



# Zero-fare Study



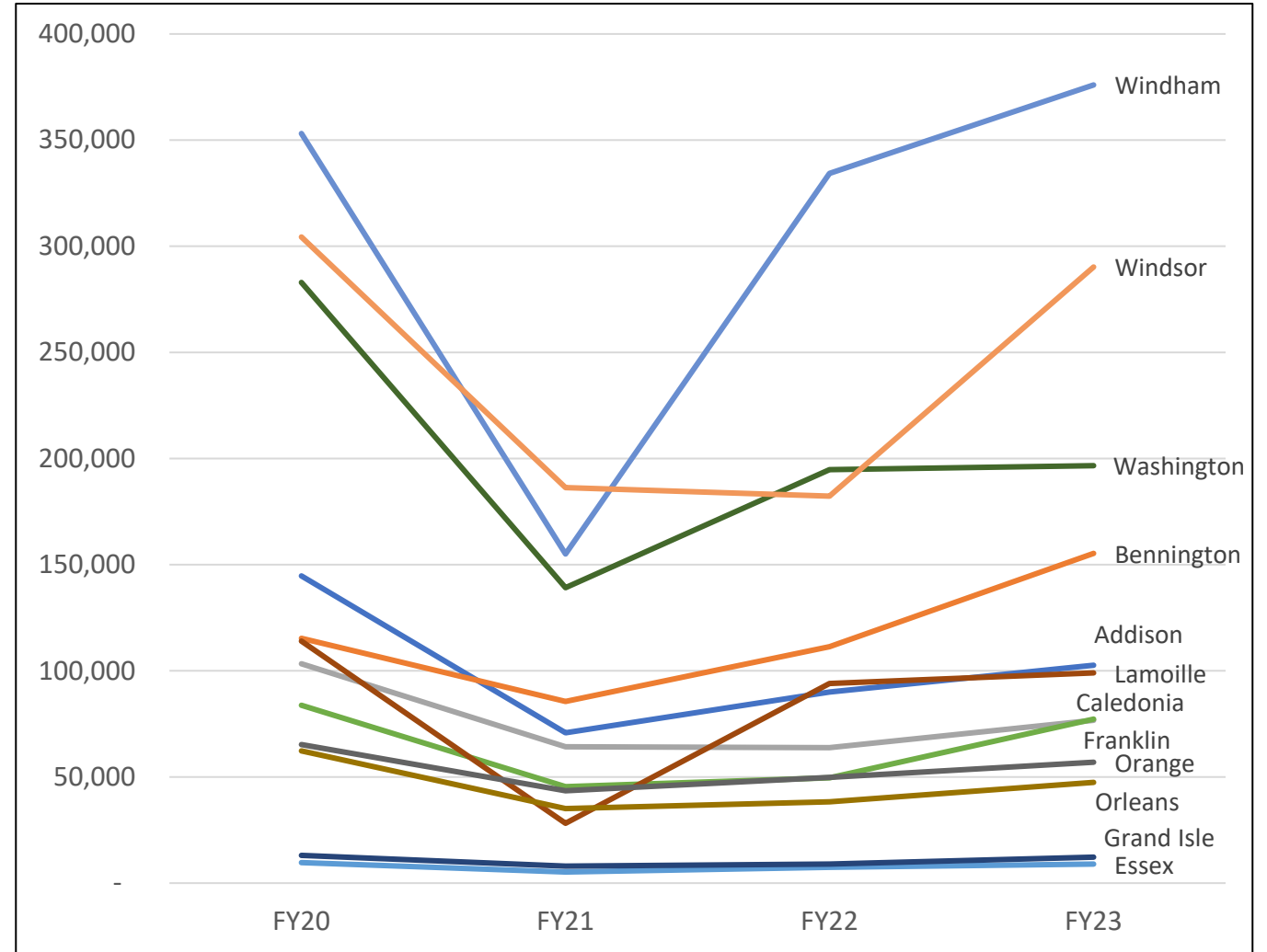
