



Board Report

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Agenda Number: 43.1.

REGULAR BOARD MEETING MARCH 25, 2021

Motion by:

DIRECTORS HAHN, GARCETTI, SOLIS, NAJARIAN, MITCHELL, AND SANDOVAL

Related to Item 43: Fareless System Initiative

The time is right for Metro to consider fareless transit. We can get there, but we need more and better information and a clearer path forward.

Fareless transit must be applied equitably across Los Angeles County, focused on the communities most in need of free transit. And a fareless transit system must maintain our current efforts to create a fast, reliable, and dignified experience for all riders, especially riders who rely on transit as a lifeline.

A Fareless System Initiative (FSI) must be feasible and sustainable and take into account other strategic priorities, including Metro's Long and Short Range Transportation Plans, the NextGen Bus Plan, 28 x '28 Pillar Projects, Zero Emission Bus 2030, the Customer Experience Plan, and Traffic Reduction Study. We must also be accountable to our constituents who have placed their faith in Metro to deliver a major transit operations and construction program.

While fare revenues are not the sole revenue for Metro's transit operations, they pay directly for transit operations and maintenance. They factor into the allocations of local transit sales taxes and the availability of state and federal grants. Eliminating fares could have major impacts to ongoing transit operations, including NextGen, post-pandemic service restoration, and future service improvements.

Metro and municipal agencies have worked hard to establish subsidies based on things like income, age, disability, school enrollment, transit provider, and City of residency. As the Board considers an FSI pilot, it is important to fully understand what discounts are already offered to better inform the benefit FSI will have to riders.

While Metro is the largest transit provider in LA County, municipal operators serve a quarter of our region's riders. Riders who rely on municipal operators must be part of a fareless initiative.

Metro's work to pursue a fareless transit initiative pilot is timely, urgent, and important. Yet, many questions remain unanswered. We need more information to ensure the success of a fareless initiative in the long term.

SUBJECT: FARELESS SYSTEM INITIATIVE

RECOMMENDATION

APPROVE Motion by Directors Hahn, Garcetti, Solis, Najarian, Mitchell, and Sandoval that the Board direct the Chief Executive Officer to:

1. Report back at the April 2021 Board Meeting on the following regarding a possible FSI:
 - a. How Metro is including municipal operators in the planning process, including what it would cost to fully include them and how many of their riders would qualify;
 - b. All the subsidies Metro, Municipal Operators, and Cities already offer, including LIFE and U-Pass, and how those programs play a role in and inform a fareless initiative;
 - c. How fareless will impact the Formula Allocation Procedure (FAP), state and federal grants, and ACCESS Services; and,
 - d. What Metro's customer surveys tell us about fareless and other priorities.
 - e. Potential cost savings and implications for what can be realized through a fareless program for all residents through elimination of TAP infrastructure, administration of pass and subsidy programs, etc.
2. As part of any recommendation to implement a fareless initiative, provide the following:
 - a. Funding source details, including what those funds could go to if not fareless transit;
 - b. A plan to decide how to evaluate the success of the program, including permanent funding sources and what would trigger an end to or continuation of the program;
 - c. A commitment to not cut service, state of good repair, or customer experience priorities; and,
 - d. If a FSI pilot is approved, regular reports back to the Board on how the initiative is impacting ridership, equity, Metro's finances, and the customer experience.