RTA Zero Fare Policy Brief 5:
Paratransit Challenges and Cost Curve "Benders"

When communities consider introducing Zero Fare transit, transit leaders are right to consider the potential impact on the operating budget of not only the fixed route service, but also of paratransit services. Agencies are already federally required to provide paratransit, or demand responsive door-to-door or curb-to-curb service for people with a disability within ¾ of a mile of any all-day fixed route Under zero fare, all Federally-required paratransit trips must all be provided at the same (i.e., zero) fare rate.

The cost to provide an individual paratransit trip is much higher, sometimes ten or twenty times higher – than providing a trip on a fixed-route bus. If a Zero Fare policy creates a surge in demand for paratransit trips, this can significantly impact transit agency budgets.

The Chapel Hill Experience

Chapel Hill Transit (CHT) went fare free in January 2002. At the time CHT operated both an unlimited paratransit range within their service area and a shared ride feeder service where operators would connect individuals who lived away from bus routes and to the nearest bus stop.

After fare free went into effect, CHT saw an increase in paratransit spending, which also included accounting for the shared ride service. In the late 2000s, CHT eliminated the shared ride program and refined its paratransit program to only serve areas within the federally mandated ¾-mile fixed routes service area. Since that time, paratransit costs have stabilized, largely remaining near $60,000 per year.

Actions That Zero Fare Agencies Can Take to Meet Federal Paratransit Requirements and Bend The Cost Curve Down

- Align paratransit service area to federal requirements
- Focus qualification criteria to serve those who need paratransit most
- Provide travel training to be compassionate and supportive to those who can use fixed route buses