

## Metro's Fareless System Initiative (FSI)

Fareless System Initiative (FSI) Update  
Board of Directors Meeting  
Thursday, June 24, 2021

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# Background – LA County

- 69% of 1.4 million K-12 students qualify for Free and Reduced-Price Meal programs for low-income families
- 20% of junior high school students and 23% of LA adults are obese
- People who take transit are 44% less likely to be overweight
- An AA degree increases income potential by up to 47%
- Only 30% of community college students graduate, and only 26% of African American students and 22% of Latino students
- Access to jobs, internships, medical appointments, family, cultural destinations, and recreational opportunities

# Program Goals - Phase 1 (K-14)

- Increase ridership, increase student success, and improve student health by building on existing Metro and regional student pass programs, to make access to transit fareless for all K-12 and community college students in LA County through cost-sharing partnerships with districts (school and community college) and transit agencies
- Program could start as early as August 2021 for at least 18-month pilot with an approved funding plan

# Implementation Team

FSI Implementation is an agency-wide initiative and will require support from every department.

- CEO appointed Devon Deming as Interim DEO on June 1
- FSI Implementation reports to OCEO

## Phase 1 Implementation Team Includes:

- Operations (including Service Planning)
- Finance (OMB and TAP)
- Communications (Reduced Fare/Customer Care, Community Relations, Marketing, Government Relations, and Public Relations)

# K-12 District Partnerships: Status

Proposed cost-sharing for District K-12 Partnerships would be \$3 per student per year for all students in district and would include:

- Distribution of free TAP Cards through District
- Unlimited rides on all participating transit agencies in LA County

We are surveying districts, conducting online information sessions, and one-on-one meetings to reach as many districts as possible quickly. In preliminary meetings with school districts, this \$3 proposal has been well-received.

# K-12 Launch

- K-12 Launch (Preliminary)
  - The TAP system will be programmed to recognize K-12 TAP Cards on Metro and other FSI-participating operators without needing any passes or stored value to be loaded.
  - 40,000 existing K-12 TAP cards would automatically be eligible
  - 500,000 additional K-12 cards available for distribution through school districts and more on order
  - Schools would only be required to track distribution for school purposes, but not share any student information with Metro
  - Simple online registration process for performance data
  - Expected completion late July/early August

# Community College Launch

Out of the twenty community colleges in LA County:

- Five existing muni agreements with transportation fees
  - One U-Pass Program with transportation fee,
  - Seven U-Pass Program only to students who opt-in and pay for the pass
  - Five of the nine Los Angeles Community College District campuses offer free U-Passes to College Promise participants who opt-in, but do not offer passes to the remaining students
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- TAP will build online registration portal similar to K-12 TAP portal with expected completion late July/early August
  - Colleges will be encouraged to upgrade to the pass program that provides passes to all students



# Status of Phase 1 Funding Plan

## Costs

- Preliminary Estimate for County: \$41.7M
  - Metro: \$33.5M, Muni/Local: \$8.2M
  - Refining fare loss estimates for Muni and local transit agencies
- Defeasance of bonds (\$80M) not necessary for implementation of Phase 1

## Funding

- Twenty-five K-12 school districts interested in cost-sharing
- Metro plans to propose ARPA to fund Metro's participation in Phase 1
- Work with regional transit operators to determine funding for their participation in Phase 1
- Continue to seek additional funding to support the pilot



# Next Steps

- Staff will continue the outreach with the municipal and local transit operators, as well as the school districts and community colleges
- Present a formal financial plan, consistent with the May Board motion, for Board approval at its next meeting on July 22, 2021



## Fareless System Initiative

Fact Sheet  
April 2021