

# Title VI Fare Change Equity Analysis -January 2016

## Introduction

RIPTA has proposed a fare change for public comment and consideration by the RIPTA Board of Directors. This report provides an evaluation of this proposed fare change based on FTA's Title VI Requirements and Guidelines for Federal Transit Administration Recipients (FTA C 4702.1B), section IV-6, Requirement to Evaluate Service and Fare Changes. RIPTA's complete fare proposal is a two phase process detailed later in Table 1. The highlights of the proposal include:

- For full fare riders, the cost of transfers with cash will initially increase to \$1.00. Transfers with cash will be eliminated in phase 2.
- Riptiks and the 15-Ride pass will be eliminated and replaced with a 10-Ride ticket for \$20 in phase 1. In phase 2, the 10-Ride ticket will be replaced with a stored value smartcard that charges \$2.00 for one trip, including free transfers.
- 7-Day passes will increase in price from \$23.00 to \$25.00 in phase 1.
- Monthly passes will increase in price from \$62.00 to \$70.00 in phase 1 and be converted to rolling passes in phase 2 (valid for a period of 30 or 31 days from first use).
- Low income seniors and individuals with disabilities, whom RIPTA was previously prohibited by state law from charging a fare, will now pay one-quarter of the full adult fare or \$0.50 for an initial boarding and \$0.25 for a transfer.
- Phase 2 may also include new fare products for reduced fare riders.
- Following public hearings and consideration by the Board, Phase 1 has been modified from the original proposal to reduce the cash fares for low income seniors and individuals with disabilities. Phase 1 is currently in the process of being implemented. Phase 2 is proposed to be implemented after upgrades to RIPTA's fare collection technology. Since the implementation date of Phase 2 is unknown, this analysis focuses solely on Phase 1.

However, it is important to note that RIPTA's proposed fare change will not happen in isolation as there are multiple other programs that may pay the cost of transportation for specific trips made by certain riders. These programs include:

- Medicaid Non-emergency Travel – a program to provide Medicaid eligible individuals who need non-emergency transportation between their home and medical appointments.
- Veterans Transportation Service / Beneficiary Travel – a program which provides safe and reliable transportation to Veterans who require assistance traveling to and from VA health care facilities and authorized non-VA health care appointments, which can include public transit.
- RI Works – a program that provides temporary cash assistance, assistance with finding work or job training, and transportation reimbursement or bus passes when needed to support preparation for employment.

Based on its most recent rider survey, RIPTA estimates that about 20% of the trips it currently provides for no fare to low-income seniors and individuals could be subsidized by these programs, which can therefore substantially reduce the impact that would otherwise result from the proposed fare increases.

## Description of Fare Equity Analysis Policies and Procedures

RIPTA's Service and Fare Change Equity Analysis policies and procedures, and the public involvement process that led to these policies, are described forth in RIPTA's 2015 Title VI Program. This section provides a brief description of these policies and the public process.

### Determining When a Disparate Impact Occurs

Determining whether a fare change would have a discriminatory impact on the basis of race, color or national origin is based on the following:

- If the proposed change includes a change in the fare structure or a change in fares by fare payment method that is close to equal across all fare categories and fare payment methods, there is a determination that there is no disparate impact. However, if a fare change includes a differential percentage change of greater than 10% by customer fare category or payment method it is examined further.
- The following fare changes are considered to not require a disparate impact analysis, a:
  - (1) promotional fare reductions lasting no longer than six months,
  - (2) temporary fare reductions mitigating construction or other activities disrupting rider travel patterns, or
  - (3) declared "fare free" days such as Air Quality Alert days.
- If the average percentage fare increase for minority riders is five percentage points or more higher than the average percentage fare increase for non-minority riders, then the fare change would be determined to have a disparate impact.

RIPTA's general approach for calculating the average percentage fare increase for any group of riders is as follows:

- (1) Determine the number and percent of overall riders and minority riders who use each fare category being changed;
- (2) Review current fares vs. proposed fare change; and
- (3) Compare the statistical percentage differences for each particular fare media between minority users and overall users.