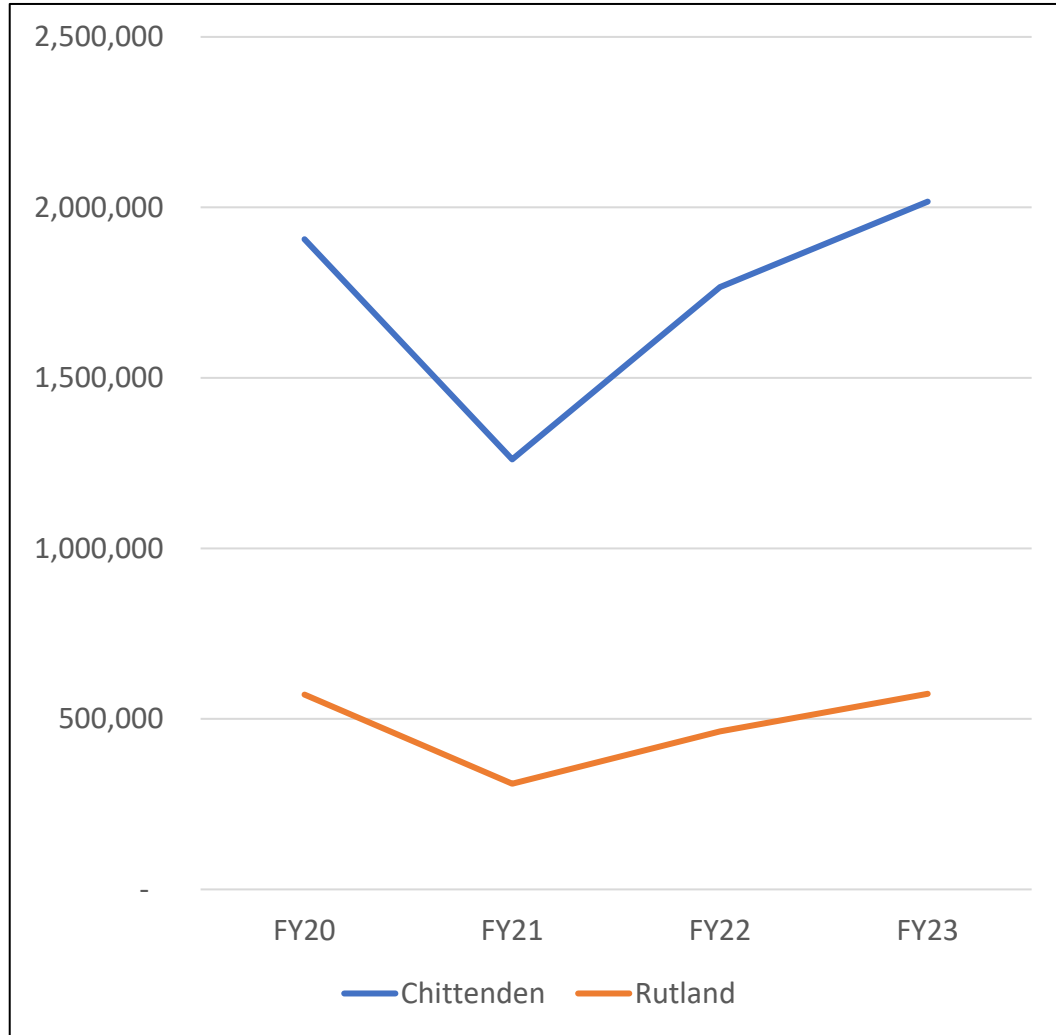
House Transportation Committee

