

# ***TCRP Research Brief***

## ***TCRP Report 163: Strategy Guide to Enable and Promote the Use of Fixed-Route Transit by People with Disabilities***

### **Fare Incentive Programs**

As used in this Strategy Guide, a fare incentive program is considered a set of policies that allows persons with disabilities to ride fixed-route transit service for a lower fare than the fare for the general public. Fare incentives can lead to increased use of fixed-route transit. The challenge for transit agencies is to design programs that will attract new riders, particularly those riders who may now be using ADA paratransit service.

There are a variety of fare incentive programs for persons with disabilities commonly in use by transit systems. As a condition of receiving funding, all FTA grantees are required to charge no more than half the peak fare during non-peak service hours on fixed-route transit service. Other common fare incentive programs include:

- Half fare (or less) during all fixed-route transit service hours
- No fare (free) for individuals certified as ADA paratransit eligible
- No fare for individuals certified for ADA paratransit, with other qualifications (e.g., receiving travel training)

### **Purposes of Fare Incentive Programs**

A primary purpose of the FTA half fare requirement is to make fixed-route transit services more affordable to seniors and persons with disabilities. Many seniors and persons with disabilities have limited incomes. Many seniors and persons with disabilities also do not have access to private automobiles and rely on public transit services for mobility.

A second purpose of fare incentive programs is to encourage riders with disabilities to use more cost-efficient fixed-route transit services when possible. Other transit options that may be provided, such as ADA paratransit, are often more costly to provide than fixed-route transit service on a per passenger trip basis. According to the 2011 National Transit Database, the average operating cost per unlinked bus trip was \$3.60 (\$1.80 and \$3.20, respectively, for heavy and light rail trips). In contrast, the average operating cost per demand responsive trip—of which ADA paratransit comprises the greatest portion—was \$32.70. As a result, transit systems have a great financial incentive to have persons with disabilities use fixed-route transit rather than ADA paratransit when they can.



**Use of Light Rail by Persons with Disabilities**

(Photo courtesy of the Collaborative)

Providing affordable fixed-route transit service also benefits riders with disabilities. An increasing portion of transit systems are setting their paratransit fare at the maximum level (double the fixed-route fare) to try to capture more revenue to pay for transit services. As a result, a typical difference in fare for a person with a disability between a paratransit trip and a fixed-route trip may be a factor of four. For example, if the local bus fare is \$2, the reduced fare on the bus may be \$1, while the paratransit fare may be as high as \$4.

Seven transit agencies that have free fare programs indicated that these programs were effective provided ridership, fare, and cost data, as well as commentary on unintended consequences and the transferability of their incentive programs to other transit agencies:

- Ann Arbor (MI) Transportation Authority
- Arlington (VA) Transit
- Fort Worth Transportation Authority
- Hernando County (FL)
- Massachusetts Bay Transportation Authority
- San Mateo County (CA) Transit District
- Utah Transit Authority

Table 1 presents potential benefit-cost calculations for the seven transit agencies. The “net savings per diverted paratransit trip” equals the agency’s net cost per trip (average paratransit cost per trip minus paratransit fare) minus the fare forsaken by not charging riders with disabilities on the fixed-route transit service. This amount is the reduced fixed-route transit fare, rather than the full fare, since any paratransit rider would qualify for the reduced fare. This calculation for each transit system also includes the added ongoing cost for 0.5 full-time equivalent (FTE) staff person; while none of the transit systems attributed additional staff costs for managing the fare incentive program, we have added this cost as a conservative estimate of program management.

**Table 1. Sample Benefit-Cost “Break-Even” of Free Fare Programs**

<b>Transit Agency</b>	<b>Net Savings per Diverted Paratransit Trip</b>	<b>Annual Costs (assume 0.5 FTE)</b>	<b>Annual Break-Even Diverted Trips</b>	<b>Actual Annual Free Fare Trips</b>
Ann Arbor TA	\$22.77	\$45,000	1,976	101,147
Arlington Transit	\$28.56	\$50,000	1,751	9,818
Fort Worth TA	\$29.90	\$45,000	1,505	229,690
Hernando County	\$22.63	\$35,000	1,547	7,652
Massachusetts Bay TA	\$39.19	\$50,000	1,276	942,742
San Mateo County TD	\$41.25	\$50,000	1,212	244,253
Utah TA	\$34.14	\$45,000	1,318	157,625

The column showing “annual break-even diverted trips” shows the number of trips that would need to be taken by ADA paratransit riders on the fixed-route transit service, rather than on ADA paratransit, to offset the estimated costs of the free-fare program. This analysis assumes no marginal operating cost for accommodating additional free fare trips on the fixed-route transit system.

