



Expanding Fair Fares: Many Options, A Range of Costs

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Executive Summary

Since January 2019, New York City has offered qualifying low-income residents a half-price discount on transit trips through the Fair Fares program. The Fair Fares program is administered by the New York City Human Resources Administration (HRA). Participants receive a Fair Fares OMNY card that charges them 50% of the fare with each tap, while the City covers the remaining fare.

Currently, the New York City Council is considering proposals from advocates seeking to deepen the program's discount as well as raise the program's qualifying income threshold, among other reforms. Fair Fares is available to New York City residents aged 18 through 64 whose household income is at or below 150% of the Federal Poverty Level (FPL)—\$23,940 for a single adult or \$49,500 for a household of four. Participants who are eligible for other transit discount programs, including the [Metropolitan Transportation Authority's \(MTA\) Reduced-Fare program](#) for seniors and riders with disabilities, or who receive full carfare from New York City agencies, are not eligible for Fair Fares. IBO estimates 41% of the nearly 940,000 New Yorkers who qualify for Fair Fares are enrolled.

In this report, IBO estimates the cost of expanding Fair Fares across five scenarios (lettered A through E):

- A. Increase the program's discount to 100% for current participants
- B. Extend the 100% discount to all adults earning up to 150% FPL
- C. Keep the discount at 50% while increasing the eligible income threshold to 200% FPL
- D. Keep the discount at 50% while increasing the eligible income threshold to 300% FPL
- E. Keep the discount at 50% while increasing the eligible income threshold to 400% FPL

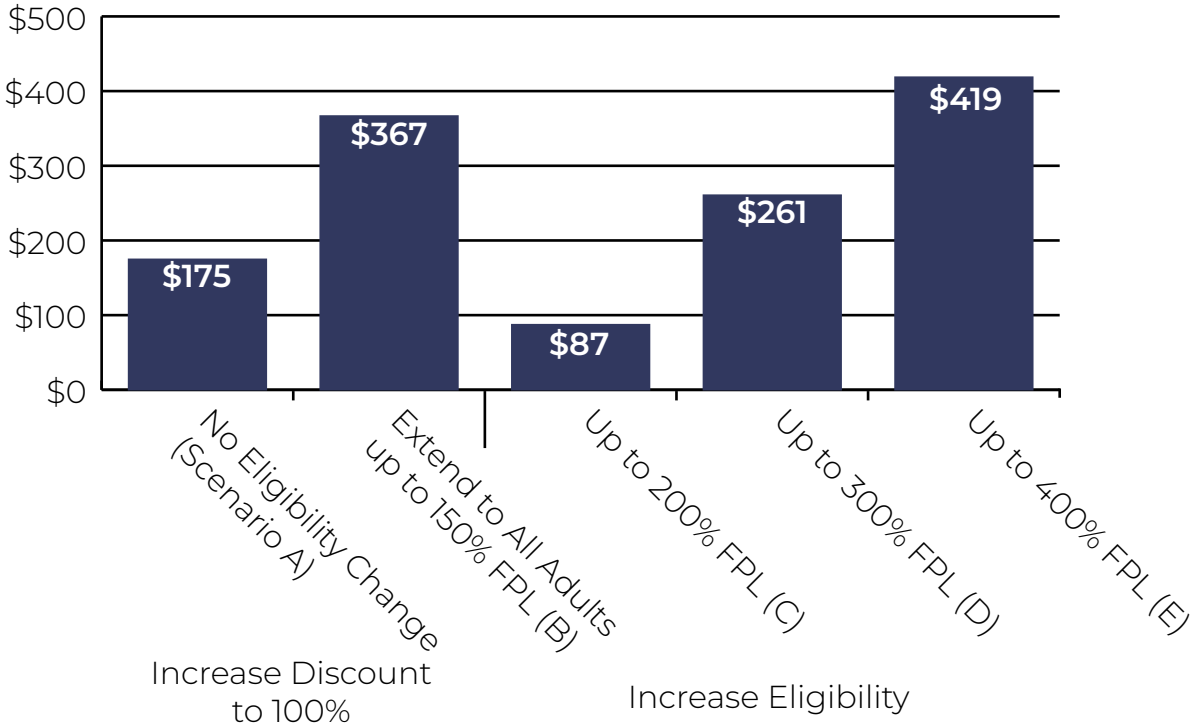
IBO estimates such expansions would cost the City between \$87 million and \$419 million in additional funding per year (see Figure E1). These expansions would bring total costs for the program to between \$177 million and \$509 million each year, depending on the expansion scenario.

- The cost of offering free transit to currently-eligible New Yorkers (Scenario A) is double the cost of expanding income eligibility for Fair Fares to 200% FPL (Scenario C).
- The lowest-cost scenario is to raise income eligibility to 200% FPL, while preserving the 50% discount (Scenario C), and the highest-cost scenario is to raise income eligibility to 400% FPL, again while preserving the 50% discount (Scenario E).
- Scenario B, offering free transit for all adults living under 150% FPL, would be the second most expensive option, adding \$367 million per year. This option would make adults over 65 and those with disabilities newly eligible for Fair Fares.

FIGURE E1

**Estimated Additional Annual Cost of Expanding Fair Fares,
By IBO Expansion Scenario**

Dollars in Millions



SOURCE: IBO analysis of Financial Management System and Human Resources Administration data

NOTES: IBO's estimates reflect the additional cost of expanding the program above an estimated current program cost of \$90 million per year. IBO's cost estimate scenarios are treated as mutually exclusive and should not be combined as presented.

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Fair Fares costs depend on participants' enrollment rates as well as their transit use once enrolled, factors that are largely outside of the City's control. Therefore, any plan for expansion should budget additional funds in case enrollment and transit use is higher than expected. The [Appendices](#) to this report include a range of estimates with low and high assumptions for enrollment and transit use.

IBO has produced these estimates to offer elected officials, policymakers, advocates, and the public reliable cost estimates for a range of expansion options currently proposed. As a program wholly created and funded by the City, expanding Fair Fares would allow City administrators to address affordability concerns without state legislation. However, IBO's estimates show that expanding Fair Fares would have direct and substantial costs to the City's budget, at a time when the City faces many challenges to balancing its budget over the long term.

What is Fair Fares, and Why Expand It?

