

**Title VI Proposed Fare Restructuring
Fare Equity Analysis**

**Los Angeles County Metropolitan Transportation Authority
Recipient ID 5566
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1.INTRODUCTION

Title VI of the Civil Rights Act of 1964 is a Federal statute and provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Federal Transit Administration (FTA) is responsible for ensuring that recipients of Federal funds follow Federal statutory and administrative requirements. In 2012, FTA issued Circular 4702.1B, which provides recipients of FTA financial assistance with guidance and instructions necessary to carry out the United States Department of Transportation Title VI requirements. As a recipient of federal funds, LA Metro is required to evaluate service and fare changes under Chapter IV of the Title VI Circular.

2. REGULATORY SETTING

2.1 FTA Circular 4702.1B Chapter IV

Title 49 CFR Section 21.5 (b)(2) specifies that a recipient shall not “utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program with respect to individuals of a particular race, color, or national origin.” Section 21.5 (b)(2) requires recipients to “take affirmative action to assure that no person is excluded from participation in or denied the benefits of the program or activity on the grounds of race, color, or national origin.”

Transit providers that operate 50 or more fixed route vehicles in peak service and are located in an urbanized area (UZA) of 200,000 or more in population, are required to meet all requirements of Chapter IV of the Circular (i.e., setting service standards and policies, collecting and reporting data, monitoring transit service, and evaluating fare and service changes).

2.2 Metro Title VI Program Update

Metro’s Board approved Title VI Program Update in compliance with Title 49 CFR Section 21.9 (b) and with the FTA Circular 4702.1B “Title VI Requirements and Guidelines for Federal Transit Administration Recipients,” issued in October 2012. The purpose of the Title VI Program Update is to document the steps Metro has taken and will take to ensure Metro provides services without excluding or discriminating against individuals on the basis of race, color, and national origin.

The Title VI Program Update provides an outline of Metro’s Title VI policies including what constitutes a major service change, the disparate impact, and disproportionate burden policy. The Title VI Program Update also includes the general requirements for

Title VI and the requirements for fixed route transit providers. The latest Title VI Program Update was approved by the Board in September 2022 and submitted to FTA by the due date of October 1, 2022, as outlined in the Title VI Program Update.¹

2.4 Definitions

The following terms are used in this document:

Disparate Impact: Disparate impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color or national origin and the policy lacks a substantial legitimate justification, including one or more alternatives that would serve the same legitimate objectives but with less disproportionate effects on the basis of race, color or national origin. This policy defines the threshold Metro will utilize when analyzing the impacts to minority populations and/or minority riders. For fare changes, a disparate impact will be deemed to have occurred if the absolute difference between the percentage of minority adversely affected and the overall percentage of minorities is at least five percent (5%) per Metro's Board approved Disparate Impact Policy.

Disproportionate Burden: Disproportionate burden refers to a neutral policy or practice that disproportionately affects low-income populations and/or low-income riders more than non-low-income populations and/or riders. A finding of disproportionate burden for major service and fare changes requires Metro to evaluate alternatives and mitigate burdens where practicable. For fare changes, a disproportionate burden will be deemed to exist if an absolute difference between the percentage of low-income adversely affected by the service change and the overall percentage of low-income persons is at least five percent (5%) per Metro's Board approved Disproportionate Burden Policy.

Low Income: Metro defines low-income riders or populations as anyone making below \$59,550 which represents the median income of a four-person household in Los Angeles County.²

3. METHODOLOGY APPROACH

Metro serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest, most populous counties. More than 10.1 million people live and work within the 1,433-square-mile service area.³ Collectively, Metro operates multiple rail and bus lines which consists of over 50 rail vehicles in a UZA over 200,000 in population. Metro operates its service without regard to race, color, or national origin in accordance with Title VI of the Civil Rights Act of 1964, as amended.

¹ Los Angeles County Metropolitan Transportation Authority, Title VI Program Update, October 2022

² Los Angeles County Metropolitan Transportation Authority, Title VI Program Update, October 2022

³ Los Angeles County Metropolitan Transportation Authority, Title VI Program Update, October 2022

As Metro serves the core of Los Angeles County’s population, and this analysis focuses on the population falling within the borders of Los Angeles County. County data was used to evaluate Metro’s Service Area for this evaluation. Ridership data was compiled using 2022 Customer Survey race/ethnicity and income demographic data.

For the purpose of this analyses the following demographics were used as the service area minority and low income population shares (Table 3-1):

Table 3-1 Metro Service Area Demographic Breakdown

Metro Service Area				
Total Population	Minority Population	Percent Minority	Low-Income Population	Percent Low-Income
10,105,722	7,428,740	73.5%	2,122,201	20.9%

4. PROPOSED FARE RESTRUCTURING

Overview

Metro staff is proposing a revised fare structure. Because the revised fare structure includes changes in fare pricing, a fare change impact analysis is required. The purpose of this analysis is to determine if the fare changes will create disparate impacts for minority passengers or a disproportionate burden on low income passengers.