February 2, 2023

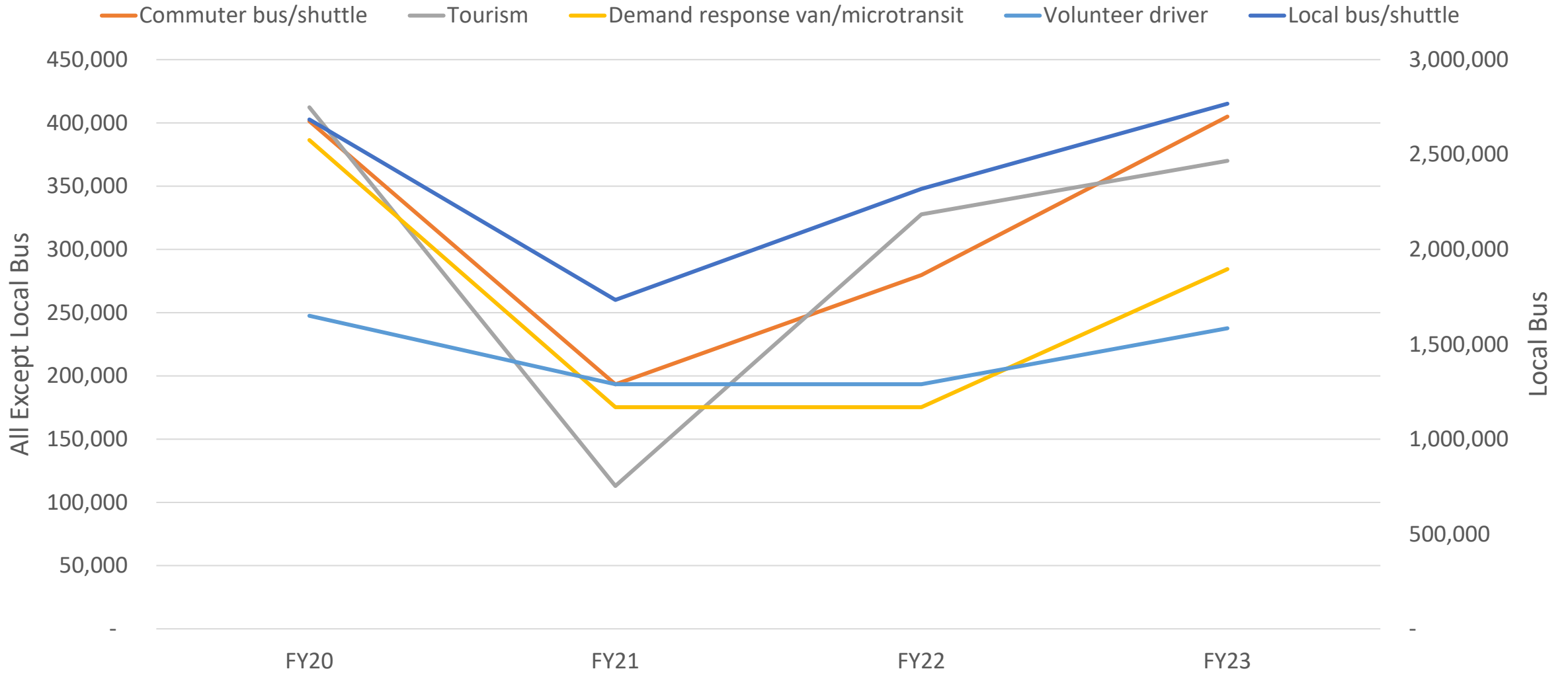
# Zero-Fare Study Scope

- Assess impacts of extending zero-fare policy through SFY 2024
- Study ridership trends from FY20 through Q1 FY23
  - By county
  - By type of service
- Forecast ridership and revenue impacts
- Consider impacts on ADA and NEMT service and finances