For this fare change, RIPTA does not have customer survey data on the use of specific fare products by minority riders. The following process was used to estimate the number and percent of overall riders and minority riders in each fare category and using each fare product.

- a. Calculate percent minority population in the service area for each route and flex zone.
- b. Estimate the estimated minority boardings per fare category on each route, assuming that percentage of riders in each fare category and using each fare product on a route / flex zone who are minorities equals the percent minority population in the service area for that route / flex zone.
- c. Total the overall boardings per fare category across all fare categories and fare products.
- d. Estimate the percent use of each fare category/product by minorities by dividing the estimated minority boardings for that fare category/product by the total boardings for that fare category/product.

In addition, this fare change involves implementing fare charges for riders who do not currently pay a fare. The percentage change in fares for these riders is mathematically undefined. We have therefore calculated the average fare paid by minority riders and by all riders before and after the fare change and used these values to calculate the average percentage fare increase for minority riders and for all riders.

### Determining When a Disproportionate Burden Occurs

Determining whether a fare change would have a disproportionate burden on low-income riders is based on the following:

- If the proposed change includes a change in the fare structure or a change in fares by fare payment method that is close to equal across all fare categories and fare payment methods, there is a determination that there is no disproportionate impact. However, if a fare change includes a differential percentage change of greater than 10% by customer fare category or payment method it is examined further.
- The following fare changes are considered to not require a disproportionate burden impact analysis, a:
  - (1) promotional fare reductions lasting no longer than six months,
  - (2) temporary fare reductions mitigating construction or other activities disrupting rider travel patterns, or
  - (3) declared “fare free” days such as Air Quality Alert days.
- If the average percentage fare increase for low-income riders is five percentage points or more higher than the average percentage fare increase for non-low-income riders, then the fare change would be determined to have a disproportionate burden on low-income riders.

RIPTA’s general approach for calculating the average percentage fare increase for any group of riders is as follows:

- (1) Determine the number and percent of overall riders and low-income riders who use each fare category being changed;
- (2) Review current fares vs. proposed fare change; and
- (3) Compare the statistical percentage differences for each particular fare media between low-income users and overall users.

The percentage of riders using each fare product who are low-income riders is calculated based on RIPTA’s 2012 Rider Survey. These percentages are then multiplied by the number of boardings by fare product to provide the number of low-income boardings by fare product.

As discussed above, this fare change involves implementing fare charges for riders who do not currently pay a fare. The percentage change in fares for these riders is mathematically undefined. We have therefore calculated the average fare paid by minority riders and by all riders before and after the fare change and used these values to calculate the average percentage fare increase for minority riders and for all riders.

## Public Participation Process

RIPTA developed the policies detailed in this chapter with the participation of members of Rhode Island's minority, low-income, and LEP communities. The thresholds and datasets were initially identified by RIPTA technical staff, then thoroughly vetted through a public process that included a formal public comment period and a community meeting (Community Leadership Workshop) with members of the affected populations. RIPTA worked with and received input from representatives of organizations representing the gamut of Title VI protected communities including African American, Latino, Cape Verdean, Portuguese, and refugee and newly-arrived immigrant communities.

Because of the complexity of these SAFE policies and procedures, RIPTA developed a comprehensive agenda for its Community Leadership Workshop to meaningfully engage key organizational representatives in the policy development and approval process. The objectives of this workshop were to (1) spread the word about Title VI protections, (2) explain the requirement to conduct service and fare equity (SAFE) analyses, (3) present the draft SAFE policies, (4) discuss whether the process or policies should be modified in any way, and (5) seek general comment and input regarding RIPTA's equity program.

