



September 29, 2020

The Honorable Claudia Balducci
Chair, King County Council
Room 1200
C O U R T H O U S E

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Dear Councilmember Balducci and King County Councilmembers:

Metro's adopted fund management policies require that the farebox recovery for the fixed route bus system be targeted for 30% but to not fall below a floor of 25%. The purpose of this letter is to address the impacts that the COVID-19 global pandemic have had on farebox recovery on Metro's fixed route system and how that is impacting the 2021-2022 budget. The adopted 2019-2020 budget projected that farebox recovery would be 25% at the end of 2020. Farebox recovery in 2019 was 23.9%.

Beginning in March 2020, Metro experienced unprecedented declines in ridership as King County residents complied with the stay at home orders that were put into place to address the advent of COVID-19 in King County. Many businesses issued mandatory work from home orders to their staff further reducing bus ridership. In late March, in response to the need for additional social distancing for those taking essential trips, Metro suspended fare collection. The result of these combined events is a projected farebox recovery in 2020 of 7%.

It continues to be uncertain when the system and ridership will return to pre-COVID levels. As a result, the decision was made not to propose a fare increase during the coming biennium. That decision, combined with estimates of slow build-back of ridership result in projected farebox recovery ratios of 15% and 18% in 2021 and 2022 respectively. During 2021-2022, Metro will be taking the following actions related to fares:

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- Comprehensive Fare Review: Metro will be initiating a comprehensive review of fares with the intention to look at how well fares are integrating across Metro's service modes.
- Evaluating rates of fare and impacts for consideration in 2023-2024: Metro will be developing options for fare changes that will be considered in the 2023-2024 budget. This work will be informed by what we learn during the coming biennium about the mobility options that best meet the needs of King County residents.
- Co-creating new models for fare enforcement/verification.
- Policy review: As part of the overall policy review, the fund management policies will be reviewed for alignment with the Mobility Framework as well as other policy changes.

If you would like to discuss this situation, please contact Terry White at (206) 477-6065 or Dwight Dively at (206) 263-9687.

Sincerely,



Terry White, Interim General Manager
Metro Transit Department



Dwight Dively, Director
Office of Performance, Strategy & Budget

cc: Carolyn Busch, Chief of Staff, King County Council
Melani Pedroza, Clerk of the Council
Aaron Rubardt, Deputy Budget Director, Office of Performance, Strategy & Budget
Michelle Allison, Interim Deputy General Manager, Metro Transit Department