



THE CITY OF NEW YORK INDEPENDENT BUDGET OFFICE

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IBO Analysis Reveals Annual Cost Estimates for Fair Fares Program Expansion for Low-Income Seniors and New Yorkers with Disabilities

February 8, 2024 – Per the request of Council Member Ossé, the New York City Independent Budget Office (IBO) estimated the cost of expanding Fair Fares NYC to cover fare-free transit for New Yorkers who are aged 65 and older or who have disabilities, and whose income is less than 200 percent of the federal poverty level. The City’s Fair Fares NYC program currently provides half-price transit trips to New York City residents between the ages of 18 and 64 with household incomes below 120 percent of the federal poverty level and who do not otherwise qualify for reduced-fare transit.

To read our report, [click here](#).

IBO evaluated the cost of expanding Fair Fares to this population under the assumption that 50 percent of eligible riders - about 378,000 New Yorkers - would enroll in the program and take more transit if their trips were fare-free. IBO’s analysis looked at three different coverage scenarios, each assuming participating riders would switch from the MTA’s Reduced-Fare MetroCard program to the City-funded Fair Fares Program.

1. Fare-free local bus service would cost the City \$26 million per year; please reference Fig. 3, pg. 5.
2. Fare-free local bus service and subway service would cost the City \$40 million per year; please reference Fig. 3, pg. 5.
3. Fare-free local bus service, subway service, and Access-A-Ride paratransit would cost the city \$67 million per year; please reference Fig. 3, pg. 5.

Per IBO’s analysis:

- IBO estimates 762,000 New Yorkers – about 42 percent of the approximately 1.8 million New Yorkers who are either aged 65 and older or who have disabilities—would qualify for a program with income limits set at 200 percent of the federal poverty level. IBO’s analysis estimates that this group takes about 48 million reduced-fare transit and paratransit trips every year.



New York City Independent Budget Office

The New York City Independent Budget Office (IBO) is authorized under the New York City Charter to provide nonpartisan budgetary, economic, and policy analysis for the residents of New York City and their elected officials. IBO helps to increase New Yorkers’ understanding of and participation in the budget process.