

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	12/14/15	Open	Action	11/09/15

Subject: Holding a Hearing, Accepting Public Comments, and Approving the Final Title VI Fare Change Equity Analysis for Changes to Los Rios College Pass Program

ISSUE

Holding a Hearing, Accepting Public Comments, and Approving the Final Title VI Fare Change Equity Analysis for Changes to Los Rios College Pass Program.

RECOMMENDED ACTION

- A. Hold a Hearing on a Title VI Fare Change Equity Analysis for Changes to the Los Rios College Pass Program; and
- B. Adopt Resolution No. 15-12-_____, Approving the Final Title VI Fare Change Equity Analysis for Changes to Los Rios College Pass Program.

FISCAL IMPACT

Federal Title VI civil rights law requires the RT Board to approve a Title VI fare change equity analysis prior to implementing fare changes. The changes to the pass program are estimated to increase revenues from this agreement by \$700,000 in FY 2016 and by \$1.4 million annually. The introduction of this pass during the months of June and July is, however, anticipated to reduce total fare revenue for these two summer months resulting in an estimated net annual revenue increase of \$1.2 million from the implementation of this modified agreement.

DISCUSSION

On July 27, 2015, the RT Board authorized the General Manager/CEO to enter into an agreement with the Los Rios Community College District (Los Rios) which would change the terms of the existing Los Rios college pass program. On September 24, 2015, the Los Rios student body approved proposed contract changes through an election process. The Los Rios Board of Governors authorized the contract’s approval on October 21, 2015.

Federal Title VI civil rights regulations and RT policy require a fare equity analysis be prepared, reviewed, and approved by the RT Board prior to implementation of any fare changes. On October 26, 2015, a draft equity analysis was released for a 30-day public comment period and the Board set a public hearing for December 14, 2015 to receive comments and to approve the final analysis.

About the Changes

Currently, Los Rios students are entitled to make unlimited rides on the RT fixed-route system, as well as on most neighboring transit systems by displaying their student ID card with a current

Approved:

Presented:

Final 12/09/15

General Manager/CEO

Principal Planner

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semester-specific sticker. This program is funded by a fee charged to all Los Rios students ranging from \$2.77 to \$16.62 per semester during the Fall and Spring semesters.

The new agreement would have several effects, including (1) restructuring and increasing student fees, (2) excluding Fall/Spring students with three or fewer units at any one campus from both the mandatory fee and the semester pass program, (3) creating an opt-in \$50.00 discounted monthly pass for students with three or fewer units at any one campus, and, (4) creating a summer pass for June and July funded by a flat \$10.00 fee.

The new agreement is expected to increase total revenue to RT through the Los Rios program by \$1.4 million annually and to increase the average fare for Los Rios pass users from \$0.24 to \$0.57 per passenger boarding.

Title VI Impacts

The fare equity analysis (Exhibit A to the Resolution) finds that the systemwide average fare paid on a per-boarding basis would increase at a greater rate for minority and low-income persons than for the general population; however, under RT’s existing fare structure, minority and low-income populations already pay substantially less, on average, per boarding, than the general population and although the proposed changes would reduce this gap, they would not eliminate it. In other words, even with the proposed changes, minority and low-income populations would still pay significantly less than the general public to ride RT’s fixed-route system.

The fact that the rate of increase in the average fare for minority and low-income riders would exceed that for non-minority and non-low-income riders by over 20 percent triggers additional approval requirements under Title VI. Specifically, the RT Board must approve a written justification.

RT has held the position that without a major increase in program revenues, the Los Rios pass program would need to be phased out entirely. As Figure 1 below indicates, the current program provides a deep discount to Los Rios students, vastly exceeding discounts offered to primary and secondary school students, disabled persons, seniors, etc. RT’s position throughout the contract negotiation has been that it would be neither fiscally feasible nor equitable to other disadvantaged groups for RT to continue the program without at least doubling program revenues.

Compared to the proposed fee increase, elimination of the program entirely would be much worse for participating minority and low-income populations. Even under the new agreement with higher student fees, the Los Rios pass program would still provide a remarkable value to students, with no student paying more than \$31.50 per semester for five months of unlimited rides--a \$500.00 value at the general public price.¹ The new program would also provide a summer pass, which was a high priority for Los Rios during negotiations. For these reasons, staff believes the

¹ Fees would be \$2.10 per unit assessed on a maximum of fifteen units. This amount would be indexed to inflation and therefore increase incrementally over the course of the contract.

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proposed changes are justified. The fact that the new contract was approved by 96 percent of the voting Los Rios student population is evidence that the students themselves find the program overwhelmingly beneficial, even under an increased fee structure.

With respect to the timing of this report, it would have been preferable to have prepared and presented the equity analysis to the Board prior to the Board having delegated authority to the General Manager/CEO to approve the agreement (in July 2015). At the time, however, it was not clear to staff whether or not a Title VI analysis would be required. The Federal Transit Administration’s guidance on Title VI clearly requires an equity analysis prior to implementing changes to traditional transit fares; however, it is somewhat unclear what is required with respect to a program like the Los Rios pass. At the time, the priority for staff was to reach agreement with Los Rios staff on terms in time to qualify for the fall semester student ballot at Los Rios. Since the students had not yet voted, to a certain extent it would have been premature to have invested staff time in preparing an equity analysis that a negative vote would have rendered unnecessary. With respect to RT’s Title VI compliance, federal guidance requires only that the equity analysis be approved prior to implementation of the changes. Since the new program is effective January 1, RT is still in compliance with Title VI; however, in future cases, staff intends to prepare the Title VI analysis earlier in the process.

Revisions to the draft equity analysis were minor and have been provided in marked-up format as Attachment 1. A clean version of the analysis can be found as Exhibit A to the Resolution. One comment was received in response to the Title VI Fare Change and Equity Analysis. The comment received concerning the Title VI Fare Change and Equity Analysis for the Los Rios College Pass Program and a summary of the comments received at the RT Board Meeting where the General Manager/CEO was authorized to enter into an agreement with the Los Rios Community College District to provide a reduced fare transit pass to students are provided in Attachment 2.

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**Figure 1
Average Fare Per Passenger Boarding
By Fare Type (FY14 Estimates)**

Fare Type	Face Value	Revenue	Boardings	Avg Fare
Single Cash - Bus	\$2.50	\$2,189,051	875,620	\$2.50
Single Ticket - Bus	\$2.50	\$584,401	233,760	\$2.50
Single Cash - Rail	\$2.50	\$1,319,305	995,957	\$1.32
Single Ticket - Rail	\$2.50	\$1,211,225	706,354	\$1.71
Disc Single Cash - Bus	\$1.25	\$633,673	506,939	\$1.25
Disc Single Tkt - Bus	\$1.25	\$106,566	85,253	\$1.25
Disc Single Cash - Rail	\$1.25	\$412,578	359,489	\$1.15
Disc Single Tkt - Rail	\$1.25	\$45,959	211,781	\$0.22
Daily Pass	\$6.00	\$4,175,576	3,840,988	\$1.09
Disc Daily Pass	\$3.00	\$2,073,429	2,108,262	\$0.98
Monthly Pass	\$100.00	\$10,495,500	4,279,972	\$2.45
Semi-Monthly Pass	\$50.00	\$378,850	578,195	\$0.66
Student Semi-Monthly	\$25.00	\$860,888	874,506	\$0.98
Senr/Disb Monthly/Semi	\$50.00	\$2,083,750	2,193,895	\$0.95
Los Rios		\$1,028,073	4,343,659	\$0.24
CSUS		\$688,327	599,808	\$1.15
DHA		\$1,938,225	883,977	\$2.19
Fare Evader		\$0	1,522,877	\$0.00
Child		\$0	551,267	\$0.00
Lifetime		\$0	226,069	\$0.00
Other Boardings			389,517	
Transfer Agmts (Net)		-\$1,233,039		
Reconciliation Item		\$164,585		
Total		\$29,156,920	26,368,144	\$1.11

The Los Rios pass program currently generates approximately \$1.0 million of guaranteed revenue for RT. In exchange, RT provides over 4.3 million rides, working out to an average fare of only \$0.24 per boarding. Approximately one out of every six RT riders currently boards with the Los Rios pass. These figures exclude reimbursements by RT to neighboring transit systems for Los Rios ridership on those systems.