Since January 2019, New York City has offered qualifying low-income residents a half-price discount on transit trips through the Fair Fares program. Participants receive a special Fair Fares OMNY card that charges them 50% of the fare with each tap, while the City covers the remaining fare. Riders can use their Fair Fares card on the subway, local and Select Bus Service (SBS) buses, Staten Island Railway, Roosevelt Island Tram, and other MTA services accepting OMNY.¹

Who is Eligible for Fair Fares?

Fair Fares is available to most New York City residents aged from 18 through 64 whose household income is at or below 150% of the Federal Poverty Level (FPL)—currently \$23,940 for a single adult or \$49,500 for a household of four.

Who Cannot Use Fair Fares?

In addition to the program’s income and age limits, New Yorkers who are eligible for other transit discount programs are not eligible for Fair Fares, including those eligible for [MTA’s Reduced-Fare program](#) and those who receive full carfare from New York City agencies.² The MTA’s Reduced-Fare program offers an equivalent half-price discount for seniors and riders with disabilities. Access-A-Ride users with qualifying income are eligible for Fair Fares, as the MTA’s Reduced Fare program does not cover paratransit—but this eligibility ends at age 65. This means that all adults aged 65 and over and many disabled New Yorkers are not eligible for Fair Fares, and low-income Access-A-Ride users over 65 must currently pay full price. According to IBO analysis of American Community Survey (ACS) 2024 population estimates, nearly 940,000 New Yorkers currently qualify for Fair Fares.

“According to IBO analysis of American Community Survey (ACS) 2024 estimates, nearly 940,000 New Yorkers currently qualify for Fair Fares.”

How Do New Yorkers Enroll in Fair Fares?

The Fair Fares program is administered by the New York City Human Resources Administration (HRA) in the City’s Department of Social Services (DSS). Individuals sign up for the program on two different tracks. Individuals who already receive other benefits through HRA’s digital benefits platform ACCESS HRA, including Supplemental Nutrition Assistance Program (SNAP) or Cash Assistance, may obtain Fair Fares benefits through an accelerated process known as Fast Track. Since these individuals have already verified their identity, residence, and income for other benefits on ACCESS HRA, the system can automatically identify who qualifies for Fair Fares. In the Fast Track process, ACCESS HRA sends these qualifying individuals notifications about Fair Fares, with email reminders every quarter. According to HRA, a client can opt in to Fair Fares by clicking the Fast Track prompts embedded in their email and agreeing to program participation rules. Benefits commence when they receive an OMNY card in the mail in two to three weeks.

Impact of Federal Changes to SNAP

Since the start of 2023, about two-thirds of all new Fair Fares enrollment has been through Fast Track. This may change as the City rolls out [federally-mandated SNAP work requirements](#) over the next six months, a change that is expected to reduce enrollment in SNAP and thus the number of individuals eligible for Fast Track. Changes in public benefits have impacted Fair Fares enrollment in the past: during the federal government shutdown last year, new SNAP applications declined and Fast Track enrollment fell 16% in November 2025 from the previous month.

New Yorkers who are not connected to ACCESS HRA enroll in Fair Fares through a more complicated “Open Enrollment” process. First, an applicant must set up an ACCESS HRA account; verify their identity, residence, and income; and submit personal financial documentation such as their tax returns or other proof of income.³ All such documentation must be received within 10 days of application submission, and HRA then determines eligibility. Since this process is more involved, households do not always finish their applications or supply the required documentation.⁴ Since the start of 2023, about one-third of new Fair Fares enrollment has been through Open Enrollment. Recently, City Council asked HRA whether data-sharing with other agencies could be used to reduce the documentation needed from participants and expedite eligibility determinations. The administration acknowledged this as a possibility, but raised concerns about applicants’ privacy and the need to obtain informed consent about how sensitive benefits data would be used across City systems.⁵

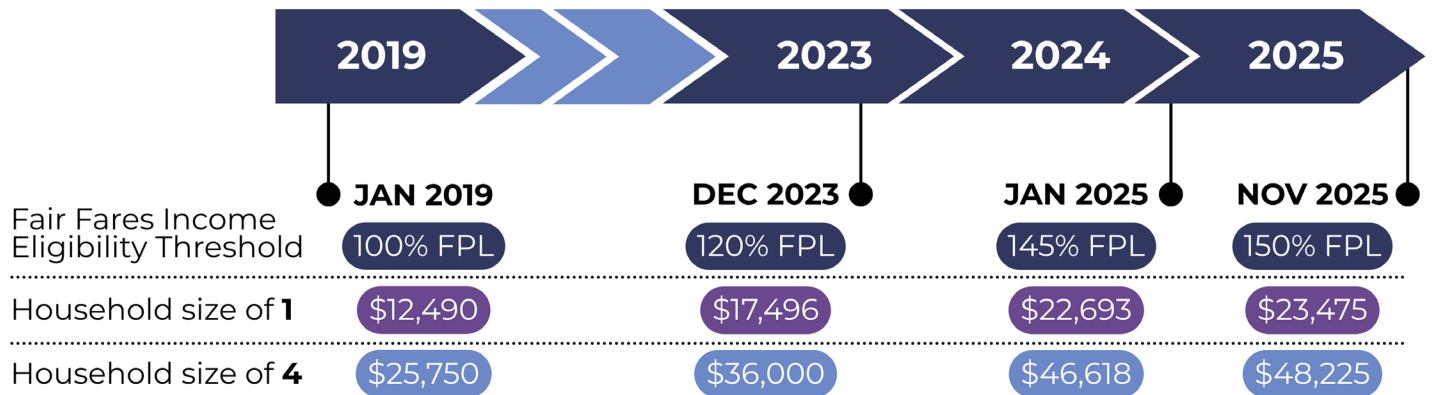
Expansion History and Goals

Fair Fares launched in 2019 following years of transit affordability advocacy.⁶ In 2022, proponents of the program sought to expand Fair Fares’ eligibility to 200% FPL, arguing the program’s low qualifying income thresholds exclude the working poor and remain an outlier among other major cities’ transit discount programs.⁷ This advocacy resulted in several gradual increases in the qualifying income threshold via City budget negotiations; from 100% FPL to 120% FPL in December 2023, to 145% FPL in January 2025, and to 150% FPL in November 2025, as depicted in Figure 1.⁸

Currently, advocates are seeking to deepen the program’s discount and to further raise the qualifying income levels. In February, a coalition of New York City organizations—ranging from transit affordability advocates to human services providers to public sector unions—[called on](#) the Mayor to expand the program (see Figure 2 for a summary of 2026 program expansion efforts). IBO provided [testimony](#) at a May 6th City Council hearing on Fair Fares. The hearing included discussion of City Council legislation to automatically enroll eligible individuals and the Council’s preliminary budget proposal to make the program free for currently-eligible New Yorkers. It is not clear whether the pending Council [proposal](#) to increase the discount to 100% would apply only to current Fair Fares participants, or if it would be made available to the seniors and riders with disabilities who are currently excluded from the program.

