


**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL MEMORANDUM**

Date: January 6, 2025

To: Honorable City Council  
c/o City Clerk, Room 395, City Hall  
Attention: Honorable Heather Hutt, Chair, Transportation Committee

From: Laura Rubio-Cornejo, General Manager   
Department of Transportation

Subject: **IMPLEMENTATION OF THE PRE-EXISTING DASH FARES**

**SUMMARY**

As directed in Council File (CF) 18-0244-S4, this report provides an update on reinstating the pre-existing DASH fares. Pursuant to the City's Fiscal Year (FY) 2024-2025 budget, these fares are set to begin on January 11, 2025.

**RECOMMENDATION**

That the City Council NOTE and FILE this report.

**BACKGROUND**

Rising fuel costs, increases in driver wages, and inflationary pressures on parts and supplies have contributed to a significant increase in operational costs of the City's transit services. With these increases, the Los Angeles Department of Transportation (LADOT) faces complex challenges in maintaining current transit service levels within existing revenue sources.

In 2020, LADOT temporarily paused fare collection for its DASH service during the COVID-19 pandemic to mitigate virus transmission risks and support essential mobility for residents, particularly those facing economic challenges.

In March 2024, LADOT provided a report to Council outlining ongoing financial challenges and an update on the financial forecast of expected balance of revenues including those from Proposition A. This report included a recommendation to evaluate the current free-fare practices on DASH to report their benefits and impacts on revenue, ridership experience, and safety.

In June 2024, Council adopted the FY 2024-2025 Budget, which directed LADOT to reinstate fares in January 2025. At that time, Council also approved LADOT's report on Prop A deficits with a direction to report on the implementation of the pre-existing DASH fares, set to begin in January 2025, and any recommendations to revise the fare amount.

This report provides an overview of the rising operational costs that fare revenue will fund, the fare equity analysis LADOT completed, and the outreach conducted to notify riders that fares will resume.

LADOT will report back on the status of a future fare structure after the Comprehensive Operational Analysis (COA) is completed.

## **DISCUSSION**

Historically, fare collection has been a crucial revenue source for LADOT's transit operations, directly supporting daily expenses, maintenance, and service improvements. This funding source became even more vital as Proposition A funds, a primary transit revenue source for Los Angeles County, continued to decline. However, during COVID-19, fare collection was paused on DASH to reduce physical contact between drivers and passengers and to ease financial pressures on riders. Although this decision provided short-term relief, the continued suspension of fare collection strained LADOT's finances, underscoring the importance of reinstating fares to support operational needs.

Prior to suspending DASH fares, LADOT collected approximately \$11 million in total farebox revenue annually from all LADOT transit services, including DASH, Commuter Express, CityRide, and LA Now. With DASH fares suspended, LADOT collected just \$1.4 million in total fare revenues from Commuter Express services in FY 24, which currently recovers less than 1 percent of operating costs.

From 2011-2020, DASH fares were \$0.50 per ride, \$0.35 with a TAP card, and free for students and other qualifying riders. The City's Adopted FY 24-25 Budget directs LADOT to reinstate these pre-existing fares in January, 2025.

### Operational Costs

Rising operational costs, including driver wages, fuel, maintenance, and insurance, significantly increased LADOT's budgetary needs to maintain and operate the City's transit services. Since the last Transit Service Analysis (TSA), LADOT implemented several key improvements to enhance bus services, including increased frequencies, new DASH and Commuter Express routes, realigned and expanded existing routes, increased service hours, and investments in the electrification of LADOT transit vehicles and facilities. These investments aim to improve the overall ridership experience and ensure dependable service, but they require sustainable funding sources to continue.

