

REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 8 | 10/26/15 | Open | Action | 10/21/15 |

Subject: Setting a Public Hearing for December 14, 2015 on a Title VI Fare Equity Analysis for Changes to the Los Rios Pass Program

ISSUE

Setting a Public Hearing for December 14, 2015 on a Title VI Fare Equity Analysis for Changes to the Los Rios Pass Program.

RECOMMENDED ACTION

Adopt Resolution No. 15-10-_____, Setting a Public Hearing for December 14, 2015 on a Title VI Fare Equity Analysis for Changes to the Los Rios Pass Program.

FISCAL IMPACT

There is no fiscal impact from setting a public hearing; however, a hearing is required in order to approve fare changes. The changes to the pass program are estimated to increase revenues by \$700,000 in FY 2016 and by \$1.4 million annually.

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 is expected to authorize 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 enactment of any fare changes meeting established requirements. Accordingly, a draft fare equity analysis (Attachment 1) has been prepared for the changes that would result from the new Los Rios agreement.

Staff recommends the Board set a public hearing for December 14, 2015, at which time, a revised version of the analysis would be presented for approval, including all written comments received during the mandatory 30-day public review period. Members of the public would also have the opportunity to comment orally on December 14 prior to approval of the final report.

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 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.

Approved:

Presented:

Final 10/21/15

General Manager/CEO

Principal Planner

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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 draft fare equity analysis (Attachment 1) 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 would have to approve a written affirmation that the effects would not be discriminatory. As explained in the report, staff believes there is strong 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 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 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 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

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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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 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 General Manager/CEO has not yet executed the agreement, RT is still in compliance with Title VI; however, in future cases such as this, staff intends to prepare the Title VI analysis earlier in the process.

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**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 |

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.

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**Figure 2
Los Rios Pass Program
Title VI Fare Equity Analysis
Review and Approval Timeline**

| | |
|---|----------------------------|
| General Manager/CEO Authorized to Enter into Agreement with Los Rios | Monday, July 27, 2015 |
| Los Rios Student Approval of Measure A | September 24, 2015 |
| Ratification of Agreement by Los Rios Board of Trustees | October 21, 2015 |
| Release Title VI Analysis to RT Board and Set Hearing Date | Monday, October 26, 2015 |
| Post Materials to Web, E-Mail Rider Alerts, and Begin 30-Day Review Period | Thursday, October 29, 2015 |
| Hearing on Title VI Analysis Announced in November <i>Next Stop News</i> | November 2-6, 2015 |
| 30-Day Deadline for Title VI Comments to be Included in Official Record | Monday, November 30, 2015 |
| Hold Public Hearing and Approve Final Title VI Analysis | December 14, 2015 |
| New Agreement Takes Effect | January 1, 2016 |



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

DRAFT

October 26, 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 \$2.50 to \$15.00 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 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 |
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| Single Cash - Rail | \$2.50 | \$1,319,305 | 995,957 | \$1.32 |
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| 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 is currently approximately \$1.07. 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. 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 | % Split | Minority Riders | | Non-Minority Riders | | |
|---------------------------|------------|--------------|------------|----------|---------|--|--------------|--|-----------|--------------|
| | | | | | | 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

| | 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. 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.

RESOLUTION NO. 15-10-_____

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

October 26, 2015

**SETTING A PUBLIC HEARING FOR DECEMBER 14, 2015
ON A TITLE VI FARE EQUITY ANALYSIS
FOR CHANGES TO THE LOS RIOS PASS PROGRAM**

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

THAT, a public hearing is set for December 14, 2015 at 6:00 p.m. in the Regional Transit Auditorium to receive public testimony regarding potential changes to the Los Rios college pass program; and

THAT, in accordance with Resolution No. 13-08-0125, prior to the public hearing, the General Manager/CEO, or his designee, shall furnish a plan describing the proposed changes and a Title VI equity analysis of the proposed changes via Regional Transit's web site; and

THAT, in accordance with Resolution No. 13-08-0125, Regional Transit will publicize the public hearing and accept public comments for a period of at least 30 calendar days from the release of public materials.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary