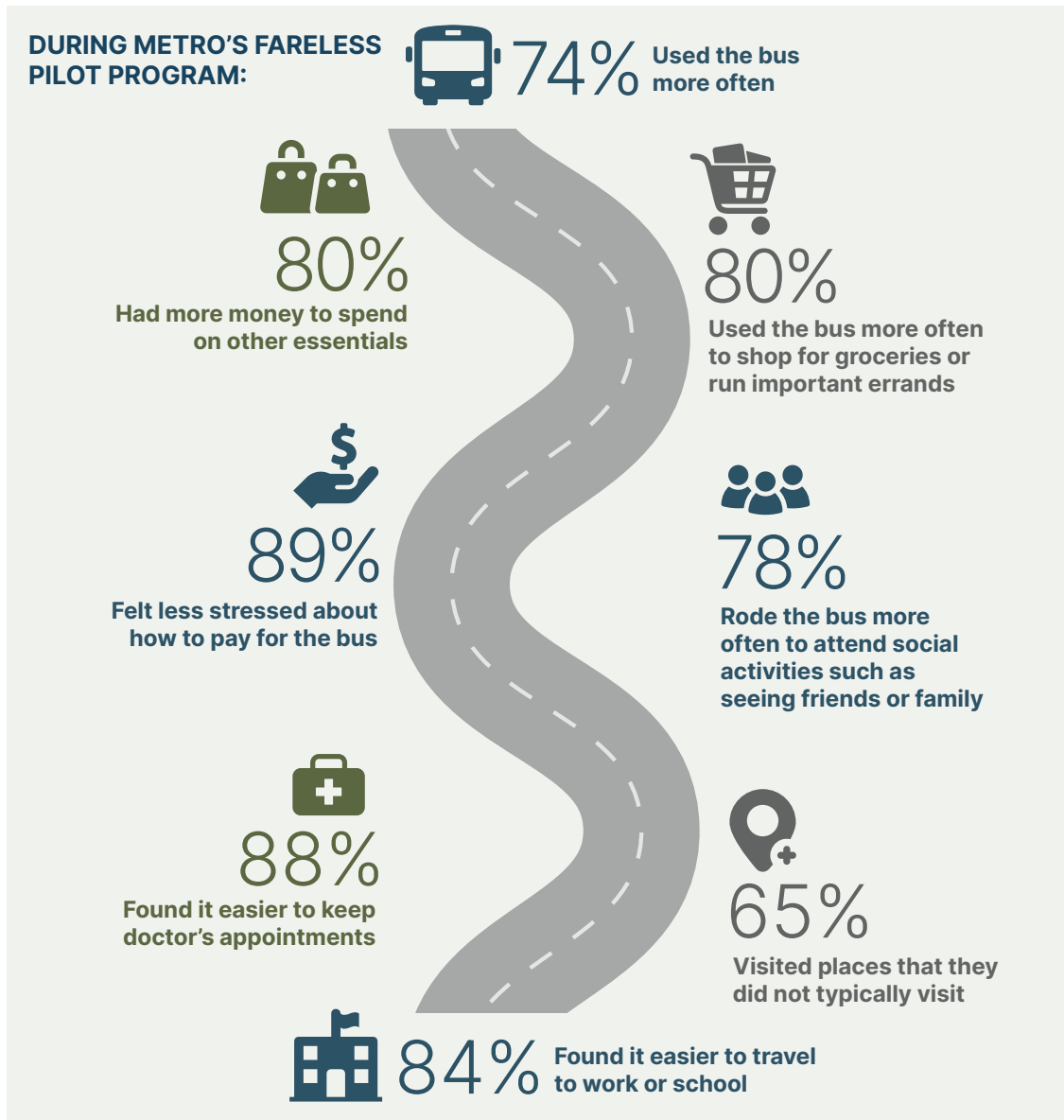
The survey design was inspired by a survey conducted by the Center for Economic Information of the University of Missouri-Kansas City in 2021 which was undertaken to understand the effect of the Kansas City Zero Fare policy on quality of life for transit riders. In the survey, responders were asked ten yes-or-no quality-of-life questions as well some demographics questions.