FIGURE 1

Timeline of Increases in Federal Poverty Level Thresholds for Income Eligibility of Fair Fares



SOURCE: New York City Human Resources Administration data and U.S. Health and Human Services Poverty Guidelines data
 NOTES: As of January 2026, 150% of the Federal Poverty Level increased to \$23,940 for a household of 1 and \$49,500 for a household of 4.
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FIGURE 2

Table of Current Fair Fares Expansion Proposals

Stakeholder	Expansion Type Proposed	Details
City Council	Automatic enrollment (from opt-in to opt-out)	For current eligible population. Legislation re-introduced by Council Member Hudson in January 2026. Previously introduced in September 2024.
	Increase discount	Free for current eligible population. Preliminary Budget response recommendation.
State Senate and State Assembly	Increase eligibility	Increase 50% discount up to 300% FPL.
	Expand covered transit	Include Long Island Rail Road, Metro-North railroad, and paratransit.
Advocate Coalition	Automatic enrollment	For current eligible population, opt-out instead of opt-in.
	Increase discount	Free for current eligible population.
	Increase eligibility	Increase 50% discount up to 300% FPL.
	Increase eligibility	Close Access-a-Ride (AAR) gap (seniors with AAR lose Fair Fares benefits at 65).
	Expand covered transit	Include MTA Express Buses and CityTicket on LIRR and Metro-North.

SOURCES: Council: Intro. 0248, available at legistar.council.nyc.gov. Council response to the Preliminary budget, available at council.nyc.gov. New York State Assembly Bill 2025-A7316C and Senate Bill 2025-S3887C. Advocate coalition: Permanent Citizens Advisory Committee to the MTA, Budget Letter to Mayor Mamdani Regarding the Expansion of the Fair Fares Program, available at pcac.org.

NOTE: The coalition includes 39 organizations, including advocates like The Community Service Society of New York, Riders Alliance, Permanent Citizens Advisory Committee to the MTA, Human Services Council of New York, and the New York Immigration Coalition.

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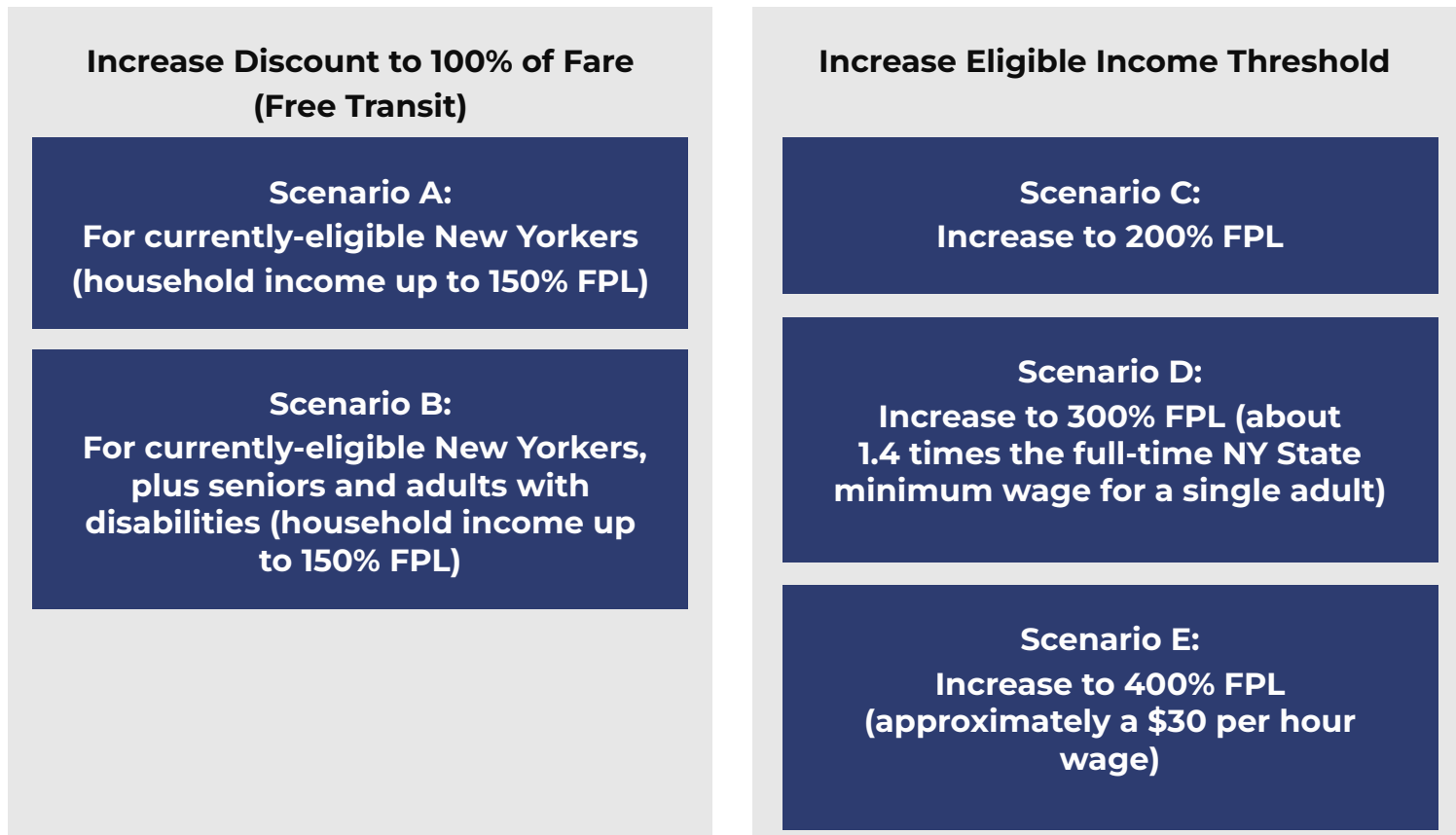
Organizations including the Permanent Citizens Advisory Committee to the MTA (PCAC) and Citizens Budget Commission (CBC) have recently released estimates of Fair Fares expansion costs. PCAC’s estimates range from \$125 million to \$155 million for an expansion to 300% FPL.⁹ CBC estimates the expansion of Fair Fares would cost between \$68 million for an expansion to 200% FPL and \$377 million for an expansion to 400% FPL, with additional ranges depending on utilization assumptions.¹⁰