Given the continued constraints in transit funding and growing requirements for LADOT to fulfill operational mandates, fare collection is now essential for financial sustainability. The additional costs due to driver wages and benefits, insurance, fuel, and maintenance cost increases are projected to raise the operations costs to \$221 million for FY 26, a 33.8 percent increase compared to the \$165 million in costs expected in FY 25. Without additional funding sources, LADOT faces a widening structural deficit that will escalate year to year, putting service levels and future improvements at risk. The reinstatement of fares will ensure LADOT has the necessary resources to avoid service disruptions and preserve the quality of its transit services for Los Angeles communities.

The revenue from reinstated fares will be allocated toward key operational needs, such as wage increases for LADOT's drivers, which are essential for retaining skilled employees and addressing the cost of living in Los Angeles. Retaining skilled drivers is crucial to maintaining high operational standards, such as ensuring on-time performance, reducing missed trips, and delivering a reliable and safe transit

experience for passengers. Increased revenue to support these efforts will prevent service disruptions and a diminished ridership experience.

### Fare Equity Analysis

DASH fare was last adjusted in 2011, when it was raised from \$0.25 to \$0.50 per ride, which will be reinstated at this same rate. In compliance with Federal guidelines and Title VI regulations, LADOT conducted a [comprehensive equity analysis](#) of this fare amount to ensure that the reintroduction of fares aligns with its commitment to equitable service. This analysis found no disparate impact from restoring fare collection, validating that the \$0.50 fare remains one of the lowest in Los Angeles County and does not place an undue financial burden on vulnerable populations. A table of transit fares of other comparable transit operators is included below.

<b>Transit Provider</b>	<b>Base Fare (Regular)</b>	<b>Senior/Disabled Fare</b>	<b>Student Fare</b>
LADOT DASH	\$0.50	Free with Cityride	Free
LA Metro	\$1.75	\$0.75	\$1.00
Big Blue Bus	\$1.25	\$0.50	\$1.00
Culver CityBus	\$1.00	\$0.35	\$0.75
Gardena GTrans	\$1.00	\$0.35	\$0.75
Foothill Transit	\$1.75	\$0.75	\$1.25
Torrance Transit	\$1.00	\$0.35	\$0.75
Long Beach Transit	\$1.25	\$0.60	\$1.00

LADOT is committed to ensuring that vulnerable riders can continue to access transit services without financial burden. All previous LADOT fare programs offering free rides on DASH will resume alongside the reinstatement of fares. Eligible riders include those with a 31-day LADOT Pass, Cityride members, LIFE Program participants, U-PASS holders, Metrolink ticket holders, and EZ Transit Pass holders. Additionally, LADOT is reinstating its popular DASH to Class program, providing free rides to students with a valid Metro Student Reduced Fare Pass or GoPass. These programs will remain in place to support riders who face the greatest need, guaranteeing that they can still ride for free even as fares return.

With declining external revenue sources like Proposition A, fare collection provides LADOT with the financial flexibility needed to offset funding reductions and continue providing quality services. At current ridership levels, LADOT estimates a gain of \$4 million annually from restarting fare collection on DASH, and a total farebox revenue of \$5.5 million systemwide across all LADOT transit services. The revenue from fare collection will be used not only to cover operational expenses to maintain existing services and support mandates but also to invest in competitive wages for LADOT drivers, thereby improving staff retention, and operational resilience.

### Public Outreach

Following Council direction to reinstate fares in January 2025, LADOT worked with its transit marketing firm to develop a robust public awareness campaign to ensure public awareness of the fare reinstatement. This effort began with a public open house to provide an overview of fares and a timeline for reinstatement. Ongoing outreach efforts include targeted social media, participation in public events, and tabling at community events. LADOT will also alert local media outlets, including Spanish speaking outlets, to ensure information is widely circulated.

All engagement includes information about, and materials to apply for low income assistance programs, ensuring that the most vulnerable riders are aware of free fare programs and other support options. Collectively, these efforts ensure that riders and stakeholders are informed about the upcoming changes before they take place.

### **FINANCIAL IMPACT**

There is no impact to the General Fund at this time. The DASH farebox revenue will be deposited to the Proposition A revenue account.

LRC:JK:ks

Attachment