154 "Metro 2019 Equity Focus Communities (EFC) Map," ARCGIS, <https://www.arcgis.com/home/item.html?id=f1a9ab-4624754970b2488e68a9adf0d0>.

Rider Survey Demographics



Effect of Fareless Policy on Quality of Life



Locations of Survey Solicitation	
Neighborhoods	
Boyle Heights	
Exposition Park	
Vermont-Slauson	
Bus Stops/Intersections	
Cesar E Chavez / Soto	
Vermont / Martin Luther King Jr	
Vermont / Slauson	
Bus Lines	
251, 605, 70	
204, 754, 40	
204, 754, 108	

SURVEY PARTICIPANT DEMOGRAPHICS	
Annual Household Income	
Under \$15,000	70.80%
\$15,000–\$25,000	15.04%
\$25,000–\$35,000	7.96%
\$35,000–\$50,000	3.54%
\$50,000–\$100,000	2.65%
Ethnicity	
Latinx	75.22%
Black or African American	22.12%
Asian / Pacific Islander	1.77%
White	0.88%

SURVEY QUESTIONS AND RESPONSES	
What is your primary mode of transit?	
Bicycle	2.65%
Bus or Train	87.61%
Car	2.65%
Walking	7.08%
In a regular week, how many days do you use public transportation?	
1-2 times a week	12.39%
Every day	67.26%
Only during the week	18.58%
Only on the weekend	1.77%
Do you own a car?	
No	90.27%
Yes	9.73%
Do you know about the LIFE program?	
No	78.76%
Yes	21.24%
When the bus was free, I used it more	
Yes	74.34%
Neutral	19.47%
No	6.19%
When the bus was free, I used it more to shop for groceries and do other important errands	
Neutral	13.27%
No	7.08%
Yes	79.65%
When the bus was free, I had more money to spend on other things	
Neutral	7.08%

No	13.27%
Yes	79.65%
When the bus was free, I felt less stressed out about how to pay for the bus	
Neutral	7.96%
No	2.65%
Yes	89.38%
When the bus was free, I used it to do more social activities, like see my friends	
Neutral	12.39%
No	9.73%
Yes	77.88%
When the bus was free, it was easier for me to attend doctor appointments	
Neutral	7.96%
No	4.42%
Yes	87.61%
When the bus was free, I visited places that I do not normally go	
Neutral	14.16%
No	21.24%
Yes	64.60%
When the bus was free, it was easier for me to get to work or school	
Neutral	10.62%
No	5.31%
Yes	84.07%
If public transportation was free, would you take it more often?	
No	7.08%
Yes	92.92%
If public transportation was permanently free, what would you spend the saved money on? (Multiple choice)	
Food	77
Housing	33
Clothing	25
Recreation	10
Bills	6
Savings	3
Family	3
Healthcare	1

Appendix 3: Methodology and Findings for Group Interviews of LA Metro Riders

In December 2022, Strategic Actions for a Just Economy (SAJE) convened three group interviews and spoke to a total of 15 low-income, non-white LA Metro riders. The purpose of these group interviews was to hear from LA Metro riders about how transportation costs affect them, whether they benefited from the agency’s temporary fareless program for buses during the COVID-19 pandemic, and what their experiences have been accessing and using LA Metro’s discount programs

To recruit participants, SAJE sent invitations to riders who had completed the bus rider survey we conducted between September 2022 and January 2023 at stops in East Los Angeles and South Central Los Angeles, part of LA Metro’s Equity Focus Communities. Survey participants provided contact information and consented to be contacted. The participants are nonwhite, do not own a car, and are low-income meaning they earn under \$35,000 annually in household income.. These criteria align with typical LA Metro rider demographics and reflect the population that LA Metro has committed to prioritizing in their Equity Platform.

Of the 100 survey respondents, 63 left contact information. Of those, three had numbers that had been disconnected, 10 did not answer, and 8 were not interested in participating. In total, 25 people RSVP’d to one of the scheduled group interviews. Only 17 of those who RSVP’d attended a group interview. Participants were invited by a SAJE organizer through call, text, and voice message and were compensated with \$50 Visa or Target gift cards.