Implementation of Fare Capping

The proposed fare restructuring includes implementation of fare capping—an equitable, pay-as-you-go fare payment model that ensures customers only pay for the rides they take and never overpay. Customers would no longer have to pay for the upfront cost of a pass. Instead, they would load stored value onto a TAP card and pay per ride. With each paid ride in a day and week, customers will ride toward a daily and weekly dollar cap, after which they can ride free for the rest of that time period.

With fare capping, the Metro 1-Day, 7-Day, and 30-Day passes are no longer necessary and will not be offered. This will relieve riders of the financial burden of prepaying for a pass while still offering access to earning unlimited free rides.

Public Outreach Summary:

Metro conducted public outreach as listed below, as well as communication with Limited English Proficient (LEP) communities:

- Public Notice Released: 10/12/22
- Virtual Public Hearing: 11/14/22 at 5pm

Marketing campaign to inform Metro Riders of the upcoming Public Hearing on proposed fare capping and fare changes:

- Take one
- Fare capping web ad under rider news
- The Source Post
- Landing Page on Metro.net with fare capping information and FAQ
- Newspaper ads promoting the Public Hearing
- Social media graphics
- Internal factsheet/FAQ
- Email to TAP users, stakeholders, LIFE, Metro email list
- Bus and rail cards
- Internal daily brief email to Metro employees
- Union Station east portal ticker
- Email address for public hearing
- E-blast for public hearing
- LED Banner Message on TVMs

Scheduled Meetings with Service Councils, Advocacy Groups, and other Advisory Groups

- October 10 5pm San Gabriel Valley Service Council
- October 11 10am LIFE Program Administrators Briefing
- October 12 6pm Westside Central Service Council
- October 13 1:30pm TAP Operating Group
- October 13 2pm Gateway Cities Service Council
- October 18 6pm Budget Telephone Town Hall
- October 19 10am General Managers
- October 20 9:30am Streets & Freeway Subcommittee
- October 21 9:30am South Bay Service Council
- November 2 6:30pm San Fernando Valley Service Council
- November 2 9:30am Technical Advisory Committee (TAC)
- November 9 10:45am On the Move Riders Program
- November 9 1:30pm Local Transit Systems Subcommittee (LTSS)
- November 10 10:30am Accessibility Advisory Council (AAC)
- November 10 1:00pm Slate-Z (Advocacy Group)
- November 14 5pm Public Hearing
- November 15 9:30am Bus Operations Subcommittee (BOS)

Notice of Proposed Fare Change has been published in these LA County periodicals, to include the Limited English Proficient (LEP) communities, after October 14:

- Los Angeles Daily News
- Pasadena Star News
- L.A. Watts Times
- La Opinion
- Chinese Daily/World
- Rafu Shimpo (Japanese)
- Korea Times
- Asbarez Armenian Daily News
- Asian Journal Pub, Inc. (Tagalog)
- Panorama (Russian)

Metro's Board Approved Title VI Policies:

- A disparate impact will be deemed to have occurred if the absolute difference between the percentage of minorities adversely affected and the overall percentage of minorities is at least 5%
- A disproportionate burden will be deemed to exist if an absolute difference between the percentage of low-income adversely affected and the overall percentage of low-income is at least 5%

Analysis and Results

Disparate Impact Analysis

Impacts of proposed fare changes to minority populations were analyzed by determining the percentage share of minority usage for each fare product with a proposed pricing change. In accordance with Metro's disparate impact policy described above, this percentage was compared to the overall/systemwide minority ridership as shown in the following table.

Rider Category & Fare Product	Adopted Pricing	Proposed Pricing	Price Increase/ (Decrease)	ANALYSIS OF MINORITY SHARE	
				% Minority	Difference from Overall Minority Share (88.7%)
Proposed Fare Products Decreasing in Cost					
Silver and Express - All Riders					
Zone Upcharge	\$0.75 per trip \$22 monthly	\$0.00	Eliminate Upcharge	90.7%	2.0%
Regular Fare					
Day Pass / Daily Cap	\$7.00	\$5.00	(\$2.00)	90.3%	1.6%
7-Day Pass / Weekly Cap	\$25.00	\$18.00	(\$7.00)	91.8%	3.1%
K-12 Student					
Day Pass / Daily Cap	\$7.00	\$2.50	(\$4.50)	90.3%	1.6%
College/Vocational Student					
Base Fare	\$1.75	\$1.00	(\$0.75)	94.3%	5.6%
Day Pass / Daily Cap	\$7.00	\$2.50	(\$4.50)	90.3%	1.6%
7-Day Pass / Weekly Cap	\$10.75*	\$6.00	(\$4.75)	93.4%	4.7%
Proposed Fare Products Increasing in Cost					
Senior/Disabled					
Base Fare - Off-Peak	\$0.35	\$0.75	\$0.40	78.2%	-10.5%
7-Day Pass / Weekly Cap	\$5.00*	\$6.00	\$1.00	84.6%	-4.1%

*Current adopted fare structure does not include weekly passes for S/D, K-12, or C/V. For comparison purposes, "Adopted Pricing" for these products is shown as the weekly equivalent of the 30-Day Pass price.

