

TITLE VI FARE EQUITY ANALYSIS FOR TRANSBAY TOMORROW FARE PROPOSALS

On January 24, 2018 the AC Transit Board of Directors will hold a public hearing to receive comment about fare change proposals for Transbay service. Board Policy 518, "Title VI and Environmental Justice Service Review and Compliance Report Policy," directs staff to undertake a fare equity analysis for all fare change proposals regardless of the amount of increase or decrease. The purpose of the analysis is to determine, prior to implementing changes to the fare system, whether the planned changes will have a disparate impact on the basis of race, color, or national origin, or if low-income populations will bear a disproportionate burden of the changes. The fare equity analysis also considered how District staff carried out public engagement to ensure that populations protected by Title VI and associated regulations had sufficient opportunity to hear about the public hearing process and to provide public comment. A detailed description of these public engagement efforts, and the public comment received so far, is contained in Attachment 4 to this staff report.

The analysis found that the fare proposals do not carry any discriminatory effects on Title VI-protected populations. As per the Board Policy, this fare equity analysis must be presented to the Board of Directors for their consideration and approval before the fare proposal may be implemented.

Methodology

In order to conduct the fare equity analysis, staff generated an "Average Fare," i.e. the average cost of linked one-way trips for each fare category and for each demographic group, using rider survey data. Because the last system-wide rider survey was conducted in 2012, staff undertook a rider survey aimed at Transbay riders during the summer of 2017 specifically for this purpose.

Staff used the following assumptions to generate the average fare:

1. No one (or only a very small number) rides more than one AC Transit local bus to get to or from their Transbay ride. Because one free local bus ride is included in the Transbay fare, the average fare is therefore made up of the Transbay fare paid by all individual riders.
2. Because there are no Clipper discounts for Transbay fares, nor are any proposed, the analysis assumes everyone within a fare category (i.e. Adult, Youth, Senior, Disabled) pays the same fare regardless of how they pay.
3. The analysis assumes that monthly pass holders use Transbay service 36 times per month. This number was chosen because the Transbay monthly pass cost is based on 36 times the single ride fare.
4. Staff used \$50,000 as the cut-off for low-income status in order to assess impacts on low-income riders; that is, anyone who reported their household income as under \$50,000 was considered low-income for the purpose of this analysis.

The proposal before the Board recommends only one set of fare changes, consisting of an increase in the next three out of five years; no changes are proposed for FY 2020-21 or for FY 2022-23. Each survey response was assigned a fare based on the category and instrument used. For example, a youth cash payer was assigned a fare of \$2.20, an adult Clipper payer was assigned a fare of \$4.50, and so

forth. Since there are not many discounted fare instruments for Transbay and there aren't many who pay a non-adult fare, the average for all respondents (\$4.38) is close to the \$4.50 base fare. This also means that the proposed percentage changes do not vary too much between different groups.

The results of the average fare analysis were then assessed to see if the fare proposals would result in a disparate impact on the basis of race, color, or national origin, or if low-income populations would bear a disproportionate burden of the proposals.

Findings

The analysis found that the proposed fare changes affected people of color slightly more than non-Hispanic whites; this difference was 0.2% or less. The proposed fare changes affected low-income people slightly more than not low-income people as well; the difference between the effects was 0.26% or less.

		Respon- ses	Average Fare				Percent Change		
			Current FY17/18	FY18/19	FY19/20	FY21/22	FY 17/18- 18/19	FY 18/19- 19/20	FY 20/21- 21/22
Race/ Ethnicity	People of Color	523	4.36	5.34	5.82	6.31	22.48%	8.99%	8.42%
	White, not Latino/ Hispanic	710	4.40	5.38	5.86	6.35	22.27%	8.92%	8.36%
	Difference between Minority & Non-Minority:						0.20%	0.07%	0.06%
Income	Less than \$50,000	108	4.20	5.14	5.61	6.08	22.38%	9.14%	8.38%
	More than \$50,000	1015	4.43	5.41	5.90	6.39	22.12%	9.06%	8.31%
	Difference between Low-Income/Not Low-Income:						0.26%	0.09%	0.07%

According to Board Policy 518, "the measure of disparate impact involves a comparison of impacts borne by minority populations compared to impacts borne by non-minority populations. [...] When minority populations or riders as a whole will experience a 15% (or more) greater adverse effect than that borne by the non-minority populations or riders, such changes will be considered to have a disparate impact." The measure of disproportionate burden involves a similar comparison for low-income and not low-income populations. For each year of proposed change, none of the differences between protected and non-protected riders approached 15%, so there is no finding of disparate impact or disproportionate burden.

Staff investigated the results for statistical significance and found them to be valid. The small sample size for the low-income group (n=108) yielded a 9.5% margin of error, however, given that the largest difference between low-income and not low-income populations is only 0.26%, the range of possible results is -9.24 to +9.76%, still less than the 15% board policy threshold. This supports a conclusion of no discriminatory effects.

Conclusions

Because the differences between the effects of the fare proposals on protected and non-protected populations were substantially less than the thresholds established in Board Policy 518 for finding discriminatory effect, and taking into account the public engagement process undertaken and public comment received, this analysis found that the fare policies will have no disparate impact or disproportionate burden.