Source: FY 2014 Fare Survey, Fiscal Year Ended June 30, 2014.

[Attachment 1 Exhibit A](#)

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Title VI Fare Equity Analysis
for Changes to Los Rios Pass Program
Proposed for January 2016

DRAFT

~~October 26~~ [December 14](#), 2015

 **Regional Transit**
[Title VI Fare Change Equity Analysis](#)

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1. Purpose of Analysis

Pursuant to RT’s major service change policy and in accordance with federal Title VI civil rights requirements, the purpose of this analysis is to identify and document any potential disparate impacts on minority populations or disproportionate burdens on low-income populations resulting from changes to RT’s fare structure.

2. Project Description

The proposed changes to RT’s fare structure would result from a new agreement between RT and the Los Rios Community College District (Los Rios).

Currently, Los Rios students are entitled to make unlimited rides on the RT fixed-route system, as well as on most neighboring transit systems by displaying a universal transit pass in the form of a semester-specific sticker affixed to a student ID card. This program is funded by a mandatory fee charged to all Los Rios students ranging from ~~\$2-502.77~~ to ~~\$15-00~~16.62 depending on course load and whether or not the student qualifies for a Board of Governors fee waiver. Fees are collected during the Fall and Spring semesters only. The universal transit pass is not currently offered in June or July.

The new agreement would have several effects:

- Fees would be assessed on a per-unit basis instead of according to the existing tiered structure and would increase so that fee revenue will approximately double, with maximum per-semester fees increasing from ~~\$15-00~~16.62 to \$31.50.
- Students enrolled in three units or fewer will be excluded from the traditional program, neither paying the mandatory fee nor receiving the universal transit pass, but will become eligible to purchase, on an opt-in basis, a discounted RT monthly pass set at half the price of the basic monthly pass price which would currently be \$50.00.
- Summer session students will begin being assessed a flat \$10.00 per session fee and will receive an unlimited ride pass for the summer.

Under both the new and old agreement, Los Rios pays RT the proceeds from student transit fees. Between the universal transit pass and the new opt-in monthly pass, the new agreement is expected to increase total revenue to RT through the Los Rios program from \$1.0 million to \$2.4 million annually.

Utilization of the pass has been substantial. As shown in Figure 1, approximately 4.3 million boardings were made using the pass in FY 2014, which works out to approximately one out of every six riders.

 **Regional Transit**
Title VI Fare Change Equity Analysis

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The student fee increase is expected to decrease pass use only minimally. The result is that the average fare paid per passenger boarding with the Los Rios pass is expected to increase from \$0.24 to \$0.57. This is still dramatically lower than RT's systemwide average fare, which ~~is currently was~~ approximately ~~\$1.07~~ \$1.11 at the time of the FY 2014 Fare Survey cited in Figure 1, and which is ~~—Please note that the average fare estimate of \$1.11 referenced in Figure 1 was for FY14. The average fare per passenger boarding is currently estimated to be approximately \$1.07.~~

The increase in the Los Rios contract amount is expected to increase RT's systemwide average fare by approximately 5.2 percent.

3. Title VI Requirements

FTA Circular 4702.1B, Chapter IV, Section 7 requires RT to conduct a Title VI fare equity analysis prior to implementing any fare change, with some exceptions (e.g., Spare the Air days). RT's service and fare change policies are set forth in Resolution 13-08-0125 and Resolution 15-11-0129. Neither document, however, is completely clear with regard to whether or not a fare equity analysis is required for changes to a pass program such as the Los Rios program, which differs in several ways from the types of fare changes both guiding documents seem to contemplate:

First, unlike most fare changes, the proposed changes to the Los Rios pass program cannot be enacted by the unilateral action of the RT Board; they require mutual assent by Los Rios. Likewise, once the agreement takes effect, the changes cannot be reversed unilaterally by the RT Board.¹

The proposed changes are also atypical because costs are spread among a broad population that includes non-users. In this way, the program may resemble a bulk purchase agreement by a major employer, social service agency, or local government, rather than a true change in fares.

Overall, however, staff believes that a change of this nature to a special fare category such as the Los Rios pass may meet the description of the type of fare change for which FTA requires a fare equity analysis. Therefore, out of an abundance of caution, a fare equity analysis has been conducted.

¹ On July 27, 2015, the RT Board of Directors delegated to the General Manager/CEO authority to enter into an agreement with Los Rios. The Los Rios student body approved terms on September 24, 2015. The Los Rios Board of Governors is expected to approve the agreement on October 21, 2015 after which the RT General Manager/CEO is expected to execute the agreement, barring any Title VI issues.

Figure 6
Projected Change in Average Fare
Minority and Low-Income Splits

All figures based on FY 2014 Fare Survey

	Existing	Proposed	Change	% Change
All Riders *	\$1.11	\$1.16	\$0.06	5.2%
Minority Riders **	\$1.13	\$1.19	\$0.07	6.0%
Non-Minority Riders **	\$1.32	\$1.37	\$0.04	3.3%
Low-Income Riders **	\$1.06	\$1.13	\$0.07	6.9%
Non-Low Income Riders **	\$1.31	\$1.35	\$0.05	3.7%

The proposed increase in Los Rios student fees would cause RT’s systemwide fare to increase from \$1.11 to \$1.16 (based in FY 2014 Fare Survey). For fare-paying minority riders, the average fare would increase from \$1.13 to \$1.19, whereas the average fare for non-minority riders will increase from \$1.32 to \$1.37. In other words, minority riders will experience a greater rate of increase, but will still pay considerably less, even after the changes. Low-income riders would similarly see a greater rate of increase, but would nevertheless continue to pay less to ride RT than non-low-income riders. *Source: FY 2014 Fare Survey and 2013 On-Board Survey.*

* Includes non-fare-paying riders (e.g., infants/children, fare evaders)

** Includes only fare-paying riders

8. Conclusion

As shown in Figures 2 and 3, under RT’s existing fare structure, both minority and low-income riders pay lower fares, on average, than the general population. The proposed changes to the Los Rios pass program would increase the average fare for all riders. The rate of increase would be greater for minority and low-income populations than for non-minority and non-low-income riders; however, even with the greater rate of increase, the imbalance in average fare splits would remain favorable for minority and low-income populations. RT believes that an increase in student fees is necessary for the program to remain feasible for RT. Given this context, it is advantageous to minority and low-income populations for RT to continue the program, even under a higher fee structure, because the alternative would be for the program to be discontinued entirely.

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Attachment 2

Title VI Fare Change and Equity Analysis for the
Los Rios Pass Program:
Public Comments
Submitted to RT

James Drake - Re: December 14 Los Rios title VI public hearing

From: James Drake <jdrake@sacrt.com>
To: rftm@rftm.info
Date: 12/1/2015 3:55 PM
Subject: Re: December 14 Los Rios title VI public hearing
CC: GVohlers@sacrt.com, MWILEY@sacrt.com, RCovington@sacrt.com

Hi Barbara,

Thank you for your email and your phone call earlier today. Please see the responses below for a few more details.

Regards,

James Drake
Service Planner
Sacramento Regional Transit
916-556-0505

>>> <rftm@rftm.info> 11/29/2015 2:12 PM >>>

Hi James

Are you going to change any of the verbiage in the Title VI Equity Analysis dated October 26, 2015?

Yes, there will be some changes to the draft analysis, however, it is mostly minor verbiage changes. There will be a page showing the markups. I can send it to you in advance of the Board meeting when it is complete if you would like.

Also has the draft proposed contract between RT and Los Rios changed? Are you aware that this contract totally cuts out low Income BOG (board of governors) fee waiver students. (California Community College Board of Governors waiver) These students take anywhere from 3 units to a full load of 12 units or more units per semester. This waiver is for fee only. This waiver does not include waiver of books or supplies.

The proposed contract has not changed. You are correct that under the new contract, the transit fee will not differentiate by BOG waiver status.

In the past these students did pay for UTC on a tiered schedule per semester according to how many units they took. Not as much as students that paid full fees but nevertheless they paid.

You are correct that under the existing/old contract, student fees vary according to course load on a tiered schedule. Under the new contract, there would be no tiers; fees would simply vary according to actual units (up to a maximum of 15 units).

Either way, students taking more units pay a greater fee; however, the new formula will be more precise than the old tier-based formula. Los Rios representatives also felt that scaling the fees according to course load, rather than by tiers, would adhere better to the relevant state law.

In the new contract, this group of students are not included in the contract or the UTC process, it will be perceived that they are being singled out with an undue hardship. You are correct that under the old/existing contract, students with three (3) units or fewer do pay a transit fee, whereas under the new/proposed contract, they would not participate in the universal transit pass program (but would be eligible for a discounted monthly pass). There are several reasons for the change:

First, RT's position has been that the old/existing structure has tended to induce or invite inappropriate use of the program, such as signing up for classes just to get a transit pass. For example, under the old/existing contract, a person can register for a single-unit class for \$46.00 and pay the current \$5.54 transit fee and in that way receive essentially five months of unlimited rides (a \$500 value) for only \$51.54. Even if the person dropped his or her classes, there is no practical way to confiscate the transit pass. This is why the transit fee was originally made non-refundable; however, even with it being non-refundable, the price is so low that it is not a sufficient barrier to persons who want to abuse the system. We felt this was a loophole that could not justifiably be perpetuated into a new contract.

Second, we felt that the intent of the program was primarily to make transit to affordable for students going to and from school, and that providing a deep discount on a five-month pass for a person taking only 1-3 units was not necessarily totally consistent with the intent of the program.

Third, when a person signs up for a class with more of an intent to get a transit pass than to actually participate in the class, it can take a seat from someone who actually wanted to take the class. Likewise, if that person drops the class, that creates additional wastefulness with respect to the instructor's time and other costs to run a class.

With respect to financial impacts on existing users, we felt it was important not to change things too abruptly. The new program where students with three (3) or fewer units may purchase a monthly pass at the 50 percent discount rate was intended to ease this transition. Keep in mind, if these students are local residents, when they were in high school, they were most likely getting a 50 percent discount on their semi-monthly pass, so the new program would be a continuation of that pricing structure as they transition to community college.

In the Tuition and Fees page for 2016 it states, those without a bog waiver pay \$35.00 a semester for parking sticker and BOG Waiver students would pay \$25.00 a semester, however no where under the UTC does BOG Fee waiver students appear

How is RT classifying these students in the contract...Are you classifying them in same category as students who take 3 or less units???

As explained above, the proposed new transit pass agreement would not differentiate between BOG and non-BOG waiver students. Students taking three (3) units or fewer would be in the new discounted monthly pass program instead of the old semester pass program, but BOG waiver status would have no bearing.

Because if RT is requiring them to pay \$50.00 a month for a transit pass in the contract,

(which equates to \$250.00 a semester), it is a lot more than students without a BOG waiver pay at 31.25 max for a semester, then you have real Equity issue. And none of this appears in the Title VI Analysis.

The \$50.00 per month pricing would apply to students taking three (3) units or fewer. The \$31.25 maximum per semester would apply to students taking more than three (3) units. BOG waiver eligibility would have no bearing on pricing.

Please advise

"B"

Barbara Stanton
founder/director
RiderShip for the Masses
rftm@rftm.info
(916) 927-7446

Los Rios Community College District Pass Program

Summary of Public Comments
 Provided to RT Board of Directors on
 July 27, 2015

Comment No. Name Organization Date Received	Comment Summary	Staff Notes
1. Jeffrey Tardaguila	Mr. Tardaguila relayed that he is a former Los Rios Community College District Student. Relayed belief that the draft terms had been minimally presented to Los Rios Community College District Board and Student Body. Relayed belief that RT had substantially increases revenue generated from this agreement each time it is renewed. Relayed belief that more public outreach was needed to Los Rios Community College District stakeholders. This agreement increases costs for students.	This agreement was presented to the Los Rios Student Body for Ratification in September of 2015 and was approved by 96 percent of the voting Los Rios student population. This agreement with presented to the Los Rios Board of Governors on several occasions and was authorized for approval on October 21, 2015, following student ratification.
2. Pamela Haney	Ms. Haney relayed her belief that more public input is needed. Inquired about intent of language with regard to students not paying fees not receiving a transit pass and relayed belief that students who do not pay fees because they receive a Board of Governors waiver should be able to receive a transit pass. Relayed Issue Paper content about this agreement's estimated impact to increase fare revenue and inquired about subsidy from the Los Rios Community College District or another entity. Relayed her belief that paying over \$30 for a transit pass that lasts for a semester is a lot of money. Read excerpt from Issue Paper about limit to student fees for transportation purposes and relayed her belief that this language relayed RT's "organizational culture" and it was upsetting to her that RT may desire to charge the maximum amount allowed by fee limits.	Please see notes above regarding Los Rios Community College District stakeholder involvement. Students who receive Board of Governors waivers for some fee reductions are eligible to receive a transit pass.
3. Laurie Jones	Ms. Jones relayed that she is a re-entry student at the Los Rios Community College District. Relayed past pass use estimates included in supporting documents and questioned their accuracy. Relayed hope that pass cost increase was not done in attempt to recover revenue lost from use of the Los Rios Universal Transit Pass program. Inquired about meaning of language regarding consideration of raising the maximum transportation fee. Relayed her understanding of the next steps in this process. Relayed concern about the potential to exclude students with certain course loads from voting, but that her current understanding is that the voting process may not be limited in that manner. Relayed concern that the span of the pass should be increased to allow for earlier access to the campus for purchase of books and related efforts. Noted that summer passes start at day of instruction, not fall and spring semester passes.	There is no change to span of semester passes and typically includes a span that extends well before the first day of instruction for fall and spring semesters.
4. Nancy Lopez	City of Sacramento resident and former Los Rios Community College District student. Relayed concern about the span of the pass and expressed the need for it to start before the first day of instruction. Relayed past experience about difficulty with eligibility for a scholarship because of a course load limit and that students may be wait-listed for a course that would put them over the threshold to be eligible for the Los Rios Universal Transit Pass program. Recently completed a term as a Student Senator and didn't hear about this agreement at her last meeting.	There is no change to span of semester passes and typically includes a span that extends well before the first day of instruction for fall and spring semesters.

RESOLUTION NO. 15-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2015

**APPROVING THE FINAL TITLE VI FARE CHANGE EQUITY ANALYSIS
FOR CHANGES TO LOS RIOS COLLEGE PASS PROGRAM**

WHEREAS, on July 27, 2015, the RT Board of Directors authorized the General Manager/CEO to enter into an agreement with the Los Rios Community College District (Los Rios) that would change the terms of the existing Los Rios college pass program; and

WHEREAS, Federal Title VI civil rights regulations and RT policy require a fare change equity analysis be prepared, reviewed, and approved by the RT Board prior to implementation of any fare changes; and

WHEREAS, a draft Title VI fare change equity analysis was provided to the Board on October 26, 2015, and prior to November 1, 2015, was posted on RT's web site for a 30-day public comment period; and

WHEREAS, on October 26, 2015, the Board set a public hearing for December 14, 2015 to receive written comments on the draft Title VI analysis, to receive spoken testimony from members of the public, and to approve a revised and final version of the equity analysis; and

WHEREAS, the Board has received and taken into consideration all public comments; and

WHEREAS, the final Title VI fare change equity analysis finds that there would be potential disparate impacts on minority populations from implementing the fare change; and

WHEREAS, the final Title VI fare change equity analysis finds that there would be potential disproportionate burdens on low-income populations from implementing the fare change.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board considers increasing fare revenue through reductions in deeply discounted fares to be a legitimate program goal; and

THAT, the Board finds that discontinuation of the Los Rios pass program would result in more adverse impacts to minority and low-income populations than continuation of the program according to the terms of the proposed new contract; and

THAT, the Board finds that continuation of the Los Rios pass program on the existing terms would be counter to RT's legitimate program goals; and

THAT, the Board finds that the negotiations that took place between RT and Los Rios were successful in reaching terms consistent with both parties' legitimate program goals and successful in avoiding, minimizing, and mitigating adverse impacts on minority and low-income populations; and

THAT, the Board finds that RT has a substantial legitimate justification for the proposed fare change that would take effect as a result of implementation of the proposed agreement with Los Rios; and

THAT, the Board finds that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish RT's legitimate program goals; and

THAT, the Board finds that RT has taken steps to avoid, minimize, or mitigate impacts to low-income populations where practicable; and

THAT, the Board has reviewed and approves the Title VI fare change equity analysis.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary



Title VI Fare Equity Analysis
for Changes to Los Rios Pass Program
Proposed for January 2016

December 14, 2015

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1. Purpose of Analysis

Pursuant to RT's major service change policy and in accordance with federal Title VI civil rights requirements, the purpose of this analysis is to identify and document any potential disparate impacts on minority populations or disproportionate burdens on low-income populations resulting from changes to RT's fare structure.

2. Project Description

The proposed changes to RT's fare structure would result from a new agreement between RT and the Los Rios Community College District (Los Rios).

Currently, Los Rios students are entitled to make unlimited rides on the RT fixed-route system, as well as on most neighboring transit systems by displaying a universal transit pass in the form of a semester-specific sticker affixed to a student ID card. This program is funded by a mandatory fee charged to all Los Rios students ranging from \$2.77 to \$16.62 depending on course load and whether or not the student qualifies for a Board of Governors fee waiver. Fees are collected during the Fall and Spring semesters only. The universal transit pass is not currently offered in June or July.

The new agreement would have several effects:

- Fees would be assessed on a per-unit basis instead of according to the existing tiered structure and would increase so that fee revenue will approximately double, with maximum per-semester fees increasing from \$16.62 to \$31.50.
- Students enrolled in three units or fewer will be excluded from the traditional program, neither paying the mandatory fee nor receiving the universal transit pass, but will become eligible to purchase, on an opt-in basis, a discounted RT monthly pass set at half the price of the basic monthly pass price which would currently be \$50.00.
- Summer session students will begin being assessed a flat \$10.00 per session fee and will receive an unlimited ride pass for the summer.

Under both the new and old agreement, Los Rios pays RT the proceeds from student transit fees. Between the universal transit pass and the new opt-in monthly pass, the new agreement is expected to increase total revenue to RT through the Los Rios program from \$1.0 million to \$2.4 million annually.

Utilization of the pass has been substantial. As shown in Figure 1, approximately 4.3 million boardings were made using the pass in FY 2014, which works out to approximately one out of every six riders.

Figure 1
Average Fare Per Passenger Boarding
By Fare Type

Fare Type	Face Value	Revenue	Boardings	Avg Fare
Single Cash - Bus	\$2.50	\$2,189,051	875,620	\$2.50
Single Ticket - Bus	\$2.50	\$584,401	233,760	\$2.50
Single Cash - Rail	\$2.50	\$1,319,305	995,957	\$1.32
Single Ticket - Rail	\$2.50	\$1,211,225	706,354	\$1.71
Disc Single Cash - Bus	\$1.25	\$633,673	506,939	\$1.25
Disc Single Tkt - Bus	\$1.25	\$106,566	85,253	\$1.25
Disc Single Cash - Rail	\$1.25	\$412,578	359,489	\$1.15
Disc Single Tkt - Rail	\$1.25	\$45,959	211,781	\$0.22
Daily Pass	\$6.00	\$4,175,576	3,840,988	\$1.09
Disc Daily Pass	\$3.00	\$2,073,429	2,108,262	\$0.98
Monthly Pass	\$100.00	\$10,495,500	4,279,972	\$2.45
Semi-Monthly Pass	\$50.00	\$378,850	578,195	\$0.66
Student Semi-Monthly	\$25.00	\$860,888	874,506	\$0.98
Senr/Disb Monthly/Semi	\$50.00	\$2,083,750	2,193,895	\$0.95
Los Rios		\$1,028,073	4,343,659	\$0.24
CSUS		\$688,327	599,808	\$1.15
DHA		\$1,938,225	883,977	\$2.19
Fare Evader		\$0	1,522,877	\$0.00
Child		\$0	551,267	\$0.00
Lifetime		\$0	226,069	\$0.00
Other Boardings			389,517	
Transfer Agmts (Net)		-\$1,233,039		
Plug for Reconciliation		\$164,585	-	
Total		\$29,156,920	26,368,144	\$1.11

At \$29,156,920 in fare revenue and 26,368,144 passenger boarding, RT averages \$1.11 in fare revenue per passenger boarding. In addition to discount programs and fare evasion on light rail, the average fare is lowered by fare free categories such as children under age 5, as well as by certain multi-ride fare types with high per-pass utilization (e.g., daily passes). *De facto* free rail-to-rail transferring also keep the average fare per boarding on a nominally single ride ticket at less than the face value price. *Source: FY 2014 Fare Survey.*

The student fee increase is expected to decrease pass use only minimally. The result is that the average fare paid per passenger boarding with the Los Rios pass is expected to increase from \$0.24 to \$0.57. This is still dramatically lower than RT's systemwide average fare, which was approximately \$1.11 at the time of the FY 2014 Fare Survey cited in Figure 1, and which is currently estimated to be approximately \$1.07.