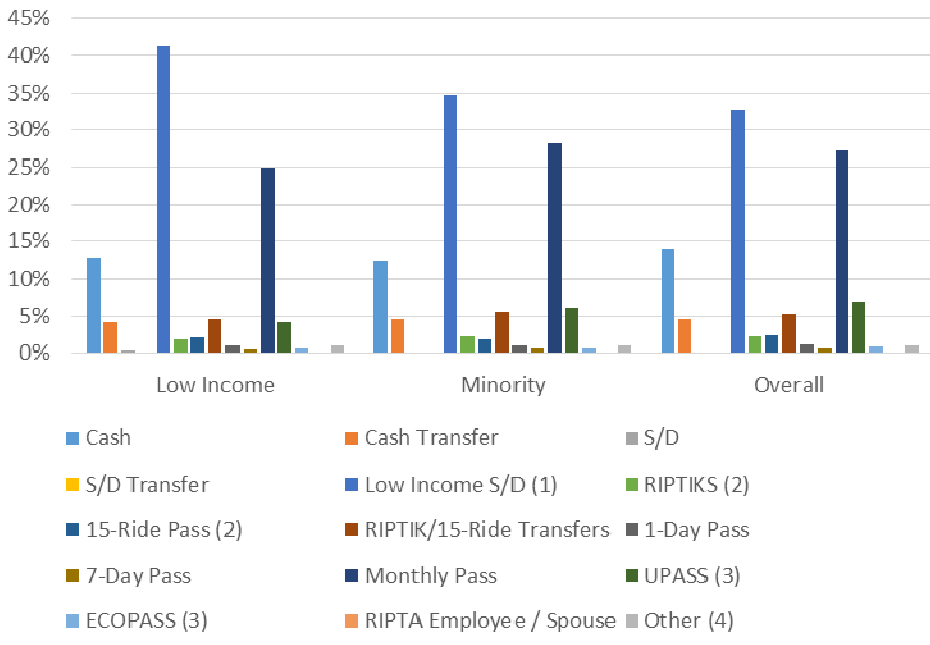
The workshop was attended by minority, low-income, and LEP contacts from throughout RIPTA's service area. A number of questions were addressed including how organizations representing minority and low-income populations could be engaged in the ongoing review of SAFE analyses so as to better understand impacts. RIPTA committed to maintaining an ongoing relationship with the organizations, including sharing SAFE analyses of any major service or fare changes as part of the public comment process.

## Analysis of Fare Product Use

The following presents a profile of fare usage by group – minority, low-income and overall ridership and an analysis of whether minority and/or low-income riders are disproportionately more likely to use the payment type or fare media that would be subject to the fare increase or decrease. It further presents the number and percent of users of each fare media proposed for increase or decrease.

As is shown in the table, fare payment is similar across all ridership groups. The biggest difference is the Low Income Senior / Disabled fare, which is used by 39% of low income riders, 32% of minority riders, and 32% of overall riders. Cash and cash transfers are more likely to be used by low income riders (15%) and minorities (16%) than by overall riders (10%). The monthly pass is used less by low income riders (23%) than by minorities (26%) and overall riders (27%). The UPASS is also used less by low income riders (8%) than by minorities (13%) and overall riders (15%).

### Fare Payment by Ridership Group



Change in Fares and Usage by Group							
Count	Cost		Change		Usage by Group		
Fare Type	Existing	Proposed	Absolute	Percentage	Low-Income	Minority	Overall
Cash	\$ 2.00	\$ 2.00	\$ -	0%	1,479,243	857,513	2,211,124
Cash Transfer	\$ 0.50	\$ 1.00	\$ 0.50	100%	472,209	305,563	705,843
S/D	\$ 1.00	\$ 1.00	\$ -	0%	32,884	11,600	35,977
S/D Transfer	\$ 0.25	\$ 0.50	\$ 0.25	100%	10,391	4,285	11,368
Low Income S/D (1)	\$ -	\$0.44	\$ 0.44	Undefined	4,767,546	2,359,718	5,216,132
RIPTIKS (2)	\$ 2.00	\$ 2.00	\$ -	0%	219,388	152,121	353,280
15-Ride Pass (2)	\$ 1.73	\$ 2.00	\$ 0.27	15%	234,364	128,512	377,397
RIPTIK/15-Ride Transfers	\$ -	\$ -	\$ -	0%	511,819	372,895	824,185
1-Day Pass	\$ 6.00	\$ 6.00	\$ -	0%	118,251	71,434	190,418
7-Day Pass	\$ 23.00	\$ 25.00	\$ 2.00	9%	67,602	43,602	108,857
Monthly Pass	\$ 62.00	\$ 70.00	\$ 8.00	13%	2,871,681	1,918,485	4,331,342
UPASS (3)	\$ 1.79	\$ 1.79	\$ -	0%	472,363	419,523	1,095,958
ECOPASS (3)	\$ 1.57	\$ 1.57	\$ -	0%	84,703	48,206	136,397
RIPTA Employee / Spouse	\$ -	\$ -	\$ -	#DIV/0!	10,142	6,304	16,331
Other Free	\$ -	\$ -	\$ -	0%	62,153	43,860	100,085
Other (4)	\$ -	\$ -	\$ -	0%	112,304	64,549	170,581