Cost Estimates to Expand Fair Fares

At the request of the Vera Institute of Justice, IBO estimated the cost to the City of expanding the Fair Fares program. Specifically, IBO estimated the costs of increasing the program’s discount to 100% for those with incomes at or below 150% FPL, both for currently-eligible New Yorkers, and if adults aged 65 or above and adults with disabilities were included. IBO separately estimated the cost of increasing the program’s eligible income threshold while keeping the discount at 50%. In all, IBO estimated the cost of five different expansion scenarios, detailed in Figure 3.

FIGURE 3

Fair Fares Expansion Scenarios for IBO Cost Estimates



SOURCE: New York City Independent Budget Office

Main Findings

IBO finds the additional annual cost to the City of expanding Fair Fares—that is, the funding that would be needed on top of the current program’s \$90 million annual cost—could range from \$87 million to \$419 million per year, depending on the expansion scenario. Cost estimates for all five scenarios are presented in Figure 4.

The least expensive scenario is the expansion of eligibility to New Yorkers with incomes up to 200% FPL (Scenario C), and the most expensive is the expansion to 400% FPL (Scenario E). However, Scenario B—offering free transit for all adults earning up to 150% FPL, including currently-ineligible seniors and riders with disabilities—is a close second place, at \$367 million per year in additional funding needed.

The cost of offering free transit to currently-eligible New Yorkers is much greater than the cost of expanding income eligibility to 200% FPL (comparing Scenarios A and C); IBO estimates free transit for the current program will cost an additional \$175 million per year, twice the cost of expanding the current program to 200% FPL.

IBO estimates that each expansion scenario would result in higher enrollment and higher transit use than the current program, driving per-participant and therefore total costs higher. Both enrollment and transit use have been relatively low to date; IBO estimates the current enrollment rate for Fair Fares at 41% of eligible New Yorkers, and also finds those who are

FIGURE 4

Estimated Annual Costs of Fair Fares, under Current Program and Expansion Scenarios

Dollars in Millions

	Current Program	Expansion Scenarios				
		Increase Discount to 100%		Increase Eligibility		
		No Eligibility Change (Scenario A)	Extend to All Adults up to 150% FPL (B)	Up to 200% FPL (C)	Up to 300% FPL (D)	Up to 400% FPL (E)
Transit Benefit Payments	\$82.8	\$257.6	\$448.7	\$169.0	\$341.6	\$498.4
Administrative Costs	\$6.9	\$7.0	\$7.8	\$8.1	\$9.0	\$10.2
Total Annual Cost	\$89.8	\$264.7	\$456.6	\$177.1	\$350.6	\$508.6
Total Additional Annual Cost	n/a	\$174.9	\$366.8	\$87.4	\$260.8	\$418.8

SOURCES: IBO analysis of Financial Management System and Human Resources Administration data

NOTES: The current program column presents an estimate of future program costs if no change is made to Fair Fares. This is based on Fiscal Year 2026 costs, enrollment, and transit use, but is adjusted to reflect a \$3.00 MTA fare for the full year. IBO’s cost estimate scenarios are treated as mutually exclusive and should not be combined as presented. Numbers may not total due to rounding.

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enrolled take, on average, 2.8 paid transit trips per week.¹¹ As a result, the City is on track to pay \$215 per Fair Fares participant in fiscal year 2026, an annual benefit per person comparable to a single month of SNAP benefits.¹²

Methodology

To estimate the cost of each expansion, IBO first estimated the total eligible population under each scenario using the U.S. Census Bureau’s American Community Survey (ACS) 2024 1-year estimates for New York City. IBO then estimated program enrollment rates, participant transit use, and administrative costs, generating a total annual cost for each scenario. Finally, IBO compared each scenario’s costs to a current program baseline—this baseline is IBO’s estimated annual cost of the program going forward if no changes are made, based on City fiscal year 2026 costs projected for the entire year. The MTA fare changed from \$2.90 to \$3.00 halfway through fiscal year 2026, so the baseline is also adjusted to reflect the new fare for a full year. Each expansion scenario presents a full fiscal year of costs once the expansion has occurred and interested eligible residents have registered and are using the program at expected rates.

Program Enrollment

IBO estimates current enrollment in Fair Fares at 41% of eligible participants, using enrollment data from HRA and individual population data from the 2024 ACS. About 385,000 of the nearly 940,000 New Yorkers who qualify for Fair Fares are enrolled.

Raising the Fair Fares income thresholds would materially expand the number of New Yorkers who qualify for the program. As shown in Figure 5, IBO estimates an expansion to 200% FPL (Scenario C) would make another 343,000 New Yorkers eligible, while an expansion to 400% FPL (Scenario E) would add another 1.6 million New Yorkers to the eligible population. Under a 100% discount scenario, if the City were to decide to extend the discount to seniors and New Yorkers with disabilities who are currently excluded from Fair Fares (Scenario B), this would increase the eligible population by just under 700,000. For a more detailed explanation of these calculations, see [Appendix Figure A1](#).

Enrollment in the Fair Fares program has historically reached between 35% and 50% of eligible New Yorkers.¹³ However, expansions of the program may well lead to higher enrollment rates, as the share of the population who commute by transit increases with greater income levels. Deepening the discount from 50% to 100% of the fare can also be reasonably expected to increase enrollment as the value of the benefit increases.