The increase in the Los Rios contract amount is expected to increase RT's systemwide average fare by approximately 5.2 percent.

3. Title VI Requirements

FTA Circular 4702.1B, Chapter IV, Section 7 requires RT to conduct a Title VI fare equity analysis prior to implementing any fare change, with some exceptions (e.g., Spare the Air days). RT's service and fare change policies are set forth in Resolution 13-08-0125 and Resolution 15-11-0129. Neither document, however, is completely clear with regard to whether or not a fare equity analysis is required for changes to a pass program such as the Los Rios program, which differs in several ways from the types of fare changes both guiding documents seem to contemplate:

First, unlike most fare changes, the proposed changes to the Los Rios pass program cannot be enacted by the unilateral action of the RT Board; they require mutual assent by Los Rios. Likewise, once the agreement takes effect, the changes cannot be reversed unilaterally by the RT Board.¹

The proposed changes are also atypical because costs are spread among a broad population that includes non-users. In this way, the program may resemble a bulk purchase agreement by a major employer, social service agency, or local government, rather than a true change in fares.

Overall, however, staff believes that a change of this nature to a special fare category such as the Los Rios pass may meet the description of the type of fare change for which FTA requires a fare equity analysis. Therefore, out of an abundance of caution, a fare equity analysis has been conducted.

RT policy provides a 30-day comment period for a Title VI analysis. This document is intended to be part of the package of publicly reviewable documents made available through RT's web site and by request.

¹ On July 27, 2015, the RT Board of Directors delegated to the General Manager/CEO authority to enter into an agreement with Los Rios. The Los Rios student body approved terms on September 24, 2015. The Los Rios Board of Governors is expected to approve the agreement on October 21, 2015 after which the RT General Manager/CEO is expected to execute the agreement, barring any Title VI issues.

4. Data and Methodology

In April 2013, an on-board passenger survey was conducted aboard RT buses and light rail trains. Passengers on randomly selected trips on all RT routes completed a self-administered questionnaire on various rider characteristics. In accordance with FTA guidance, when possible, equity analyses are based on demographic estimates of actual riders. These on-board survey responses therefore form the basis of the analysis below.

On an annual basis, RT conducts a passenger fare survey. This survey provides utilization figures for each fare type, including the average fare per passenger boarding.

Using the demographic data from the 2013 on-board survey, RT can determine the percent minority and the percent low-income for each fare type and based on the average fare per boarding for each fare type from the annual fare survey, RT can then estimate overall average fare splits for minority versus non-minority and low-income versus non-low-income riders.

Potential disparate impacts (and disproportionate burdens) from fare changes are determined by comparing the rate of change of the average fare for all minority riders to that for non-minority riders. RT's Title VI goal is for the percent increase in average fare for minority populations to be less than or equal to that for non-minority populations in the case of a net fare increase and equal or greater to that for non-minority populations in the case of a net fare decrease. A disparate impact may exist if there is a statistically significant deficiency from this goal. RT defines a deficiency as statistically significant if the rates of change differ by more than 20 percent.

Note that this process is not intended by RT or by FTA to be an absolute determination of discrimination. Rather, the finding of a potential disparate impact or disproportionate burden according to this test is intended to *trigger additional steps* that otherwise can be skipped.

Note also that this policy does not contemplate an assessment of the relative equity of the fare structure *as it exists today*, only of how it *changes*. This is in accordance with FTA guidance.

Figures 2 and 3 provide breakdowns of existing fare utilization by fare type and minority/low-income status. As shown in Figures 2 and 3, minority and low-income riders currently pay a significantly lower fare to ride the RT system, on average, than the general population.

Average fare calculations are shown rounded to the nearest cent. Rate of fare changes were, however, calculated using the full, not rounded, average fare estimates.

**Figure 2
Minority Fare Payment Splits
Existing Conditions**

Media Type	Face Value	Revenue	Boardings	Avg Fare	Minority Riders			Non-Minority Riders		
					% Split	Boardings	Revenue	% Split	Boardings	Revenue
1 Single Cash - Bus	\$2.50	\$2,189,051	875,620	\$2.50	66.0%	577,909	\$1,444,774	34.0%	297,711	\$744,277
2 Single Ticket - Bus	\$2.50	\$584,401	233,760	\$2.50	57.0%	133,243	\$333,108	43.0%	100,517	\$251,292
3 Single Cash - Rail	\$2.50	\$1,319,305	995,957	\$1.32	64.0%	637,413	\$844,355	36.0%	358,545	\$474,950
4 Single Ticket - Rail	\$2.50	\$1,211,225	706,354	\$1.71	48.7%	343,995	\$589,867	51.3%	362,360	\$621,358
5 Disc Single Cash - Bus	\$1.25	\$633,673	506,939	\$1.25	72.3%	366,517	\$458,146	27.7%	140,422	\$175,528
6 Disc Single Tkt - Bus	\$1.25	\$106,566	85,253	\$1.25	74.5%	63,513	\$79,392	25.5%	21,739	\$27,174
7 Disc Single Cash - Rail	\$1.25	\$412,578	359,489	\$1.15	71.4%	256,675	\$294,580	28.6%	102,814	\$117,997
8 Disc Single Tkt - Rail	\$1.25	\$45,959	211,781	\$0.22	45.5%	96,360	\$20,911	54.5%	115,420	\$25,048
9 Daily Pass	\$6.00	\$4,175,576	3,840,988	\$1.09	75.5%	2,899,946	\$3,152,560	24.5%	941,042	\$1,023,016
10 Disc Daily Pass	\$3.00	\$2,073,429	2,108,262	\$0.98	75.2%	1,585,413	\$1,559,219	24.8%	522,849	\$514,210
11 Monthly Pass	\$100.00	\$10,495,500	4,279,972	\$2.45	58.5%	2,503,784	\$6,139,868	41.5%	1,776,188	\$4,355,633
12 Semi-Monthly Pass	\$50.00	\$378,850	578,195	\$0.66	72.7%	420,348	\$275,424	27.3%	157,847	\$103,426
13 Student Semi-Monthly	\$25.00	\$860,888	874,506	\$0.98	87.0%	760,820	\$748,972	13.0%	113,686	\$111,915
14 Senr/Disb Monthly/Semi	\$50.00	\$2,083,750	2,193,895	\$0.95	46.0%	1,009,192	\$958,525	54.0%	1,184,703	\$1,125,225
15 Los Rios		\$1,028,073	4,343,659	\$0.24	77.0%	3,344,617	\$791,616	23.0%	999,042	\$236,457
16 CSUS		\$688,327	599,808	\$1.15	74.3%	445,657	\$511,427	25.7%	154,151	\$176,900
17 DHA		\$1,938,225	883,977	\$2.19	66.9%	591,381	\$1,296,673	33.1%	292,596	\$641,552
18 Fare Evader		\$0	1,522,877	\$0.00	76.8%	1,169,570	\$0	23.2%	353,308	\$0
19 Child		\$0	551,267	\$0.00	n/a	n/a	n/a	n/a	n/a	n/a
20 Lifetime		\$0	226,069	\$0.00	48.4%	109,417	\$0	51.6%	116,652	\$0
21 Other Boardings			389,517		n/a	n/a	n/a	n/a	n/a	n/a
Transfer Agmts (Net)		-\$1,233,039			n/a	n/a	n/a	n/a	n/a	n/a
Plug for Reconciliation		\$164,585	-		n/a	n/a	n/a	n/a	n/a	n/a
		\$29,156,920	26,368,144	\$1.11	68.1%	17,315,769	\$19,499,415	31.9%	8,111,591	\$10,725,959
					Combined Avg Fare * Minority Riders		\$1.13	Combined Avg Fare * Non-Minority Riders		\$1.32

