



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

September 27, 2021

TO: Tom Hucker, President
County Council

FROM: Marc Elrich, County Executive

SUBJECT: Fare Equity Study Findings and Recommendations

Attached for your review and consideration are the results of the Department of Transportation's (MCDOT's) Fare Equity Study. Based on the findings of this work, my recommendation is that Council establish \$1.00 standard fare (reduced from \$2.00) and retain its fare free programs such as Kids Ride Free and Seniors Ride Free. As Council is aware, at a time when other transit agencies in the region were resuming fare collection, Ride On continued its "fare holiday" to extend free access to our transit customers, particularly those who do not have access to a privately-owned vehicle for essential trips. Over the last two months, MCDOT performed a Fare Equity Study to better inform long-term fare policy as it relates to supporting low-income and economically vulnerable residents, while reducing barriers to access transit and improving overall ridership.

As you will see in the detailed report, the study examined four fare policy scenarios in comparison to reimplementing the existing \$2 fare:

- **Scenario A:** Zero fare system for all riders, every day
- **Scenario B:** Zero fare for all riders on Saturdays/Sundays/Holidays
- **Scenario C:** Reduced standard fare of \$1.00 (compared to the baseline \$2.00 fare)
- **Scenario D:** Offer reduced fares based on a low-income or means-tested program

The study evaluated each of these scenarios using socioeconomic and ridership data, peer reviews, and anticipated fiscal impacts. Comparison of each scenario includes assessment of equity, fiscal impact, ridership, customer experience, safety and security, transit operations and performance, and climate impact.

Based on the study findings, my recommendation is immediate implementation of **Scenario C, \$1 standard fare (kids and seniors continue to ride free)** for services operated by Montgomery County. Scenario C provides the best balance of benefits and costs, and you'll see that these benefits primarily accrue to the populations we are most hoping to support through these changes. Scenario C is among the easiest to communicate to transit customers and avoids the County incurring a substantial cost and lost time to implement an entirely new program. Further, retention of a fare collection system allows flexibility in the future to participate in a larger regional implementation of equity-based fare programs that would be costly for the County to implement on its own (as is considered in Scenario D). The research of peer agencies shows that most means-based programs have been implemented on a regional basis, and it is my belief that a regional program like this is the preferred long-term solution.

I note that the WMATA Board held a discussion on reduced fare policy (including consideration of a \$1 fare) for Metrobuses at their September 23 meeting and am encouraged that this topic is under discussion at WMATA and other regional transit providers. I do not think it advisable for Montgomery County to unilaterally incur the cost of extending reduced fares on Metrobus, especially while there is momentum building for a regional approach; however, this Fare Equity Study provides estimates on potential cost implications for Metrobus that should be helpful to WMATA as they consider providing a \$1.00 standard fare for Metrobus.

Please note that, while the recommendation to implement Scenario C is a recommendation for immediate action, MCDOT has been advised by WMATA that actual implementation of a changed fare requires a minimum of 60 days to take effect. Therefore, I further recommend extending the fare holiday until on or around January 2, 2022, to allow for system changes and rider notification.

I know that bus riders in Montgomery County are eagerly awaiting information on what to expect for future bus fares, and I am confident that this study provides us with the information that is needed to decide how to best serve the people of the County. In the meantime, please contact MCDOT Director Chris Conklin with any questions you may have on my recommendations or the study itself.