IBO assumes program enrollment rates will increase with each expansion scenario. Under a free transit scenario, IBO assumes eligible New Yorkers will choose to enroll at a 10 percentage-point higher rate than currently (51% compared with 41%, roughly matching the high point of historical Fair Fares enrollment).¹⁴ For scenarios increasing the eligible income thresholds, IBO assumes New Yorkers at the current income threshold will enroll at the current rate, and those at higher income thresholds will enroll at an increased rate matching the increase in transit commuting in that population. For example, if the program is expanded to individuals with household incomes between 150% and 200% FPL, enrollment for those

FIGURE 5

Estimated New York City Residents Eligible for Fair Fares, under Current Program and Expansion Scenarios

Population	Current Program	Expansion Scenarios				
		Increase Discount to 100%		Increase Eligibility		
		No Eligibility Change (Scenario A)	Extend to All Adults up to 150% FPL (B)	Up to 200% FPL (C)	Up to 300% FPL (D)	Up to 400% FPL (E)
Total Adults	1,635,286	1,635,286	1,635,286	2,133,406	3,012,438	3,782,260
Ineligible: Aged 65 and Over and/or with Disabilities (excluding Access-A-Ride)	696,452	696,452	n/a	851,968	1,067,770	1,245,244
Total Eligible for Fair Fares	938,834	938,834	1,635,286	1,281,438	1,944,668	2,537,016
Total Newly Eligible for Fair Fares	n/a	-	696,452	342,604	1,005,834	1,598,183

SOURCES: IBO analysis of ACS 2024 1-Year Estimates and MTA NYCT Paratransit Registrant data

NOTES: The total eligible population for Fair Fares includes an estimated number of Access-A-Ride registrants age 18-64 who meet income criteria; see Appendix Figure A1 for estimates of this population. ACS estimates were not available for adults with disabilities up to 300% or 400% FPL, nor for older adults with disabilities at specific income levels. IBO estimated these populations using the disability rate for adults at 200% FPL or over and the disability rate for all adults over age 65.

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New Yorkers is expected to increase by 16 percentage points to 57%, matching the estimated increase in transit commuting for that population according to 2024 ACS microdata.¹⁵ The resulting enrollment rate for all New Yorkers up to 200% FPL is a weighted average of 45%. See Figure 6 for a full accounting of IBO’s estimated eligible and enrolled populations under each expansion scenario. For transit commuting rates that informed these assumptions, see [Appendix Figure A2](#).

IBO’s cost estimates are sensitive to changes in the enrollment rate assumption. For more detail on how different enrollment rates could change the overall cost to the City, see [Appendix B](#).

Transit Use

The cost of Fair Fares is driven not just by program enrollment, but also by how much participants use their transit benefits once enrolled. This cost to the City is very direct; for each Fair Fares OMNY card tap, the participant pays half fare and the City pays the other half, with the MTA recouping the full fare for each trip. (Fair Fares participants can take advantage of MTA free transfers and fare-capping.) Assumptions about transit use are therefore extremely important to the bottom-line cost estimates of each expansion scenario.

FIGURE 6

Estimated Fair Fares Enrollment, under Current Program and Expansion Scenarios

Population	Current Program	Expansion Scenarios				
		Increase Discount to 100%		Increase Eligibility		
		No Eligibility Change (Scenario A)	Extend to All Adults up to 150% FPL (B)	Up to 200% FPL (C)	Up to 300% FPL (D)	Up to 400% FPL (E)
Total Eligible	938,834	938,834	1,635,286	1,281,438	1,944,668	2,537,016
Estimated Enrollment	384,933	478,817	834,016	580,218	971,523	1,326,932
Estimated Enrollment Rate	41%	51%	51%	45%	50%	52%
Total Newly Eligible	n/a	n/a	696,452	342,604	1,005,834	1,598,183
Total New Enrollment	n/a	93,883	449,083	195,284	586,590	941,999

SOURCES: IBO analysis of ACS 2024 1-Year Estimates, MTA NYCT Paratransit Registrants, and Human Resources Administration data
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IBO finds paid transit use by Fair Fares participants has been quite low to date, averaging around three trips per participant per week for the last five fiscal years. This level of paid transit use is likely to increase if the program is made free for participants and may also increase if the program’s eligible income is raised, as higher income households tend to have greater rates of commuting by transit. (See [Appendix Figure A2](#) for rates of transit commuting by income level.)

IBO assumes that transit use will increase under each expansion scenario as follows: for the 100% discount scenarios (A and B), IBO’s cost estimate assumes a 25% increase in transit trips, approximately matching the net increase in weekday trips previously observed during the MTA’s 2023-2024 free bus pilot.¹⁶ Under the income eligibility expansion scenarios (C, D, and E), IBO assumes the new transit commuting share of the population (those above 150% FPL) will pay for 10 trips per week, while remaining participants pay for the current 2.8 trips per week. At the income thresholds under consideration, approximately 40% of the population commutes by transit.¹⁷ Averaging across current participants, new transit commuters, and other new participants, the resulting weekly transit use for these scenarios falls between 3.7 and 4.8 trips per participant per week, roughly a 1 to 2 trip increase from the current program (see Figure 7).

As shown in Figure 7, these assumptions result in a higher per-participant cost, and therefore, greater overall transit subsidy costs to the City. The expansion scenarios offering a 100% discount (A and B) are the most expensive on a per-participant basis at \$538 per participant per year, while the expansion of the current discount to households earning up to 400% FPL (Scenario E) is the most expensive on a total cost basis, at \$498 million in estimated transit benefits paid by the City per year—roughly 6 times the cost of the current program. To

FIGURE 7

Estimated Fair Fares Transit Use and Transit Benefits, Under Current Program and Expansion Scenarios

	Current Program	Expansion Scenarios				
		Increase Discount to 100%		Increase Eligibility		
		No Eligibility Change (Scenario A)	Extend to All Adults up to 150% FPL	Up to 200% FPL (C)	Up to 300% FPL (D)	Up to 400% FPL (E)
Estimated Weekly Transit Trips per Participant	2.8	3.4	3.4	3.7	4.5	4.8
Total Participants	384,933	478,817	834,016	580,218	971,523	1,326,932
Average Per-Participant Transit Benefit	\$215	\$538	\$538	\$291	\$352	\$376
Total Annual Transit Benefits (\$ millions)	\$83	\$258	\$449	\$169	\$342	\$498

SOURCES: IBO analysis of Financial Management System, Human Resources Administration data, ACS 2024 1-Year Estimates, and MTA NYCT Paratransit Registrants data

NOTES: The Current Program column presents an estimate of future program costs if no change is made to Fair Fares, based on fiscal year 2026 costs, enrollment, and utilization, adjusted to reflect a \$3.00 MTA fare for the full year. Figures may not add or multiply due to rounding.