SAJE hosted three group interviews in December 2022: one on December 13, one on December 14, and one on December 19. 86% of participants were Latinx, and all others identified as Black or African American. All had household incomes of less than \$35,000 per year, with 60% of participants earning less than \$15,000 per year. Most resided in Boyle Heights and South Central Los Angeles, while three were from Downtown Los Angeles, and one was from West Los Angeles.

HOUSEHOLD INCOME OF INTERVIEW PARTICIPANTS	
Annual Household Income	Percentage of Participants
Under \$15,000	60%
\$15,000–\$25,000	26.67%
\$25,000–\$35,000	13.33%

RACE AND ETHNICITY OF INTERVIEW PARTICIPANTS	
Race and Ethnicity	Percentage of Participants
Black or African American	13.33%
Latinx	86.67%

LOCATION OF INTERVIEW PARTICIPANTS	
Neighborhood	Percentage of Participants Residing
Boyle Heights	40% (6)
Downtown LA	20% (3)
East LA	13.33% (4)
USC	6.67% (1)
Vermont Square	6.67% (1)
West LA	6.67% (1)
N/A	6.67% (1)

SAJE facilitated the group interviews in the evening between 5:30 p.m. and 7:30 p.m., to maximize the availability of working people. They were conducted over Zoom; two were in Spanish, and one was in English. The sessions started with a general welcome and overview of purpose, followed by brief introductions from each participant and a presentation by SAJE staff about LA Metro. This presentation included an overview of ridership demographics, transit operations resources, rider household expenditure data, LA Metro budget data, and key definitions to help support discussion, including of fares, fare collection, fare enforcement, and universal fareless transit.

After the presentation, participants were asked between four and seven questions. Facilitators asked one question at a time and called on each participant to answer. Participants were given two minutes to respond. In some cases, follow up questions were asked for the purpose of clarification or elaboration. The number of questions asked depended on a variety of factors, the most significant being the number of participants. In some groups, there was not enough time to ask all the questions and hear from each participant.

Group Interview Questions

Think about the following expenses: housing, transportation, utilities, food, clothing, healthcare, and debt.

1. How much time do you spend worrying about these expenses? Does public transit play a significant role in your monthly expenses and budget?
2. Would you benefit from not having to pay for transit? In what ways would you benefit?
3. Do you think LA Metro should charge fares to ride public transit? Why or why not?
4. Would not having to pay fares cause you to ride LA Metro more frequently, less frequently, or the same? Why or why not?
5. Does having to pay fares cause you to ride LA Metro less than you need to or want to?
6. Did you ride between March 2020 and January 2022, when LA Metro suspended fares? If so, what was your experience? How did it impact your lifestyle? Did the fareless system create any challenges or advantages for you?

7. How do you pay for public transit? Do you use cash, a TAP card, or are you part of a discount program?

Interview Challenges

We faced several challenges in conducting these bus rider interviews. First, our pool of eligible participants was small. Of the 100 bus survey respondents we had, only 63 left contact information, and only 48 of those met the selection criteria. We received 25 confirmations, but in the end we were only able to talk with 15 participants.

In addition, each interview comprised a different number of participants, so in some groups we were only able to ask four questions before running out of time, while in others we asked seven. Further complicating this issue, the start time for each group was pushed back by 30 minutes to accommodate latecomers, resulting in less time for discussion.

For one interview, we opted not to show the presentation on LA Metro because the large number of participants required us to set aside more time for discussion. We were also interested in how excluding the presentation affected the discussion, especially around the LA Metro budget.

