

# Committee Report

Transportation Committee



**Committee Meeting Date:** June 26, 2023

**For the Metropolitan Council:** June 28, 2023

## Business Item: 2023-129 SW

Implementation of the Transit Fare Elimination Pilot Program

### Proposed Action

1. That the Metropolitan Council:
2. Implement the legislatively mandated transit fare elimination pilot program on Metro Transit Route #32 and #62 from July 1, 2023, to December 31, 2024;
3. From July 1, 2023, to December 31, 2024, provide all regular route service free of charge to individuals who are certified as disabled under the Americans with Disability Act requirements of the Federal Transit Administration or certified as eligible for special transportation service under Minnesota Statutes section 473.386, subdivision 2a; and
4. Direct staff to submit the required legislative report on the pilot program by February 15, 2025.

### Summary of Transportation Committee Discussion/Questions

Dennis Dworshak & Christine Kuennen presented this item. Council Members discussed the pilot program's details and future impact.

Moved by Vento, seconded by Dolkar. Motion carried.



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**District(s), Member(s):** All

**Policy/Legal Reference:** OEE0 6-1 Title VI Major Service Change Policy; OEE0 6-2 Title VI Disparate Impact and Disproportionate Burden Policy; 2023 Minn. Laws ch. 68, art. 4, § 122; 49 C.F.R. § 37.131

**Staff Prepared/Presented:** Lesley Kandaras, Interim General Manager, 612-349-7513  
Edwin Petrie, Director Finance (612) 349-7624  
Dennis Dworshak Sr Manager, Revenue Operations (612) 349-7364  
Charles Carson, Executive Director MTS (651) 602-1761  
Gerri Sutton, Director Contracted Services (651-602-1672  
Christine Kuennen, Sr Manager, Metro Mobility (651)-602-1689

**Division/Department:** Transportation, Metro Transit and Metropolitan Transportation Services

### Proposed Action

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2. Implement the legislatively mandated transit fare elimination pilot program on Metro Transit Route #32 and #62 from July 1, 2023, to December 31, 2024;
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4. Direct staff to submit the required legislative report on the pilot program by February 15, 2025.

### Background

The Transportation Finance Omnibus Bill enacted during the 2023 legislative session requires the Council to implement a transit fare elimination pilot program ("Pilot Program") from July 1, 2023, to December 31, 2024. Transit service under the Pilot Program must be provided free of charge or at a reduced fare on two regular routes. Free or reduced fare service must be implemented on the entirety of each selected route during both peak and nonpeak service hours.

Staff identified Route #32 and #62 as the best routes for this Pilot Program. Both routes serve people who depend on transit, people of color, and people with low incomes. These routes also serve the east metro and west metro and include a mix of core local and supporting local service. Selecting these areas for the pilot program will help the Council evaluate how different routes and market areas respond to free transit services.

Staff concluded free fares (rather than reduced fares) provide the best incentive to increase ridership, meets the intent of the legislation, is the easiest to implement by the Legislature's July 1, 2023 deadline, and provides for faster boarding with a simple clear transfer policy. Transfers will not be provided on the free routes.

A Title VI fare equity analysis requirement applies to all fare changes regardless of the amount of increase or decrease. As with the service equity analysis, the Federal Transit Administration ("FTA") requires transit providers to evaluate the effects of fare changes on low-income populations in addition to Title VI-protected populations. The analysis is expected to be completed before July 1, 2023.

During the Pilot Program, the legislation requires the Council to provide regular route transit service free of charge to individuals who are certified as disabled under the FTA's ADA requirements or certified by the Council as eligible for Metro Mobility service. The fare free service to Metro Mobility riders applies to all regular route service; not just the two Pilot Program regular routes. The Council has met with regional providers to coordinate implementation of this Council established fare policy change for the metropolitan area.

Consistent with FTA regulations for complementary paratransit service for ADA paratransit eligible persons, Metro Mobility customers will ride fare free for rides to origins and destinations within three-fourths of a mile on each side of the two selected regular routes.

As the Pilot Program is implemented the Council will develop an approach to evaluate the Pilot Project and by February 15, 2025, submit to the Legislature a report that includes:

- An overview of the Pilot Program implementation;

- An evaluation of the effects on ridership, travel time, service equity, and rider experience and other measures of quality of life;

- A review of fiscal impacts, including foregone revenues, costs related to service changes, and potential cost efficiencies;

- An analysis of barriers, best practices, economic impacts, and other considerations; and

- Any recommendations regarding any subsequent implementation of free or reduced-fare transit service.

An overview of this Pilot Program was presented to the Council at its June 14, 2023, meeting. That presentation included information on the two proposed bus routes.

## Rationale

The 2023 Transportation Omnibus legislation requires the Council to establish this Pilot Program by July 1, 2023. The Council normally would initiate proposed fare changes under its Transit Fare Policy Changes Policy (FM 12-2) and Transportation Service Fare Policy Changes Procedure (FM 12-2a) but the legislatively prescribed fare changes and deadline for implementing this Pilot Program do not allow the Council sufficient time to apply its fare changes policy and procedure.

## Thrive Lens Analysis

This Pilot Program advances Thrive MSP 2040 regional outcomes by examining the impacts of providing riders with transit rides at no direct cost to them. Increasing transit ridership and reducing barriers for people to ride transit would help contribute to regional stewardship, prosperity, livability, equity, and sustainability using a data driven approach to measure the effectiveness of the Council's efforts.

## Funding

This Pilot Project will be fully funded with local funding included in the Transportation Operating Budgets