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calculate the current program’s baseline transit benefit payments, IBO used fiscal year 2026 expense data from the New York City Financial Management System (FMS) as of mid-May 2026, and adjusted this total to reflect a full year of payments at a \$3 MTA fare.

IBO’s cost estimates are sensitive to changes in the transit use assumption. For details on how different transit use assumptions could change the overall cost to the City, see [Appendix B](#). Because participants’ transit use is ultimately outside the City’s control, budgeting additional funds in case transit use is higher than expected would be prudent.

Administrative Costs

Finally, IBO’s cost estimates include administrative costs HRA would incur other than transit benefit payments. These include primarily the cost of staffing, but also program advertising, mailing Fair Fares OMNY cards, maintaining the program’s IT and enrollment systems, and other fixed costs like office space and equipment.

IBO used data from FMS since the start of the Fair Fares program and estimated an annual cost for the current program going forward. To arrive at a baseline estimate for the current program, IBO extrapolated fiscal year 2026 expenses as of mid-May 2026 to the full fiscal year.

FIGURE 8

Estimated Administrative Costs of Fair Fares, under Current Program and Expansion Scenarios

Dollars in Millions

Cost Category	Current Program	Expansion Scenarios				
		Increase Discount to 100%		Increase Eligibility		
		No Eligibility Change (Scenario A)	Extend to All Adults up to 150% FPL (B)	Up to 200% FPL (C)	Up to 300% FPL (D)	Up to 400% FPL (E)
Staffing Costs	\$2.9	\$2.9	\$3.3	\$3.9	\$4.3	\$5.2
Advertising	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
IT Costs	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8
Mailing	\$0.3	\$0.4	\$0.8	\$0.5	\$0.9	\$1.3
Other Admin	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Total Admin. Costs	\$6.9	\$7.0	\$7.8	\$8.1	\$9.0	\$10.2
Total Additional Administrative Costs	n/a	\$0.1	\$0.8	\$0.3	\$0.8	\$1.2

SOURCES: IBO analysis of Financial Management System and Human Resources Administration data

NOTES: The Current Program column presents an estimate of future program costs if no change is made to Fair Fares, based on fiscal year 2026 costs, enrollment, and utilization, adjusted to reflect a \$3.00 MTA fare for the full year. Figures may not add or multiply due to rounding.

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For costs that vary from year to year, such as advertising, mailing, and IT costs, IBO took the three-year historical average expenses in these categories and applied them to the current year.¹⁸ Finally, IBO applied a multiplier to staffing costs to reflect fringe benefits, such as healthcare coverage. As shown in Figure 8, IBO’s estimated administrative costs to expand Fair Fares range from \$100,000 to \$1.2 million per year.

IBO estimated administrative costs using the projected enrollment figures under each expansion scenario. While most cost categories do not vary with enrollment, IBO assumes higher program enrollment will lead to higher administrative costs specifically in staffing and mailing. To estimate mailing costs, IBO took the historical three-year average mailing cost per participant of \$1 and applied that to the estimated enrollment growth in the program under each scenario.

To estimate changes in staffing costs, IBO looked at historical staffing trends for HRA in the City’s payroll data. The Fair Fares work unit is relatively small compared to other benefits programs, with 35 total full-time staff as of January 2026. Within this work unit, two titles focus on Fair Fares benefits processing, Community Associates (average salary \$51,000) and

Community Coordinators (average salary \$72,000). In the last three years, HRA has exclusively hired new Community Associates to process applications for Fair Fares, starting at a base pay between \$43,000 and \$44,500. The total number of staff processing benefits has fallen, from 31 in July 2023 to 25 in January 2026.¹⁹

HRA has struggled to recruit staff for similar benefits processing roles in other programs in recent years, including SNAP, Cash Assistance, and Adult Protective Services (see prior IBO reports on [SNAP and Cash Assistance](#), and [Adult Protective Services](#)).²⁰ Given the difficulty in hiring for these positions across all program types, and the specific penalties related to understaffing and vacancies in State and Federal benefits programs, IBO assumes that hiring benefits processing staff for City-only programs like Fair Fares will be challenging. With these constraints on hiring, IBO assumes hiring would ramp up slowly under each expansion scenario to minimize growth in caseloads of new enrollment applications. IBO estimates that the City would hire 10% more staff for the expansion to 200% FPL, 40% more for 300% FPL, and double the number of staff when expanding to 400% FPL. As the income threshold rises above other benefits programs, more applicants will need to go through Open Enrollment rather than Fast Track, meaning there will be more work for staff to verify applicant information. Under all scenarios, however, hiring more staff does not have a large impact on total cost estimates. Even if the City were to hire enough staff to keep current caseloads constant, which would require more than five times as many Community Associates, staffing costs would be less than 2% of the total estimate for each expansion scenario.

Because the City controls the application process for these positions, it also has the option to change the process if staffing becomes a significant practical limitation. The City could look at how other major cities with transit discounts reduce the administrative workload associated with these programs. Automated enrollment, currently proposed by some New York City Councilmembers and used in [Philadelphia](#), could simplify the application process for users and reduce the administrative burden on employees, although the City would need to budget accordingly for greater program enrollment, higher transit benefit costs, and IT.²¹ [Boston](#) reduces administrative work by limiting participation in its half-priced discount program to recipients of state benefits. Similarly, [Los Angeles](#) uses a longer list of benefits programs to determine eligibility for its discount, but also allows individuals to [self-certify](#) their income, with the acknowledgment that they may need to provide proof of income at a later date.²² In [Denver](#), residents apply directly through the state benefits office to receive half-priced transit discounts, but those who do not receive other benefits can provide a variety of [different types of verification](#). It is possible that HRA could explore data-sharing of tax returns or other income verification to both avoid some households needing to submit documentation and expedite eligibility determination.²³