Summary of Findings

1. Riders we interviewed struggle to meet expenses, including transit, and are not well served by the agency's discount programs. Meanwhile, the agency's fare discount programs are difficult to access and apply for.
2. Riders we interviewed often have to reduce or forgo their use of public transportation to be able to afford other necessities.
3. LA Metro's fare collection system causes riders we interviewed to be in conflict with bus drivers, law enforcement, and other agency representatives.
4. Fares limit access to social and financial opportunities. Eliminating fares during the pandemic increased mobility and access and improved quality of life.
5. Eliminating fares will bring significant economic relief to riders we interviewed.
6. For some, the benefits of fareless transit greatly outweighed any challenges riders experienced due to LA Metro's pandemic fareless program.
7. Opinions about whether LA Metro should go fareless are shaped by knowledge about how the agency operates.

Appendix 4: L.A. County Housing and Transportation Costs (2020)

L.A. COUNTY REGIONAL TYPICAL HOUSEHOLD TRANSPORTATION AND HOUSING COSTS (2020)					
Transportation Burden	% of Households	Housing Burden	% of Households	Housing and Transportation Cost Burden	% of Households
<8%	.2%	<16%	3%	<24%	.5%
8-12%	4.8%	16-24%	19%	24-36%	8.3%
12-15%	10.9%	24-30%	24.9%	36-45%	21.7%
15-18%	19.5%	30-36%	19.6%	45-54%	28.6%
18-22%	34.8%	36-44%	16.3%	54-66%	25.1%
22-26%	26.6%	44-52%	9.1%	66-78%	10.4%
26-29%	3.2%	52-58%	3.8%	78-87%	4.2%
29% +	.1%	58%+	4.3%	87%+	1.1%

Source: The Housing and Transportation (H+T) Affordability Index. (n.d.). *Center for Neighborhood Technology*. <https://htaindex.cnt.org/>

Data is shown for Regional Typical Households. A Regional Typical Household assumes a household that earns the median income for the region, is of average size for the region, and has an average number of commuters for the region.

L.A. COUNTY REGIONAL MODERATE HOUSEHOLD TRANSPORTATION AND HOUSING COSTS (2020)					
Transportation Burden	% of Households	Housing Burden	% of Households	H + T Cost Burden	% of Households
<8%	.1%	<16%	1.1%	<24%	.3%
8-12%	1.9%	16-24%	6.2%	24-36%	2.2%
12-15%	5.9%	24-30%	14.7%	36-45%	8.6%
15-18%	11.5%	30-36%	20.3%	45-54%	18.1%
18-22%	23.5%	36-44%	21.8%	54-66%	30.7%
22-26%	29.8%	44-52%	14.6%	66-78%	21%
26-29%	18.7%	52-58%	7.8%	78-87%	9.6%
29% +	8.7%	58%+	13.7%	87%+	9.6%

Data is shown for Regional Moderate Households. A Regional Moderate Household assumes a household that earns 80% of the median income for the region, is the average size for the region, and has an average number of commuters for the region.

Source: The Housing and Transportation (H+T) Affordability Index. (n.d.). *Center for Neighborhood Technology*. <https://htaindex.cnt.org/>

Appendix 5: L.A. County Rent Burden by Income Group (2020)

L.A. COUNTY RENT BURDEN BY INCOME GROUP		
	Percentage of Earners Spending over 50% of Income on Rents	Percentage of Earners Spending over 30% of Income on Rents
Less than \$10,000	61.27%	64.77%
\$10,000–\$19,999	73.42%	87.46%
Less than \$20,000	78.58%	68.67%
\$20,000–\$34,999	62.71%	91.02%
\$35,000–\$49,999	28.11%	79.51%
\$50,000–\$74,999	9.07%	52.96%
\$75,000–\$99,999	2.02%	27.05%
\$100,000 or more	0.30%	7.95%

Source: "L.A. County Household Income by Gross Rent," 2020 American Community Survey by the U.S. Census Bureau, <https://data.census.gov/table?q=gross+rent+as+a+percentage+of+income&t=Financial+Characteristics:Income+and+Earnings&g=0500000US06037&y=2020&tid=ACSDT5Y2020.B25074>.