(1) All low-income seniors and individuals with disabilities currently pay no fare. Several new fare products are proposed to be introduced for this group, and the "proposed" fare is the estimated average fare that these individuals would be charged.

(2) RIPTIKS and 15-Ride Passes are proposed to be eliminated and replaced by a 10-Ride ticket. These are therefore the cost per trip with these fare products.

(3) Schools and employers pay different amounts for these fare products. These are the average cost per boarding.

(4) This includes equipment malfunctions, short-term promotional fares, and discontinued subsidized fares.

Change in Fares and Percentage Usage by Group							
Count	Cost		Change		Percent Usage by Group		
Fare Type	Existing	Proposed	Absolute	Percentage	Low-Income	Minority	Overall
Cash	\$ 2.00	\$ 2.00	\$ -	0%	13%	13%	14%
Cash Transfer	\$ 0.50	\$ 1.00	\$ 0.50	100%	4%	4%	4%
S/D	\$ 1.00	\$ 1.00	\$ -	0%	0%	0%	0%
S/D Transfer	\$ 0.25	\$ 0.50	\$ 0.25	100%	0%	0%	0%
Low Income S/D (1)	\$ -	\$0.44	\$ 0.44	Undefined	41%	35%	33%
RIPTIKS (2)	\$ 2.00	\$ 2.00	\$ -	0%	2%	2%	2%
15-Ride Pass (2)	\$ 1.73	\$ 2.00	\$ 0.27	15%	2%	2%	2%
RIPTIK/15-Ride Transfers	\$ -	\$ -	\$ -	0%	4%	5%	5%
1-Day Pass	\$ 6.00	\$ 6.00	\$ -	0%	1%	1%	1%
7-Day Pass	\$ 23.00	\$ 25.00	\$ 2.00	9%	1%	1%	1%
Monthly Pass	\$ 62.00	\$ 70.00	\$ 8.00	13%	25%	28%	27%
UPASS (3)	\$ 1.79	\$ 1.79	\$ -	0%	4%	6%	7%
ECOPASS (3)	\$ 1.57	\$ 1.57	\$ -	0%	1%	1%	1%
RIPTA Employee / Spouse	\$ -	\$ -	\$ -	0%	0%	0%	0%
Other Free	\$ -	\$ -	\$ -	0%	1%	1%	1%
Other (4)	\$ -	\$ -	\$ -	0%	1%	1%	1%

(1) All low-income seniors and individuals with disabilities currently pay no fare. Several new fare products are proposed to be introduced for this group, and the "proposed" fare is the estimated average fare that these individuals would be charged.

(2) RIPTIKS and 15-Ride Passes are proposed to be eliminated and replaced by a 10-Ride ticket. These are therefore the cost per trip with these fare products.

(3) Schools and employers pay different amounts for these fare products. These are the average cost per boarding.

(4) This includes equipment malfunctions, short-term promotional fares, and discontinued subsidized fares.

## Analysis of Impacts

As shown above, there are increases in five fare products, each of which is discussed below.