As presented in Table 1, the actual number of free fixed-route transit trips taken far exceeds the break-even number for all seven transit systems. A transit agency may speculate that many of the free trips taken are not actually diverted from paratransit, but instead are either:

- New trips that the riders would otherwise not be taking on paratransit (no net gain for the transit system)
- Trips that the riders would be taking and willing to pay the reduced fare if they had to (actual fare revenue loss for the transit system).

Even if this is true, the ratios of the actual free fare trips to the break-even values are so large (4.9:1 for Hernando County to over 100:1 for four of the other seven transit systems) that it requires only a small portion of the free fare trips to be trips that are diverted from paratransit to make the program cost effective.

## Findings

Based on interviews with managers from the seven transit agencies studied, and analysis of the data they provided, one can make the following findings:

- There is a great financial incentive for a transit agency to adopt a free fare policy for paratransit riders, given potential savings from fewer paratransit trips provided versus the relatively small revenue losses on the fixed-route transit system and the ongoing costs to operate a free fare program.
- The cost of implementing and managing a fare incentive program appears to be small. Five managers indicated “minimal” or “negligible” costs. The other two stated that they did not track these costs separately from other administrative and management costs.
- Even if it is assumed that only 25% of the total free fare trips are trips diverted from ADA paratransit, the analysis suggested savings ranging from \$8,283 per year for the smallest transit systems, to over \$9 million per year for the largest system.
- At transit agencies that used in-person interviews and functional assessments to determine ADA paratransit eligibility, free fare programs did not appear to have a significant impact on the number of applications or determinations. As seen in Table 2, at transit agencies where only paper applications were used to determine ADA paratransit eligibility, linking free fares to this eligibility appears to result in significantly higher numbers of applications.

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**Table 2. Free Fare Programs and Paratransit Assessments**

<b>Transit Agency</b>	<b>In-person Paratransit Interviews, Assessments?</b>	<b>First Year of Free Fare for Paratransit Riders</b>	<b>Increase in ADA Paratransit Applications?</b>
Ann Arbor TA	no	2009	40.5%
Arlington Transit	yes	2011	22% (but still fewer than 2008 or 2009)
Fort Worth TA	yes	1996	No
San Mateo County TD	yes	prior to 2003	slight increase
Utah TA	yes	2002	+3.1%

\* MBTA began in-person assessments in 2013

- To better ensure that individuals with disabilities who can use the fixed-route transit service do not apply for ADA paratransit eligibility just to receive the free fare benefit, transit agencies should consider including in-person interviews and functional assessments in the eligibility determination process before fare incentive programs are implemented.

***Transit systems will ideally consider including in-person interviews and functional assessments in the eligibility determination process before fare incentive programs are implemented.***

## **Implementation Issues**

While managers from all seven transit agencies believed that their programs were readily transferable and could be easily adopted by other transit agencies, they noted several implementation issues that should be considered.

- AATA worked with human service agencies to assist their clients in understanding the requirements for receiving eligibility for A-Ride service.
- An ART manager viewed the proper training of the fixed-route transit bus drivers in passenger sensitivity and use of the lift/ramp and securement system as key to success, given the high proportion of the free fare riders who use wheelchairs.
- A SamTrans manager stated that transit agencies “will have to be vigilant about abuse of the paratransit ID. High-tech fareboxes and readable paratransit ID cards will certainly help deter abuse.” When UTA started to receive an increase in reported “lost” medallions (which allowed paratransit riders to ride fixed-route service for free), it suspected this was a sign of misuse of the program. UTA has since changed the program so that the paratransit ID cards also act as a fare card. An MBTA manager also cited a concern about fraud. The MBTA can deactivate a card if it is reported to be lost or stolen, but there is no easy way to detect intentional misuse of the card.
- Managers at all seven of the transit agencies are evaluating the effectiveness of their programs and are considering policy changes. For example, the MBTA manager said that her agency is looking at the possibility of limiting the number of free trips; she noted that New York City Transit has a limit of four free round trips per day.

Information in this Research Brief was taken from *TCRP Report 163: Strategy Guide to Enable and Promote the Use of Fixed-Route Transit by People with Disabilities*. It presents one of the strategies suggested in *TCRP Report 163*—using fare incentives to promote fixed-route transit use. More information about this, as well as other strategies, is contained in the full report. Copies of the report are available from TRB at [www.trb.org](http://www.trb.org).