Appendix 6: LA Metro Fare Revenues and Operating Expenses (2002–21)

LA METRO FARE REVENUES (FISCAL YEARS 2002-20)				
FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
\$241.1M	\$247.4M	\$221.4M	\$269.2M	\$280.6M
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
\$293.9M	\$343.3M	\$343.2M	\$327.3M	\$358.7M
FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
\$359M	\$356.3M	\$356.9M	\$368.4M	\$355.9M
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
\$334.1M	\$315.3M	\$280.9M	\$199.7M	\$30.4M
LA METRO OPERATING EXPENSES (FISCAL YEARS 2002–21)				
FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
\$861.3M	\$893.8M	\$884.8M	\$975.4M	\$1,048.3M
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
\$1,122M	\$1,171.1M	\$1,182.5M	\$1,214.1M	\$1,240.4M
FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
\$1,245.8M	\$1,324.2M	\$1,369.2M	\$1,404.8M	\$1,574.4M
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
\$1,741,996,870	\$1,777,308,055	\$1,918,638,766	\$1,841,473,552	\$1,665,762,365
Source: "Ts2.2 - Service Data and Operating Expenses Time Series by System," Federal Transit Administration, https://www.transit.dot.gov/ntd/data-product/ts22-service-data-and-operating-expenses-time-series-system-0 .				

Appendix 7: U.S. Transit Agency Farebox Recovery Ratios (Fiscal Years 2018–21)

FAREBOX RECOVERY RATIOS OF U.S. TRANSIT AGENCIES (FISCAL YEARS 2018–21)					
Transit Agency	City	FY 2018	FY 2019	FY 2020	FY 2021
MTA New York City Transit (NYCT)	New York, NY	53%	52.6%	24.4%	27.6%
Chicago Transit Authority (CTA)	Chicago, IL	41.4%	40.7%	16.45%	16.5%
LA Metro	Los Angeles, CA	17.7%	14.6%	10.8%	4%
Massachusetts Bay Transportation Authority (MBTA)	Boston, MA	44.1%	44.6%	35%	11.3%
Washington Metropolitan Area Transit Authority (WMATA)	Washington, DC	34%	33%	24.3%	6.5%
Southeastern Pennsylvania Transportation Authority (SEPTA)	Philadelphia, PA	36.7%	35%	27.1%	12.5%
New Jersey Transit Corporation (NJ)	Newark, NJ	44.9%	43.2%	32%	12.5%
Bay Area Rapid Transit (BART)	San Francisco Bay Area, CA	73.8%	71.7%	50%	4.9%
Kansas City Area Transportation Authority (KCATA) - RideKC	Kansas City, MO	10.1%	9.1%	3%	1.95%
City of Albuquerque Transit Department (ABQ RIDE)	Albuquerque, NM	7%	6.4%	5.1%	8.9%

Source: "Ts2.2 - Service Data and Operating Expenses Time Series by System," Federal Transit Administration, <https://www.transit.dot.gov/ntd/data-product/ts22-service-data-and-operating-expenses-time-series-system-0>.

Appendix 8: LA Metro Monthly Ridership, January 2021–December 2022

LA METRO RIDERS PER MONTH		
	Bus	Rail
January 2021	10,541,528	3,018,826
February 2021	10,874,044	3,002,600
March 2021	12,955,673	3,494,600
April 2021	13,592,784	3,597,602
May 2021	14,151,624	3,738,850
June 2021	14,797,538	4,004,502
July 2021	15,891,209	4,133,184
August 2021	17,189,204	4,283,970
September 2021	17,384,550	4,438,248
October 2021	18,279,993	4,771,898
November 2021	17,727,232	4,759,577
December 2021	16,473,795	4,623,026
FARELESS PILOT PROGRAM ENDS		
January 2022	14,290,983	4,475,777
February 2022	14,176,356	4,538,012
March 2022	16,637,041	5,509,095
April 2022	16,157,225	5,067,135
May 2022	16,918,219	4,630,352
June 2022	16,526,336	4,505,616
July 2022	16,019,010	4,489,570
August 2022	16,685,276	4,718,506
September 2022	17,584,817	4,795,582
October 2022	17,731,842	5,162,698
November 2022	16,948,386	4,811,425
December 2022	16,614,874	4,597,227

Appendix 9: Report Methodology for Fare Collection

The following methodology was used to determine the cost of the fare system for this report.