Minority riders pay an estimated average of \$1.13 per boarding, compared to \$1.32 for non-minority riders. Minority riders make up an estimated 68.1 percent of all boarding passengers. The student semi-monthly pass is particularly heavily used by minority riders, with an estimated 87.0 percent of users being minority persons. The most significant discount category that is not heavily utilized by minority riders is the senior/disabled monthly (and semi-monthly) pass type, for which only 46.0 percent of users are minority riders. *Sources: FY 2014 Fare Survey, 2013 On-Board Survey.*

* Note that the average fare figures for minority and non-minority riders include only fare-paying riders, whereas the overall systemwide average fare figure (\$1.11) is calculated over all riders, including non-fare paying riders.

**Figure 3
Low-Income Fare Payment Splits
Existing Conditions**

Media Type	Face Val	Revenue	Boardings	Avg Fare	Low-Income Users			Non-Low-Income Users		
					% Split	Boardings	Revenue	% Split	Boardings	Revenue
1 Single Cash - Bus	\$2.50	\$2,189,051	875,620	\$2.50	46.8%	410,021	\$1,025,053	53.2%	465,599	\$1,163,998
2 Single Ticket - Bus	\$2.50	\$584,401	233,760	\$2.50	7.2%	16,939	\$42,348	92.8%	216,821	\$542,053
3 Single Cash - Rail	\$2.50	\$1,319,305	995,957	\$1.32	43.3%	430,999	\$570,927	56.7%	564,958	\$748,378
4 Single Ticket - Rail	\$2.50	\$1,211,225	706,354	\$1.71	5.5%	38,704	\$66,368	94.5%	667,650	\$1,144,857
5 Disc Single Cash - Bus	\$1.25	\$633,673	506,939	\$1.25	52.8%	267,817	\$334,771	47.2%	239,122	\$298,903
6 Disc Single Tkt - Bus	\$1.25	\$106,566	85,253	\$1.25	40.0%	34,101	\$42,626	60.0%	51,152	\$63,940
7 Disc Single Cash - Rail	\$1.25	\$412,578	359,489	\$1.15	44.3%	159,202	\$182,713	55.7%	200,287	\$229,865
8 Disc Single Tkt - Rail	\$1.25	\$45,959	211,781	\$0.22	30.0%	63,534	\$13,788	70.0%	148,246	\$32,171
9 Daily Pass	\$6.00	\$4,175,576	3,840,988	\$1.09	59.6%	2,288,291	\$2,487,624	40.4%	1,552,697	\$1,687,952
10 Disc Daily Pass	\$3.00	\$2,073,429	2,108,262	\$0.98	60.7%	1,279,662	\$1,258,520	39.3%	828,600	\$814,909
11 Monthly Pass	\$100.00	\$10,495,500	4,279,972	\$2.45	26.4%	1,131,267	\$2,774,133	73.6%	3,148,705	\$7,721,367
12 Semi-Monthly Pass	\$50.00	\$378,850	578,195	\$0.66	44.6%	257,844	\$168,947	55.4%	320,351	\$209,903
13 Student Semi-Monthly	\$25.00	\$860,888	874,506	\$0.98	63.8%	558,244	\$549,550	36.2%	316,262	\$311,337
14 Senr/Disb Monthly/Semi	\$50.00	\$2,083,750	2,193,895	\$0.95	41.9%	918,305	\$872,202	58.1%	1,275,590	\$1,211,548
15 Los Rios		\$1,028,073	4,343,659	\$0.24	57.8%	2,512,372	\$594,637	42.2%	1,831,287	\$433,436
16 CSUS		\$688,327	599,808	\$1.15	48.4%	290,291	\$333,132	51.6%	309,517	\$355,195
17 DHA		\$1,938,225	883,977	\$2.19	70.5%	622,802	\$1,365,568	29.5%	261,175	\$572,657
18 Fare Evader		\$0	1,522,877	\$0.00	43.8%	666,259	\$0	56.3%	856,619	\$0
19 Child		\$0	551,267	\$0.00	n/a	n/a	n/a	n/a	n/a	n/a
20 Lifetime		\$0	226,069	\$0.00	19.0%	43,061	\$0	81.0%	183,008	\$0
21 Other Boardings			389,517		n/a	n/a	n/a	n/a	n/a	n/a
Transfer Agmts (Net)		-\$1,233,039			n/a	n/a	n/a	n/a	n/a	n/a
Plug for Reconciliation		\$164,585	-		n/a	n/a	n/a	n/a	n/a	n/a
		\$29,156,920	26,368,144	\$1.11	47.2%	11,989,715	\$12,682,906	52.8%	13,437,645	\$17,542,468
						Combined Avg Fare * Low-Income Riders	\$1.06		Combined Avg Fare * Non-Low-Income Riders	\$1.31

Low-income riders currently pay an estimated average of \$1.06 per boarding, compared to \$1.31 for non-low-income riders. Low-income riders make little use of RT's full-price monthly pass, a relatively high cost fare type, purchases of which are predominately made by government workers. Pre-paid tickets are also minimally used by low-income persons, possibly because lower-income persons often lack the means to prepay. *Sources: FY 2014 Fare Survey, 2013 On-Board Survey.*

* Note that the average fare figures for minority and non-minority riders include only fare-paying riders, whereas the overall systemwide average fare figure (\$1.11) is calculated over all riders, including non-fare paying riders.

5. Effect on Minority Populations

FTA defines a minority person as anyone who is American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, or Native Hawaiian or other Pacific Islander.

RT's analysis of survey data yielded the following findings:

- Under the existing fare structure, minority riders pay approximately 14 percent less to ride the RT system than non-minority riders (\$1.13 compared to \$1.32).
- The increases in user cost to the Los Rios pass program would affect minority populations more than non-minority populations; however, even after the changes, minority riders would still, on average, pay approximately 13 percent less to ride the RT system than non-minority riders (\$1.19 compared to \$1.37).
- Because fares would increase for minority riders at a rate that is more than 20 percent greater than the rate of increase for non-minority riders (6.0 percent compared to 3.3 percent), according to RT's Title VI definitions and policies, there would be a *potential* disparate impact.

