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Cost Estimates: Free Buses & Fair Fares

June 3, 2026 – There are two central policy strategies currently being discussed for addressing transit affordability. The two approaches are not mutually exclusive Today IBO is releasing estimates of both.

Ultimately, [fare-free buses](#) and [Fair Fares expansion](#) address transit affordability through different mechanisms. Each proposal includes distinct scales of ridership and costs, implementation questions, and policy considerations. As policymakers consider these proposals, a key question is what role targeted-benefit programs and universal access each play in New York City’s broader goal of addressing transit affordability.

	Free Buses	Fair Fares
What is the proposal?	Expand fare-free buses citywide.	Expand Fair Fares, an income-based City program to provide discounted bus and subway fares to qualifying riders.
Who can qualify?	All bus riders.	Fair Fares is available for New Yorkers who meet the program’s eligibility requirements including income at or below 150% of the federal poverty level. (\$23,940 for a single adult and \$49,500 for a household of four) Those receiving cash or food assistance can opt in directly, while others can apply by providing proof of identity, residence, and income.





	Free Buses	Fair Fares
		The process of signing up and proving income can create substantial barriers for many New Yorkers.
Who bears the cost?	Subject to negotiation between the Metropolitan Transportation Authority (MTA), New York State, and the Mamdani administration.	Under the current structure, costs associated with expanding the program would likely be fully absorbed by the City of New York, although there may be a possibility of a negotiation with MTA.
Additional Considerations:	The citywide fare-free buses proposal provides universal no-cost bus rides to all bus riders.	Under the current program, eligibility ends at 65. While older adults and some with disabilities are eligible for the MTA's own half-price discount, the MTA discount does not apply to Access-A-Ride, meaning Fair Fares Access-A-Ride riders would then pay the full fare when they turn 65. To date, Fair Fares participation remains low, keeping costs down. About 385,000 of the nearly 940,000 eligible New Yorkers are enrolled in Fair Fares, roughly 41% of those who qualify.
Cost Estimates for Current and Possible Scenarios:	The MTA currently provides over 450 million bus rides annually. IBO estimates that the annual cost to make all buses fare-free is about \$1.1 billion, assuming ridership grows by 25% as a result and Express buses are included.	The Fair Fares program currently provides a half-price discount on 60 million rides annually. IBO finds the annual cost of expanding Fair Fares could range from a total of \$87 million to \$419 million, bringing total annual costs for the program to between \$177 million and \$509 million each year.





	Free Buses	Fair Fares
	IBO also considers scenarios where current ridership levels increase from 15% to 35%, and where Express buses are excluded, with estimates ranging from about \$900 million to \$1.3 billion.	Annual costs depend on whether the City increases the discount to a full fare, raises the income eligibility threshold, or both. Either expansion scenario would result in higher enrollment and transit use, driving per-participant and therefore total costs higher.