Sensitivity Analysis

The sections above reflect IBO's main forecasts for the costs of the five Fair Fares expansion scenarios, which rely on several assumptions. To illustrate how much IBO's estimates change with different assumptions, IBO conducted sensitivity analyses: one for the rate of enrollment and one for the rate of transit use once enrolled. As detailed in [Appendix B](#), when varying

the enrollment rate by plus or minus 10 percentage points, the resulting costs vary by 19% to 32%, depending on the expansion scenario. To test different levels of transit use, IBO used a low scenario assuming all new participants continue to take 2.8 trips per week, and a high scenario assuming 50% more trips by participants with full subsidy (Scenarios A and B), and 10 trips per week for newly eligible riders with a half-fare subsidy (Scenarios C, D, and E). Resulting cost estimates vary by 19% to 63% from the main estimates. Overall, these analyses show that Fair Fares costs are sensitive to enrollment and transit use, meaning that the budget for any expansion should include some additional funds. See Appendix B for more detail on this sensitivity analysis.

Policy Considerations

There are many expansion options currently on the table for Fair Fares, reflecting the wide range of stakeholders seeking to make transit more affordable for New Yorkers. These proposals are also being put forward in the context of other affordability initiatives, such as Mayor Mamdani’s promise of fare-free buses, and at a time when the MTA is focused on reducing rates of fare evasion and boosting paid ridership across the transit system.

Unlike a free bus program, a Fair Fares expansion would serve enrolled riders across nearly all transit modes in the City. Yet the program as currently operated also creates substantial barriers for many New Yorkers through means-testing and the opt-in enrollment process. Moreover, all New Yorkers lose Fair Fares eligibility at 65. While older adults and some with disabilities are eligible for the MTA’s Reduced-Fare program, the MTA program does not apply to Access-A-Ride, leaving those riders to pay full fare. Fare-free buses and Fair Fares expansions reflect different approaches to broadening transit affordability and are not necessarily mutually-exclusive.

IBO’s cost estimates assume the program will continue to be fully funded by the City, but other funding options might be negotiated. For example, the City currently funds student OMNY cards at a negotiated flat rate of \$50.6 million per year, while the MTA covers the remaining expense. It may be possible to arrange something similar for a Fair Fares expansion, especially if “focused affordability” measures like Fair Fares continue to be the MTA’s preferred alternative to broad-based programs like free buses.²⁴ The MTA has frequently cited Fair Fares as an example of the kind of affordability measure it prefers and has also included its expansion as one element of its multi-pronged fare evasion reduction efforts.²⁵ While expanding Fair Fares may help reduce fare evasion, IBO does not have access to data to estimate fare evasion among Fair Fares-eligible New Yorkers, nor how the program could impact fare evasion enforcement policies or costs, as the level and costs of fare enforcement are determined by the MTA.

Ultimately, Fair Fares is a program entirely under the City’s control, making its reform a direct way for City officials to address affordability concerns compared with policies requiring New York State or MTA buy-in. [Legislation](#) has also been proposed at the State level requiring the City to expand the program (and requiring the City alone to fund the expansion), so it may be in the City’s interest to negotiate an expansion on its own terms first. However, IBO finds that expanding Fair Fares would have direct and substantial costs to the City, at a time when the City faces [long-term budget gaps](#).

Endnotes

- 1 These services include the Hudson Rail Link, Westchester County Bee-Line bus service, and Nassau Inter-County Express (NICE) bus service. Fair Fares is not accepted on Metro-North Railroad, Long Island Railroad, or Port Authority services.
- 2 'Carfare' is a transit benefit provided by HRA. For individuals who are engaged in approved work activity related to Cash Assistance or SNAP, HRA provides 'full carfare' because it covers a full week of transit benefits (\$35 per week). HRA also provides transit funds to individuals in shelter to search for an apartment, but this is limited to just three round trips per week (six taps total), so those who receive this type of transit support can still qualify for Fair Fares.
- 3 Fair Fares allows individuals to submit other documentation in lieu of tax returns, including unemployment benefits, paystubs, New York State disability benefits, SSI or SSA benefits, and pension or retirement benefits. For a complete list of options, see "Fair Fares NYC Suggested Document List" on the Fair Fares FAQ website: <https://www.nyc.gov/site/fairfares/faq/faq.page>.
- 4 New York City Council. (May 6, 2026). [Joint Hearing of the Committees on General Welfare and Transportation and Infrastructure, Oversight – Fair Fares](#). According to HRA testimony, approximately 27% of Fair Fares applications were incomplete in fiscal year 2025. Recording timestamp 1:03:55. Even if a household eventually qualifies, during the application process individuals must still pay the full cost of their transportation.
- 5 New York City Council. (May 6, 2026). [Joint Hearing of the Committees on General Welfare and Transportation and Infrastructure, Oversight – Fair Fares](#). See Attachment 2: Hearing Testimony, page 3.
- 6 Community Service Society of New York. (2018). [The Fight for Fair Fares: How half-priced MetroCards became a reality for New Yorkers living at or below the poverty line](#).
- 7 For a discussion of Fair Fares' inclusion of low-income workers, see: Community Service Society of New York (2022). [Unheard Third 2021: Whose Recovery? Addressing the Needs of Low-Income New Yorkers](#). Page 10. For a national comparison of discounted transit programs, see Permanent Citizens Advisory Committee to the MTA. (2024). [Expanding Fair Fares to 200% of the Federal Poverty Level: Mapping equitable access to affordable transit for all](#). Figure 11, page 11.
- 8 Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (ASPE). [Prior HHS Poverty Guidelines and Federal Register References | ASPE](#).
- 9 Permanent Citizens Advisory Commission. (December 2025). [Universal Affordable Transit for New York](#).
- 10 Citizens Budget Commission. (May 2026). [More Aboard: Expand Fair Fares NYC](#). Table 1.
- 11 IBO uses paid trips to estimate the costs of the program. Some trips by Fair Fares riders are unpaid; participants are eligible for MTA transfers as well as fare-capping, in which riders who pay for 12 rides within a 7-day period receive any additional rides in that period for free. There appears to be a wide distribution in participants' transit use. In May, the MTA [released analysis](#) showing 12% of Fair Fares riders reach the fare cap in an average week. However, the same analysis also showed two-thirds of Fair Fares riders take fewer than 5 trips per week, and the MTA [testified on May 6 to the City Council](#) that "only 60 percent" of Fair Fares riders tapped at least once a month, while the remaining 40 percent were inactive. See New York City Council. (May 6, 2026). [Joint Hearing of the Committees on General Welfare and Transportation and Infrastructure, Oversight – Fair Fares](#). Recording timestamp 1:55:52.
- 12 The estimated average monthly SNAP benefit for a single individual is \$204 in 2026. Center for Budget and Policy Priorities. (October 2025). [A Quick Guide to SNAP Eligibility and Benefits](#).
- 13 Using monthly enrollment data provided by HRA and ACS 1-year estimates, IBO estimates the enrollment rate for Fair Fares averaged 35% in calendar year 2021, 49% in 2023, 45% in 2024, and 40% in 2025.
- 14 Research has demonstrated that when people are given free transit versus half-price transit, they use the benefit more. However, these studies do not measure changes to take-up rates. (See, e.g., Chizeck, Seth & Oluchi Mbonu. (2025, May). [The Role of the Fare in Welfare: Public Transportation Subsidies and their Effects on Low-Income Households](#).) In the absence of data to inform this assumption, IBO assumes a 10 percentage point increase in program enrollment, similar to the highest take-up rate in the history of the Fare Fares program. See Appendix B for sensitivity testing of cost estimates with a higher or lower assumed enrollment rate.
- 15 IBO used 2024 ACS public use microdata available through IPUMS: Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Grace Cooper, Julia A. Rivera Drew, Stephanie Richards, Renae Rogers, Jonathan Schroeder, and Kari C.W. Williams. IPUMS USA: Version 16.0. Minneapolis, MN: IPUMS, 2025. <https://doi.org/10.18128/D010.V16.0>.
- 16 Metropolitan Transportation Authority. (June 2025). [Fare-Free Bus Pilot 1-Year Evaluation](#). Page 5. IBO takes the 30% observed increase in weekday ridership across the five pilot routes, subtracting out the 6% in overall system ridership growth during the same period for a net impact of 24%. We use the reported school year changes because this is a longer observation period.
- 17 For Census data on this see Appendix Figure A2.
- 18 IBO assumes that the IT costs remain the same as recent years, but recognizes they may change if the system requires changes to increase capacity with many more applications. This estimate does not include additional technology changes proposed by advocates and some Council members, including leveraging cross-agency data sharing or automatic enrollment.
- 19 HRA divides staff into work units based on program, so there are separate work units for Fair Fares, SNAP, Cash Assistance, Adult Protective Services, etc. Many programs use ACCESS HRA, so staff are organized by program, rather than by the tech platform.