The finding of a potential disparate impact does not mean that the changes are necessarily discriminatory nor does it prohibit RT from enacting them. It does, however, trigger the need for additional steps, specifically:

[T]he fare change may be implemented only if (1) a legitimate justification has been prepared in written form, and (2) there are no alternatives that would have a less disparate impact on minority riders but would still accomplish RT's legitimate program goals.²

6. Effect on Low-Income Populations

FTA defines a low-income person as a person whose household income is at or below the U.S. Department of Health and Human Services (HHS) poverty guidelines. The HHS definition varies by year and household size. For the purpose of this analysis, RT used HHS poverty guidelines from 2013. Survey participants were asked their household size and their household income from a list of ranges. For the purposes of this survey, the participant's income is assumed to be the midpoint of the range selected.³

² RT Service and Fare Change Policies, Page 9 (Resolution No. 13-08-0125).

³ For example, if a passenger selected a household income range of \$25,000 to \$35,000, that passenger's income was assumed to be \$30,000 for the purposes of this analysis.

**Figure 4
Minority Fare Payment Splits
- Proposed -**

Media Type	Face Val	Revenue	Boardings	Avg Fare	Minority Users			Non-Minority Users		
					% Split	Boardings	Revenue	% Split	Boardings	Revenue
1 Single Cash - Bus	\$2.50	\$2,189,051	875,620	\$2.50	66.0%	577,909	\$1,444,774	34.0%	297,711	\$744,277
2 Single Ticket - Bus	\$2.50	\$584,401	233,760	\$2.50	57.0%	133,243	\$333,108	43.0%	100,517	\$251,292
3 Single Cash - Rail	\$2.50	\$1,319,305	995,957	\$1.32	64.0%	637,413	\$844,355	36.0%	358,545	\$474,950
4 Single Ticket - Rail	\$2.50	\$1,211,225	706,354	\$1.71	48.7%	343,995	\$589,867	51.3%	362,360	\$621,358
5 Disc Single Cash - Bus	\$1.25	\$633,673	506,939	\$1.25	72.3%	366,517	\$458,146	27.7%	140,422	\$175,528
6 Disc Single Tkt - Bus	\$1.25	\$106,566	85,253	\$1.25	74.5%	63,513	\$79,392	25.5%	21,739	\$27,174
7 Disc Single Cash - Rail	\$1.25	\$412,578	359,489	\$1.15	71.4%	256,675	\$294,580	28.6%	102,814	\$117,997
8 Disc Single Tkt - Rail	\$1.25	\$45,959	211,781	\$0.22	45.5%	96,360	\$20,911	54.5%	115,420	\$25,048
9 Daily Pass	\$6.00	\$4,175,576	3,840,988	\$1.09	75.5%	2,899,946	\$3,152,560	24.5%	941,042	\$1,023,016
10 Disc Daily Pass	\$3.00	\$2,073,429	2,108,262	\$0.98	75.2%	1,585,413	\$1,559,219	24.8%	522,849	\$514,210
11 Monthly Pass	\$100.00	\$10,495,500	4,279,972	\$2.45	58.5%	2,503,784	\$6,139,868	41.5%	1,776,188	\$4,355,633
12 Semi-Monthly Pass	\$50.00	\$378,850	578,195	\$0.66	72.7%	420,348	\$275,424	27.3%	157,847	\$103,426
13 Student Semi-Monthly	\$25.00	\$860,888	874,506	\$0.98	87.0%	760,820	\$748,972	13.0%	113,686	\$111,915
14 Senr/Disb Monthly/Semi	\$50.00	\$2,083,750	2,193,895	\$0.95	46.0%	1,009,192	\$958,525	54.0%	1,184,703	\$1,125,225
15 Los Rios		\$2,400,000	4,210,526	\$0.57	77.0%	3,242,105	\$1,848,000	23.0%	968,421	\$552,000
16 CSUS		\$688,327	599,808	\$1.15	74.3%	445,657	\$511,427	25.7%	154,151	\$176,900
17 DHA		\$1,938,225	883,977	\$2.19	66.9%	591,381	\$1,296,673	33.1%	292,596	\$641,552
18 Fare Evader		\$0	1,522,877	\$0.00	76.8%	1,169,570	\$0	23.2%	353,308	\$0
19 Child		\$0	551,267	\$0.00	n/a	n/a	n/a	n/a	n/a	n/a
20 Lifetime		\$0	226,069	\$0.00	48.4%	109,417	\$0	51.6%	116,652	\$0
21 Other Boardings			389,517		n/a	n/a	n/a	n/a	n/a	n/a
Transfer Agmts (Net)		-\$1,233,039			n/a	n/a	n/a	n/a	n/a	n/a
Plug for Reconciliation		\$164,585	-		n/a	n/a	n/a	n/a	n/a	n/a
		\$30,528,847	26,235,011	\$1.16	68.1%	17,213,257	\$20,555,799	31.9%	8,080,970	\$11,041,502
					Combined Avg Fare * Minority Riders		\$1.19	Combined Avg Fare * Non-Minority Riders		\$1.37

The proposed changes to the Los Rios pass program would increase program revenues to approximately \$2.4 million annually. Ridership on the pass is expected to decrease by only two percent, remaining at approximately 4.2 million, resulting in an average fare of \$0.57 per boarding. This causes the overall average fare for minority riders to increase by 6.0 percent from \$1.13 to \$1.19 and for the average fare for non-minority riders to increase by 3.3 percent from \$1.32 to \$1.37. See Figure 2 for existing conditions. *Sources: FY 2014 Fare Survey, 2013 On-Board Survey.*

* Note that the average fare figures for minority and non-minority riders include only fare-paying riders, whereas the overall systemwide average fare figure (\$1.16) is calculated over all riders, including non-fare paying riders.