- Cash Transfer for full fare riders – The cost of purchasing a transfer with cash is doubling from \$0.50 to \$1.00. This fare product is used to a similar by minorities, low-income individuals, and RIPTA’s overall ridership. RIPTA currently offers, and will continue to offer a fare product that allows riders to pay for individual trips at no greater than the cash price and offers free transfers. Currently, these fare products are the RIPTIK and the 15-Ride Pass. RIPTA is proposing to convert these products into a 10-Ride Pass, which will have the same initial boarding cost as cash and will provide free transfers. Riders impacted by this fare increase can switch to the 10-Ride Pass, with the result that their travel costs will decrease (since the cost of transfers will change from \$0.50 to free).
- Cash Transfer for Seniors and Individuals with Disabilities not qualifying as Low Income – The cost of purchasing a transfer with cash is doubling from \$0.25 to \$0.50. This fare product is used to a similar by minorities, low-income individuals, and RIPTA’s overall ridership.
- Free Fare for Low Income Seniors and Individuals with Disabilities – Until recently, Rhode Island statutes prohibited RIPTA from collecting a fare from these individuals. This statute has now

been eliminated and RIPTA is proposing to begin collecting fares from these individuals. This fare product is used to approximately the same extent by minorities and overall riders, but to a significantly greater extent by low-income individuals. Since this fare increase has a starting level of \$0.00, the percentage fare increase for this group is mathematically undefined. The proposed fare for cash boardings is \$0.50 and for a transfer is \$0.25. The average cost per boarding for these riders will now be \$0.44. Furthermore, RIPTA has identified three programs that can fund many of the trips taken by these low-income seniors and individuals with disabilities. After considering these programs, RIPTA anticipates that the net out-of-pocket average cost of trips by these riders will be approximately \$0.35.

- 15-Ride Pass – This fare product will be eliminated and riders currently using it are assumed to switch to the most similar product, the 10-Ride Pass. The 15-Ride pass is currently used to approximately the same extent by low-income riders, minorities, and overall riders. (RIPTIKs will also be eliminated, however the replacement product, the 10-Ride Pass, will be effectively the same product with a clearer name and packaged as a smartcard rather than a magnetic stripe card).
- 7-Day Pass – This fare product has the lowest percentage fare increase of any fare product being increased. There is no significant difference in the use of this pass between low-income riders, minority riders, and overall riders.
- Monthly Pass – This fare product is being increased by about the same percentage as the 15-Ride Pass and is slightly more heavily used by minority riders than overall riders and slightly less heavily used by low-income riders than overall riders. Riders will have the option of switching to the 1-Day pass, the 7-Day pass, or the 10-Ride pass, all of which have a smaller percentage fare increase, however for riders traveling more frequently than 1 round trip, 4 days per week, every week, this is still the lowest cost alternative.

As stated above, RIPTA has identified three programs which a low-income rider could use to subsidize many of his or her trips. These programs are:

- Medicaid Non-emergency Travel – This is a program to provide transportation subsidies to Medicaid eligible individuals who need non-emergency transportation between their home and medical appointments.
- Veterans Transportation Service / Beneficiary Travel – a program which provides safe and reliable transportation to Veterans who require assistance traveling to and from VA health care facilities and authorized non-VA health care appointments, which can include public transit.
- RI Works – a program that temporary cash assistance, assistance with finding work or job training, and transportation reimbursement or bus passes when needed to support preparation for employment.

RIPTA estimates that about 20% of the trips it currently provides for no fare to low-income seniors and individuals with disabilities could be subsidized by these programs. This would reduce the real average fare paid by this group under the proposed fare structure from approximately \$0.44 to approximately \$0.35, a substantial reduction in the impact that would otherwise result from the proposed fare increases.



A key element of this fare increase is that RIPTA will need to distribute new IDs and/or stored value fare media to low-income seniors and individuals disabilities to insure that they can pay the new low-income fare, rather than being charged the higher fare for most seniors and individuals with disabilities.

