# Fares and Revenue: Fact Sheet and Frequently Asked Questions



# "Because mobility is a human right, the ability to pay a fare cannot be a barrier to using transit.

That's why I'm so proud of King County Metro's work to prioritize accessibility across our entire network and to provide subsidized or free transit fares to our customers with lower incomes, customers with disabilities, seniors, and youth. Many employees and college students receive transit benefits through their workplace or school. In late 2020, we introduced one of the most ambitious undertakings in the country by launching fully-subsidized transit passes for our riders with the greatest need who qualify through state benefit programs. And, in 2022, through the state's Move Ahead Washington funding package, we made transit free for young people up to age 18.

At Metro, we're committed to prioritizing where needs are greatest and providing an all-day regional network of frequent transit service. As we rebuild even bigger and better than before, we're appreciative and responsible stewards of the funds from fares, taxpayers, and employer partners that make safe, equitable, and sustainable transit possible. Thank you for helping us move forward together."

– Michelle Allison, King County Metro General Manager

### Our income-based approach to fares

Metro takes an income-based approach to fares, offering reduced or free fares for riders with disabilities, riders with lower incomes, seniors, and youth age 18 and younger.

**Adults** ages 19 to 64 Check if your employer or school can help with costs

Adult ORCA \$3.00 **Youth** ages 0 to 18 Youth ride free

Youth ORCA / Free Youth Transit Pass No Cost

At or below 200% FPL (federal poverty level)

ORCA LIFT \$1.00 **Seniors** ages 65+

Regional Reduced Fare Permit \$1.00

**Disability or Medicare** 

Reduce Regional Fare Permit \$1.00 Certain state benefit programs (ABD, HEN, PWA, SSI, TANF, and SFA) Subsidized Annual Pass

Subsidized Annual Pass
No Cost



Customers can find the fare that's right for them using our online tool at <a href="mailto:kingcounty.gov/metro/fares">kingcounty.gov/metro/fares</a>

Metro takes a targeted approach to fare subsidies, prioritizing investments where needs are the greatest as directed by the Mobility Framework and in line with King County's Equity and Social Justice Strategic Plan while continuing to collect the fare revenue crucial to supporting Metro's expansive and frequent all-day network.

### Why does Metro collect fares?

Fare revenue is a key pillar of Metro's financial structure. Metro's fund management policies, which are adopted by the King County Council, say that Metro should maintain a farebox recovery ratio of 10 percent, with a target of 15 percent. This means that Metro strives to cover at least 10 percent of its operating costs for bus service in fare revenue.

# What percentage of fare revenue comes from employer partners?

Roughly half of Metro's fare revenue is paid by businesses and institutions, including many of the region's largest employers (such as Amazon and Microsoft) and institutions (such as the University of Washington)

## How much does Metro collect in fares? What would be some of the impacts be if Metro went "fare-free"?

King County Metro estimates an expected \$80 million in bus fare revenue in 2025, with fare collections costs of approximately \$24 million. Fare revenue is expected to continue to grow in the coming years. In contrast, some smaller transit agencies have eliminated fares in part because their fare revenue did not significantly exceed the cost of fare collection

In a fare-free scenario, fare revenue would need to be replaced or service would likely need to be cut. Metro has ambitious plans—guided by community members—for expanding its network that are predicated on continuing to grow fare revenue.

Further, without the participation of Sound Transit and other regional transit providers, Metro going fare-free could cause customer confusion, increase fare enforcement interactions for other agencies, and undermine Metro's ability to effectively integrate with Link light rail given the financial disincentive to transfer from a fare-free system (Metro) to a fare-charging system (Sound Transit).

#### What do Metro's customers want?

According to Metro's surveys, riders across all income groups report that having a network that is fast, reliable, and safe, and gets them where they need to go is equally or more important than fare discounts. Going fare-free would require significant service reductions without a sustainable replacement of that revenue.

#### Relevant resources

"Fares and payment" (King County Metro website)

"Reduced fare portal" (King County Metro website)

"There's an ORCA card for everyone!" (myORCA website)

### **About Metro**

King County Metro has the most riders of any transit agency in the northwestern United States. Metro provides bus, on-demand, paratransit, vanpool and water taxi services, and operates the Seattle Streetcar, Sound Transit Link light rail and Sound Transit Express buses. Metro is a three-time winner of Best Large Transit Agency in North America, as awarded by the American Public Transportation Association. The agency's mission is to provide the best possible public transportation services, and to improve regional mobility and quality of life in King County.