- 20 Filling these roles for State and Federal programs is a priority for HRA given the potential consequences of delays or errors. New York State requires HRA to process SNAP and Cash Assistance applications within 30 days; delays can result in litigation and other penalties. In January 2023, advocates [sued](#) the City after it developed a backlog of applications related to the pandemic, resulting in court-ordered deadlines to clear the backlog. Now, in addition to State timeliness rules, the City is also focusing on the SNAP error rate for applications. Under HRI, passed in July 2025, the federal government will pass up to 15% of the cost of SNAP benefits onto the state [based on application error rates](#), and the State has indicated it will pass up to \$700 million onto the City. At Preliminary Budget hearings in March 2026, HRA stated it was prioritizing staffing for benefits processing related to SNAP to reduce the error rate as much as possible.
- 21 Philadelphia offers zero fare discounts through their Zero Fare pilot program. The program randomly selects eligible residents making 150% FPL or less through a lottery system, automatically enrolling them in the program and directly mailing them transit cards. For those ineligible for automatic enrollment, the City works with community-based organizations to identify and enroll participants who meet income requirements, accounting for about 10% of all participants in the program. Though about 300,000 people are income-eligible citywide, the pilot initially sent cards to only 25,000 people in the first two years, growing to 34,000 as of August 2025. Bennett, B. (2025, November). [“Zero fare has been a success, but some vulnerable Philly residents aren’t feeling the benefits of the program.”](#) WHY? A recent analysis from the Urban Institute found that only 53.4% of those who were automatically enrolled participated in the program. Coffey, et al. (2026, May). Urban Institute. [Philadelphia’s Zero Fare Transit Pilot Program | Urban Institute](#).
- 22 Unlike the other half-priced discount programs listed, Los Angeles’s LIFE program allows users to ride for free for 90 days, followed by 20 free rides per month and discounted rides on different transit systems in the area, with the exact discount dependent on the transit authority.
- 23 Data-sharing may only benefit “some” households because data may not be available for all households. Additionally, HRA would still need updated mailing addresses to provide an OMNY card.
- 24 When asked about free buses, MTA CEO Janno Lieber has stated several times to the press that he prefers to [“focus affordability”](#) on low-income riders, and raised questions about the equity of making [buses but not the subway more affordable](#). At the New York City Council’s March 17 Fiscal Year 2027 Preliminary Budget Hearing, Lieber testified that the MTA were “huge supporters of the Fair Fares program” and “for years have been joining the Council...in urging expansion of eligibility so that more people can get the benefit of Fair Fares.” He went on to state: “If there is money that is being talked about for increasing affordability, let us prioritize people who are struggling to make ends meet, whether they use the bus, or the subway, or paratransit.” The New York City Council. (2026, March 17). [Preliminary Budget Hearing - Transportation and Infrastructure](#). Remarks at: 00:12:22.
- 25 At the New York City Council’s hearing on November 13, 2025, NYC Transit President Demetrius Crichlow distinguished between those who evade because they “elect” not to pay the fare and those who cannot afford to pay, pointing to Fair Fares as important only for latter group. He also voiced support for the 200% FPL expansion covered in the hearing. [The New York City Council - File #: T2025-4228](#) [Transcript pages 30-31]. In addition, expanding Fair Fares to households earning 200% FPL was a central recommendation of the MTA’s 2023 Blue-Ribbon Panel on Fare Evasion, which stated “from a fare evasion perspective, this expansion of Fair Fares would be a significant win-win”: [Report of the Blue-Ribbon Panel on MTA Fare and Toll Evasion](#). (2023, May). Page 38.

IBO's mission is to enhance understanding of New York City's budget, public policy, and economy through independent analysis.

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