### Average Impact on Low-Income and Minority Riders in Comparison With Overall Riders

Because the fare increase for low-income seniors and individuals with disabilities is undefined, it is impossible to average the increases in fares of each fare product. We have therefore calculated the average fare paid by low-income, minority and overall riders currently and the average fare that would be paid by each group if the proposed fare change were implemented. These average fares, and the percentage increase in fares for each group, are shown in the table below.

	Current Average Fare	Proposed Average Fare	Percent Change in Average Fare
Low-Income Riders	\$ 0.83	\$ 1.09	31%
Minority Riders	\$ 0.92	\$ 1.16	26%
Overall Riders	\$ 0.96	\$ 1.19	24%

As shown above, the proposed fare change would increase the average fare paid by minority riders by 2% more than the average fare paid by overall riders. The definition of disparate impact states that if the increase in fares paid by minority riders is more than 5% greater than the increase in fares for overall riders, there is a disparate impact. Accordingly, this proposed fare increase would not involve a disparate impact.

As shown above, the proposed fare change would increase the average fare paid by low-income riders by 7% more than the average fare paid by overall riders. The definition of disproportionate burden states that if the increase in fares paid by low-income riders is more than 5% greater than the increase in fares for overall riders, there is a disproportionate burden. Accordingly, this proposed fare increase would involve a disproportionate burden.

The table below shows the same information as the table above, but assumes that 20% of trips taken by low-income seniors and individuals with disabilities are subsidized by other programs, and therefore have an effective cost of \$0.00.

	Current Average Fare	Proposed Average Fare	Percent Change in Average Fare
Low-Income Riders	\$ 0.83	\$ 1.05	27%
Minority Riders	\$ 0.92	\$ 1.13	22%
Overall Riders	\$ 0.96	\$ 1.16	21%

As shown in this table, this assumption significantly reduces the effective fare increase for all groups, with the greatest reduction for low-income riders. The effective difference in average fare increases between minority riders and overall riders is now 1%, while the difference for low-income riders and overall riders has been reduced to 6%.

## Alternatives and Mitigation

As the proposed alternative would have a disproportionate burden on low-income riders, RIPTA is required to take steps to avoid, minimize or mitigate impacts where practicable, as well as to describe alternatives available to low-income populations affected by the fare change. In this case, the principal origin of the disproportionate burden is that low-income seniors and individuals with disabilities do not currently pay any fare. As stated above, RIPTA has reduced the originally proposed increase for low-income seniors and individuals with disabilities from \$1.00 base fare and \$0.50 transfers to a \$0.50 base fare and \$0.25 transfers. RIPTA has two principal objectives with regard to this element of their fare increase: (1) to insure all riders are contributing to the cost of operating the transit system and (2) take advantage of programs that will fund trips for its low-income riders rather than providing the trips for free. Since RIPTA cannot charge different fares based on the purpose of a trip, this requires that RIPTA charge a fare for all seniors and individuals with disabilities, regardless of whether they are low-income individuals. Furthermore, it is important to note that the end result of this fare increase is that these riders will still be paying a lower fare than other seniors and individuals with disabilities, and a much lower fare than full fare riders.

RIPTA is taking steps to minimize and mitigate impacts where practicable. At the request of many social service agencies, RIPTA has created a fare product specifically targeted at these agencies to provide free transit service to their clients on a trip-by-trip basis. These 2-hour bus passes are only available in bulk quantities and are limited to tax-exempt organizations. Other mitigation efforts include a campaign to educate riders with respect to other programs that can provide subsidies for transit travel.

## Conclusion

This analysis has demonstrated that there will be no disparate impact on minority riders of RIPTA's system from this proposed fare change. It has also demonstrated that while there will be a disproportionate burden on low-income riders from this proposed fare change, this is the direct result of a change in state law so that RIPTA will no longer be required to carry certain low-income riders for free. The proposed fare change will require these low income riders to pay a lower fare than other seniors and individuals with disabilities. RIPTA's new fares have incorporated changes to minimize and mitigate the impact of this fare change compared to its original proposal, and RIPTA is taking additional steps to minimize and mitigate the impacts of this fare change where practicable.