**Figure 5
Low-Income Fare Payment Splits
- Proposed -**

Media Type	Face Val	Revenue	Boardings	Avg Fare	Low-Income Users			Non-Low-Income Users		
					% Split	Boardings	Revenue	% Split	Boardings	Revenue
1 Single Cash - Bus	\$2.50	\$2,189,051	875,620	\$2.50	46.8%	410,021	\$1,025,053	53.2%	465,599	\$1,163,998
2 Single Ticket - Bus	\$2.50	\$584,401	233,760	\$2.50	7.2%	16,939	\$42,348	92.8%	216,821	\$542,053
3 Single Cash - Rail	\$2.50	\$1,319,305	995,957	\$1.32	43.3%	430,999	\$570,927	56.7%	564,958	\$748,378
4 Single Ticket - Rail	\$2.50	\$1,211,225	706,354	\$1.71	5.5%	38,704	\$66,368	94.5%	667,650	\$1,144,857
5 Disc Single Cash - Bus	\$1.25	\$633,673	506,939	\$1.25	52.8%	267,817	\$334,771	47.2%	239,122	\$298,903
6 Disc Single Tkt - Bus	\$1.25	\$106,566	85,253	\$1.25	40.0%	34,101	\$42,626	60.0%	51,152	\$63,940
7 Disc Single Cash - Rail	\$1.25	\$412,578	359,489	\$1.15	44.3%	159,202	\$182,713	55.7%	200,287	\$229,865
8 Disc Single Tkt - Rail	\$1.25	\$45,959	211,781	\$0.22	30.0%	63,534	\$13,788	70.0%	148,246	\$32,171
9 Daily Pass	\$6.00	\$4,175,576	3,840,988	\$1.09	59.6%	2,288,291	\$2,487,624	40.4%	1,552,697	\$1,687,952
10 Disc Daily Pass	\$3.00	\$2,073,429	2,108,262	\$0.98	60.7%	1,279,662	\$1,258,520	39.3%	828,600	\$814,909
11 Monthly Pass	\$100.00	\$10,495,500	4,279,972	\$2.45	26.4%	1,131,267	\$2,774,133	73.6%	3,148,705	\$7,721,367
12 Semi-Monthly Pass	\$50.00	\$378,850	578,195	\$0.66	44.6%	257,844	\$168,947	55.4%	320,351	\$209,903
13 Student Semi-Monthly	\$25.00	\$860,888	874,506	\$0.98	63.8%	558,244	\$549,550	36.2%	316,262	\$311,337
14 Senr/Disb Monthly/Semi	\$50.00	\$2,083,750	2,193,895	\$0.95	41.9%	918,305	\$872,202	58.1%	1,275,590	\$1,211,548
15 Los Rios		\$2,400,000	4,210,526	\$0.57	57.8%	2,435,368	\$1,388,160	42.2%	1,775,158	\$1,011,840
16 CSUS		\$688,327	599,808	\$1.15	48.4%	290,291	\$333,132	51.6%	309,517	\$355,195
17 DHA		\$1,938,225	883,977	\$2.19	70.5%	622,802	\$1,365,568	29.5%	261,175	\$572,657
18 Fare Evader		\$0	1,522,877	\$0.00	43.8%	666,259	\$0	56.3%	856,619	\$0
19 Child		\$0	551,267	\$0.00	n/a	n/a	n/a	n/a	n/a	n/a
20 Lifetime		\$0	226,069	\$0.00	19.0%	43,061	\$0	81.0%	183,008	\$0
21 Other Boardings			389,517		n/a	n/a	n/a	n/a	n/a	n/a
Transfer Agmts (Net)		-\$1,233,039			n/a	n/a	n/a	n/a	n/a	n/a
Plug for Reconciliation		\$164,585	-		n/a	n/a	n/a	n/a	n/a	n/a
		\$30,528,847	26,235,011	\$1.16	47.1%	11,912,711	\$13,476,428	52.9%	13,381,516	\$18,120,873
					Combined Avg Fare * Low-Income Riders		\$1.13	Combined Avg Fare * Non-Low-Income Riders		\$1.35

The proposed changes to the Los Rios pass program would increase program revenues to approximately \$2.4 million annually. Ridership on the pass is expected to decrease by only two percent, remaining at approximately 4.2 million, resulting in an average fare of \$0.57 per boarding. This causes the overall average fare for low-income riders to increase by 6.9 percent from \$1.06 to \$1.13 and for the average fare for non-low-income riders to increase by 3.7 percent from \$1.31 to \$1.35. See Figure 3 for existing conditions. *Sources: FY 2014 Fare Survey, 2013 On-Board Survey.*

* Note that the average fare figures for low-income and non-low-income riders include only fare-paying riders, whereas the overall systemwide average fare figure (\$1.16) is calculated over all riders, including non-fare paying riders.

RT's analysis of survey data yielded the following findings:

- Under the existing fare structure, low-income riders pay almost 20 percent less to ride the RT system than non-low-income riders (\$1.06 compared to \$1.31).
- The increases in user cost to the Los Rios pass program would affect low-income populations more than non-low-income populations; however, even after the changes, low-income riders would still, on average, pay 16 percent less to ride the RT system than non-low-income riders (\$1.13 compared to \$1.35).
- Because fares for low-income riders would increase at a rate that is more than 20 percent greater than the rate of increase for non-low-income riders (6.9 percent compared to 3.7 percent), according to RT's Title VI definitions and policies, there would be a *potential* disproportionate burden.

The finding of a potential disproportionate burden does not mean that the changes are necessarily discriminatory nor does it prohibit RT from enacting them. It does, however, trigger the need for additional steps, specifically:

If a potential disproportionate burden on low-income riders exists then RT must take steps to avoid, minimize, or mitigate impacts where practicable and must also describe alternatives to low-income passengers affected by the fare change.⁴

7. Justifications

As discussed above, this fare equity analysis finds that, according to the methodology defined in RT policy and based upon FTA guidance, the proposed change would result in both potential disparate impacts on minority populations as well as potential disproportionate burdens on low-income populations.

The primary purpose of the proposed change to the Los Rios pass program is to partially reverse a discount program that is perceived to have been overly discounted, jeopardizing the fiscal health of RT. The proposed agreement would more than double annual program revenues to approximately \$2.4 million. For many users, the fees would approximately double; however, even at a maximum cost of \$31.50 per semester, the program would still represent a remarkable discount compared to the approximate \$500 cost to ride for an equivalent period at the general public price. Because RT believes the program cannot feasibly be continued at the existing fee structure, the alternative to the proposed fee increase is for the existing contract to expire without renewal and for the program to be discontinued. RT believes that this would be a considerably more adverse scenario for minority and low-income riders.

⁴ RT Service and Fare Change Policies, Page 9 (Resolution No. 13-08-0125).

Figure 6
Projected Change in Average Fare
Minority and Low-Income Splits

All figures based on FY 2014 Fare Survey

	Existing	Proposed	Change	% Change
All Riders *	\$1.11	\$1.16	\$0.06	5.2%
Minority Riders **	\$1.13	\$1.19	\$0.07	6.0%
Non-Minority Riders **	\$1.32	\$1.37	\$0.04	3.3%
Low-Income Riders **	\$1.06	\$1.13	\$0.07	6.9%
Non-Low Income Riders **	\$1.31	\$1.35	\$0.05	3.7%

The proposed increase in Los Rios student fees would cause RT's systemwide fare to increase from \$1.11 to \$1.16 (based in FY 2014 Fare Survey). For fare-paying minority riders, the average fare would increase from \$1.13 to \$1.19, whereas the average fare for non-minority riders will increase from \$1.32 to \$1.37. In other words, minority riders will experience a greater rate of increase, but will still pay considerably less, even after the changes. Low-income riders would similarly see a greater rate of increase, but would nevertheless continue to pay less to ride RT than non-low-income riders. *Source: FY 2014 Fare Survey and 2013 On-Board Survey.*

* Includes non-fare-paying riders (e.g., infants/children, fare evaders)

** Includes only fare-paying riders

8. Conclusion

As shown in Figures 2 and 3, under RT's existing fare structure, both minority and low-income riders pay lower fares, on average, than the general population. The proposed changes to the Los Rios pass program would increase the average fare for all riders. The rate of increase would be greater for minority and low-income populations than for non-minority and non-low-income riders; however, even with the greater rate of increase, the imbalance in average fare splits would remain favorable for minority and low-income populations. RT believes that an increase in student fees is necessary for the program to remain feasible for RT. Given this context, it is advantageous to minority and low-income populations for RT to continue the program, even under a higher fee structure, because the alternative would be for the program to be discontinued entirely.