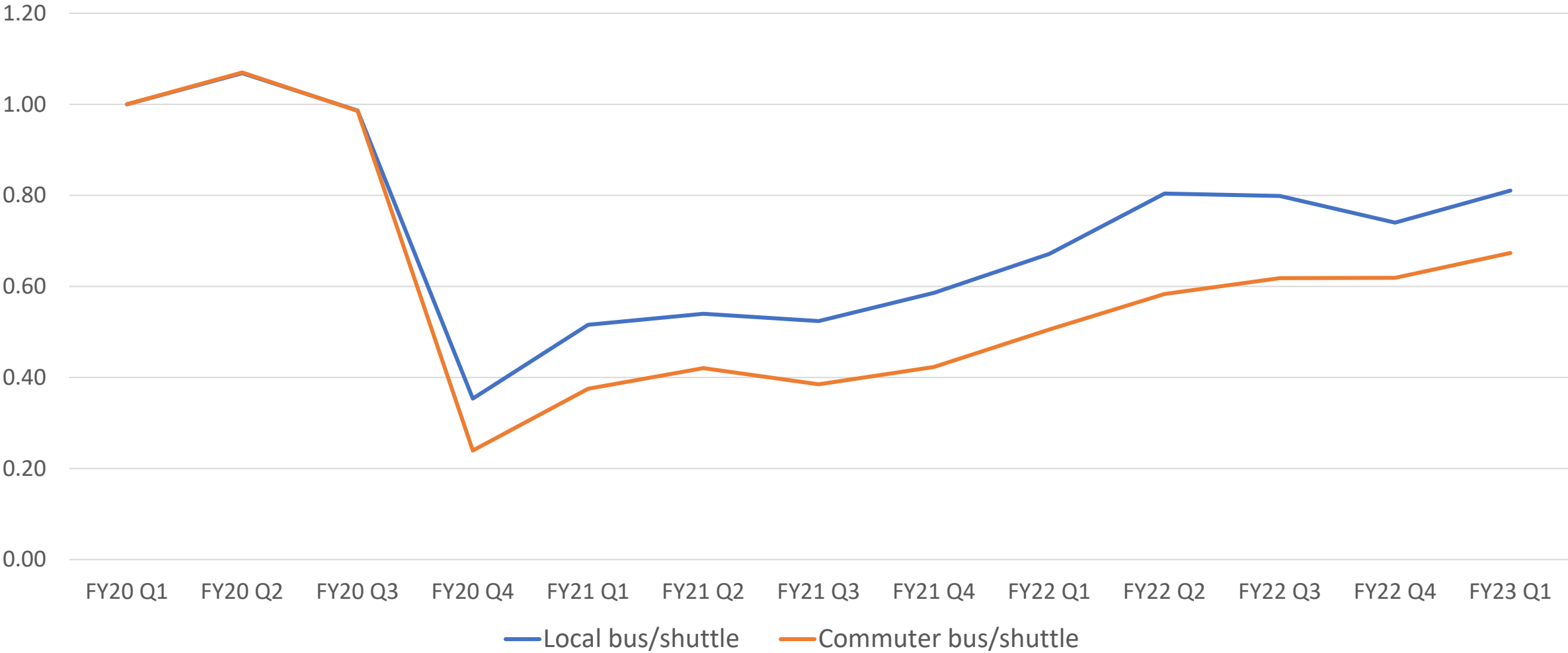
# Ridership by County



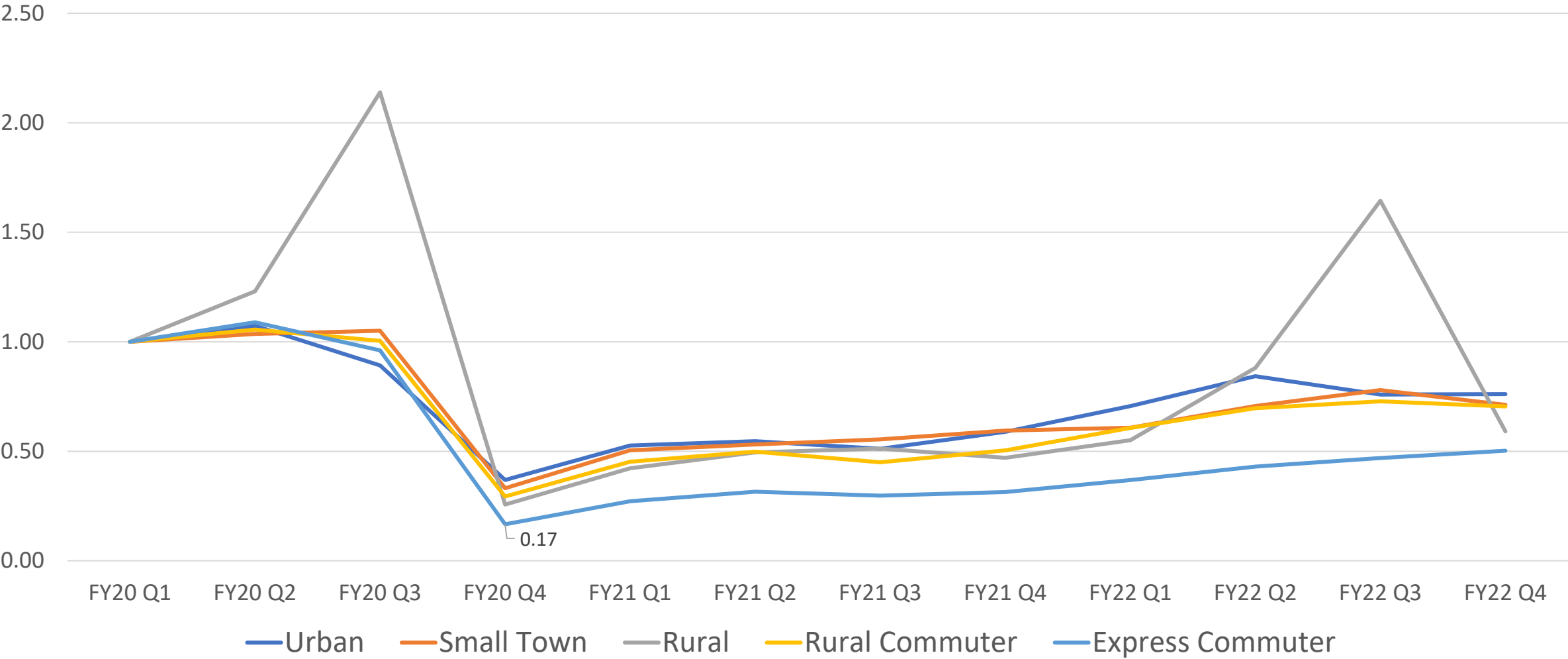
# Ridership by Type of Service



# Quarterly Ridership Index for Local and Commuter Routes



# Quarterly Index by Route Class



# Forecasting Process

- Exclusions
  - All demand response (E&D, NEMT) other than MyRide by GMT
  - All Tourism services (all fare free)
- Forecast FY23 ridership based on Q1 results
  - Compare Q1 of FY23 to Q1 of FY22
  - Extrapolate results to other quarters
- Forecast FY24 ridership based on FY23 forecast
  - Divide routes into fare-free and former fare
  - Compare ridership level to pre-pandemic
  - Apply variable growth rates
    - Higher growth rates for routes that were still well below pre-pandemic levels
    - Greater losses from reimposition of fares on routes with faster growth

# Ridership Forecasts

Agency	FY22 Actual	FY23 Forecast	FY24 with fares	FY24 without fares	Ridership loss from fares
AT (always fare free)	136,177	153,000	172,000	172,000	-
GMCN	73,013	108,000	103,000	115,000	(13,000)
GMT-Rural	140,775	164,000	159,000	183,000	(25,000)
GMT-Urban	1,725,475	2,018,000	1,826,000	2,167,000	(340,000)
MVRTD	299,465	368,000	366,000	405,000	(39,000)
RCT (always fare free)	50,289	59,000	67,000	67,000	-
SEVT	194,405	301,000	267,000	320,000	(53,000)
TVT	99,637	119,000	127,000	142,000	(15,000)
Statewide	2,719,236	3,288,000	3,086,000	3,571,000	(485,000)
Statewide Non-Urban	993,761	1,271,000	1,260,000	1,405,000	(145,000)



# Foregone Fare Revenue

Agency	FY24 Fare Revenue
AT	\$0
GMCN	\$34,000
GMT-Rural	\$117,000
GMT-Urban	\$1,920,000
MVRTD	\$131,000
RCT	\$0
SEVT	\$108,000
TVT	\$63,000
Statewide	\$2,371,000
Statewide Non-Urban	\$453,000