Data Collection

1. A search was conducted through the LA Metro Board of Directors archives to locate contracts and contract modifications related to the TAP system from fiscal years 2002 to 2024 and contracts on the discount programs.
2. Requests were made through the California Public Records Act (CPRA) to obtain contracts that were not available in the archives and for written responses to the question of how much specific TAP programs cost.
3. A total of twenty-four unique contracts related to the TAP system were compiled for the analysis, and two contracts were compiled on the Low Income Fare Is Easy (LIFE) program for fiscal years 2020–24.
4. The figure for the student GoPass program, fare enforcement, and in-house TAP system administration was obtained from LA Metro in response to CPRA requests.
5. The figure for fare capping was located in the fiscal year 2023 Metro budget, which shows cost for the life of the project (\$5.85M) and fiscal year 2023 is \$4.15M.

Data Analysis

1. The total value of the twenty-four contracts was calculated by adding them together. The total value of the contracts was found to be \$502,356,302.32. The number of years covered by the contracts was calculated to be 24 (2002–24). Annual third-party costs for TAP were determined by dividing the total value of the contracts by the number of years. The amount was calculated to be \$22.8M per year.
2. The figures for the LIFE program were calculated by reviewing contracts for fiscal years 2020–24 and dividing the total value of the contracts by four years.



AFTERWORD

I have been a public transit rider in Los Angeles for more than 30 years. I have a car, but the bus is my main mode of transportation. Some think cars are the more convenient way to get around, but it's very difficult to deal with traffic and rising gas prices. And I like using public transit because it's better for the environment—the more cars there are circulating, the more contamination there is. I want to play my part, even if it only makes a small difference, to help the environment.

I don't earn very much. As a seamstress, the salary I receive is very low. On top of that, I can barely pay my rent. I often have to choose between paying rent or buying food for my family. This is why I'm concerned about fares. Every day I'm forced to ask myself, "Can I afford a day pass?" "Can I afford a weekly pass?" For the cost of a day pass, I could buy a gallon of milk. Now imagine the cost of a weekly pass—I could buy food for my family. I also have a son, and I've had to pay for his transportation, too.

During the pandemic, a lot of us lost our jobs, so we had no income. LA Metro's temporary fareless pilot program during that time was a huge relief. I no longer had to worry about not having enough money to look for work or run errands. I didn't have to limit the number of bus trips I took. Even if I could walk to where I needed to go, I took the bus! It gave me the opportunity to explore places. It also gave me a little extra money to spend. When you stay at home and don't go out because you can't afford to, you can't contribute to the local economy.

Since LA Metro started charging fares again, I try to use the bus as little as possible. This can make me feel more unsafe because I'm forced to walk more late at night. I also miss out on job opportunities that are farther away because I can't afford multiple bus rides in a day. On the weekends, I can't afford to take my son to the park anymore, so we just stay at home. When I pick up my son from school, if I pay \$3.50 for the bus, I can't afford to buy him a treat. This upsets me. I like seeing my son cheered up and happy, it's good for his well being. In small ways like this, fareless transit helps the health and happiness of the family.

I'm not just speaking for myself. I am also speaking for all the people in my community, most of whom do not have jobs that pay well. A lot of us are mothers who are also heads of household, so we have to work and care for our children. A fareless transportation system would bring us a lot of economic relief. We'd have one less money problem to stress about, and we'd be able to use more of what we earn to pay our rent, bills, and food.

If people need to use public transit to get to their jobs or whatever it is they need to do, they should not be kicked off the bus or excluded if they don't have enough money to pay the fare. It happens to all of us; there could be many situations in which you forget your card, or if you have a card, you forget to load it, or you simply just don't have enough money for the fare, or for whatever reason you can't pay the fare at that moment. These reasons shouldn't be barriers to using public transit for anyone. It's really troubling to know that people are being turned away, and it feels awful to watch it happen.

That's why Los Angeles should have fareless transportation. Working-class people are already paying a lot in taxes to support public transit, just like everyone else. A fareless system would be a great help to us all.

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