The difference between minorities affected exceeds the 5% threshold for two fare products; those differences are bolded in the last column in the table above and analyzed further in the text below:

- **College/Vocational Student Base Fare** – This group is slightly above the 5% threshold. However, the proposed pricing represents a decrease in cost of \$0.75. *Therefore, there is no disparate impact to minority riders in this category because there is no adverse effect to minorities from the proposed changes.*
- **Senior/Disabled Off-Peak Base Fare** – This group is also above the 5% threshold. However, this category is 10.5% **less** minority than overall ridership, meaning that fewer minorities would be affected by the change in comparison with the share of minorities systemwide. *Therefore, increasing the price does not result in a disparate impact to minority ridership.*

Disproportionate Burden Analysis

Impacts of proposed fare changes to low-income populations were analyzed by determining the percentage share of low-income usage for each fare product with a

proposed pricing change. In accordance with Metro’s disproportionate burden policy described above, this percentage was compared to the overall/systemwide low-income ridership as shown in the following table.

Rider Category & Fare Product	Adopted Pricing	Proposed Pricing	Price Increase/ (Decrease)	ANALYSIS OF LOW INCOME SHARE	
				% Low Income	Difference from Overall Low Income (76.2%)
Proposed Fare Products Decreasing in Cost					
Silver and Express - All Riders					
Zone Upcharge	\$0.75 per trip \$22 monthly	\$0.00	Eliminate Upcharge	58.3%	-17.9%
Regular Fare					
Day Pass / Daily Cap	\$7.00	\$5.00	(\$2.00)	80.6%	4.4%
7-Day Pass / Weekly Cap	\$25.00	\$18.00	(\$7.00)	77.9%	1.7%
K-12 Student					
Day Pass / Daily Cap	\$7.00	\$2.50	(\$4.50)	80.6%	4.4%
College/Vocational Student					
Base Fare	\$1.75	\$1.00	(\$0.75)	86.7%	10.5%
Day Pass / Daily Cap	\$7.00	\$2.50	(\$4.50)	80.6%	4.4%
7-Day Pass / Weekly Cap	\$10.75*	\$6.00	(\$4.75)	79.6%	3.4%
Proposed Fare Products Increasing in Cost					
Senior/Disabled					
Base Fare - Off-Peak	\$0.35	\$0.75	\$0.40	78.8%	2.6%
7-Day Pass / Weekly Cap	\$5.00*	\$6.00	\$1.00	82.6%	6.4%

*Current adopted fare structure does not include weekly passes for S/D, K-12, or C/V. For comparison purposes, "Adopted Pricing" for these products is shown as the weekly equivalent of the 30-Day Pass price.

The difference between low-income riders affected exceeds the 5% threshold for three fare products. Those differences are bolded in the last column in the table above and analyzed further in the text below:

- Zone Upcharge – This category exceeds the 5% threshold, with 17.9% fewer low-income riders riding Silver Line and Express Bus than the systemwide average. Therefore, decreasing the cost to these riders by removing the upcharge represents a benefit to current riders that are less low-income than Metro’s overall ridership. However, *given that decreasing the price of these higher-cost services improves affordability of these services for low-income riders, this is not a disproportionate burden to Metro’s low-income ridership.*
- College/Vocational Student Base Fare – This category exceeds the 5% threshold, with more low-income riders using this product than low-income riders systemwide. However, the proposed pricing represents a decrease in cost of \$0.75. Therefore, *there is no disproportionate burden to these riders since the proposed change represents a fare decrease.*
- Senior/Disabled 7-Day Pass / Weekly Cap – This group is slightly above the 5% threshold, with 6.4% more low-income riders than the systemwide low-income ridership. Therefore, *there is a disproportionate burden for low-income Senior/Disabled riders using the Weekly Cap under fare capping.*

Conclusion

The proposed fare changes do not result in a disparate impact to minority riders. However, it does have disproportionate burden to low-income riders, for the Senior/Disabled Weekly Cap, which exceeds the 5% threshold for disproportionate burden.

Staff recommends Board approval pricing changes with the following proposed mitigation efforts to minimize the disproportionate burden for the Senior/Disabled Weekly Cap:

- Implementation of fare capping – Fare capping removes the need for all riders to prepay for a pass, which is a mitigating factor for affordability.
- Expansion of outreach to low-income Senior/Disabled riders – Metro will expand outreach to low-income Senior/Disabled riders to explain the benefits of fare capping and to increase enrollment in LIFE, Metro's regional low-income fare program. Senior/Disabled riders who enroll in LIFE will receive 20 free trips, decreasing overall transportation costs and further mitigating the impact of the modest proposed price increase from \$5 weekly to \$6 weekly.