# Costs of Fare Collection

- GMT estimates annual urban cost of \$36,000 exclusive of staff time
- Rural providers collectively (MVRTD, SEVT, TVT, GMCN, GMT) estimate annual cost of \$150,000 (29% of total revenue collected in FY19)
- Most providers indicated no near-term capital cost (adequate fareboxes available), but SEVT estimates \$37,000 near-term cost
- Impacts on revenue
  - GMT Urban net revenue of \$1.88 million
  - Rural net revenue of \$303,000

# Cost per Trip

- In rural areas, \$303,000 in net lost fare revenue results in 145,000 more trips
  - Effective cost per trip of \$2.09
  - Compares very favorably to cost of service for any route in Vermont, even urban routes
- In the urban area, \$1.88 million in net lost fare revenue results in 340,000 more trips
  - Effective cost per trip of \$5.55
  - Similar to the average cost per trip for urban routes

# ADA and NEMT Impacts

- ADA ridership low outside of Chittenden County and still below FY20
- ADA trips in Chittenden have surged; nearly back to pre-pandemic levels
  - Lack of \$3 fare likely resulting in more trips
  - Fewer riders had other travel options
- FY24 foregone fare revenue for SSTA would be about \$140,000
- Total for others (MVRTD and SEVT) likely around \$6,000
- Lack of fare is contributing factor to loss of NEMT “members”
  - Medicaid recipient who accomplishes all trips by (fare-free) bus will drop off roster after 52 weeks
  - Drop in membership figures causing financial stress for VPTA contract

# Conclusions

- Strong case for continuing zero-fare service outside of the urban area
  - Very low cost per trip
  - Impact on NEMT finances can be mitigated through higher PMPW rate
- Less justification for zero-fare service in Chittenden County
  - Very large budget hole to fill (\$1.9 million for fixed routes)
  - Cost per trip is much higher, similar to urban average cost per trip
  - ADA implications are significant
    - Additional lost revenue
    - Increased demand (at \$40 per trip)
- Rural microtransit should be exempted from zero-fare policy
  - Fare is only effective tool to reduce no-shows and late cancellations

# Detail for GMT Urban Local Routes

Route	FY22 Actual	FY23 Projected	FY24 No Fare	FY24 With Fare	Lost Riders	Foregone Revenue
City Loop	47,465	63,000	66,000	54,000	13,000	\$51,000
Airport	69,501	108,000	127,000	97,000	29,000	\$93,000
Essex Junction	369,906	404,000	439,000	404,000	34,000	\$384,000
Neighborhood Specials	41,406	32,000	38,000	34,000	4,000	\$20,000
North Avenue	228,747	265,000	278,000	225,000	53,000	\$214,000
Pine Street	79,414	95,000	103,000	95,000	8,000	\$91,000
Riverside/Winooski	147,222	185,000	194,000	157,000	37,000	\$149,000
Shelburne Road	248,459	249,000	261,000	211,000	50,000	\$201,000
Williston	400,511	490,000	514,000	416,000	98,000	\$396,000
Williston/Essex Center	27,168	29,000	33,000	30,000	3,000	\$29,000
<b>Total</b>	<b>1,659,799</b>	<b>1,920,000</b>	<b>2,053,000</b>	<b>1,723,000</b>	<b>329,000</b>	<b>\$1,628,000</b>

# Detail for GMT Urban Commuter Routes

Route	FY22 Actual	FY23 Projected	FY24 No Fare	FY24 With Fare	Lost Riders	Foregone Revenue
116 Commuter	1,782	2,600	3,000	2,700	300	\$5,000
Jeffersonville Commuter	5,729	7,000	8,000	7,000	1,000	\$14,000
Milton Commuter	11,390	15,000	16,000	15,000	1,000	\$23,000
Montpelier LINK Express	39,603	62,000	72,000	65,000	7,000	\$205,000
St. Albans LINK Express	7,172	12,000	14,000	12,000	1,000	\$46,000
<b>Total</b>	<b>65,676</b>	<b>98,600</b>	<b>113,000</b>	<b>101,700</b>	<b>10,300</b>	<b>293,000</b>