



## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>R. M. P.</i> 15 MAY 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/10/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Jennella Sambour-Wallace Dept: Office of Civil Rights	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC <i>[Signature]</i>
Signature/Date: <i>[Signature]</i> 5/13/19	<i>[Signature]</i> 5/14/19 [ ]	<i>[Signature]</i> 5/14/19 [ ]	[ ]	<i>[Signature]</i> 5/13/19 [ ]

### Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Series 3, 2020-28, of the Productivity-Adjusted Inflation-Based Fare Increase Program; and Magnetic-Stripe Surcharge Increase

#### PURPOSE:

To request Board approval of the "Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Series 3, 2020-28, of the Productivity-Adjusted Inflation-Based Fare Increase Program; and Magnetic-Stripe Surcharge Increase."

#### DISCUSSION:

To ensure compliance with federal Title VI regulations, BART is required to conduct an analysis of any proposed fare change to determine if the change could potentially place a disparate impact on minority riders or a disproportionate burden on low-income riders (protected riders). A fare change equity finding is made based on a demographic assessment of affected riders and public outreach that is inclusive of minority, low-income, and Limited English Proficient (LEP) populations. Should a disparate impact or disproportionate impact be found, then in accordance with BART's Disparate Impact/Disproportionate Burden (DI/DB) Policy and the Title VI Circular, BART is required to take steps to mitigate such impacts.

Staff analyzed and conducted public outreach on the following proposed fare changes:

- A. Implementation of a productivity-adjusted inflation-based fare increase valued at 5.4% effective January 1, 2020.

- The BART Board gave the General Manager authority in 2003 and renewed that authority in 2013 to implement the Productivity-Adjusted Inflation-Based Fare Increase Program for below-inflation increases once every two years.
    - The average of national and Bay Area inflation over two years is calculated, with one-half percent then subtracted for BART productivity improvements
  - Series 1, 2006-2012, contributed approximately \$290 million (M) in additional fare revenue to help BART weather the Great Recession without reducing service levels.
  - The current Series 2 began in 2014, with the last increase scheduled for January 2020. By Board policy, all incremental fare revenue from Series 2, equal to approximately \$330M, helps fund BART's high-priority capital projects: new rail cars, a new automated train control system, and the Hayward Maintenance Complex.
- B. Extending the Productivity-Adjusted Inflation-Based Fare Increase Program for Series 3 of below-inflation increases to occur once every two years between 2022 and 2028.
- Based on current inflation projections, the increase in each of these years is estimated to be 3.9%.
  - New incremental fare revenue is proposed to help fund the Core Capacity plan (additional new rail cars and system improvements, such as a new train control system to provide more frequent service, and operation of enhanced service).
  - Series 3 is estimated to generate approximately \$400M in revenue.
- C. Increasing the surcharge from \$0.50 to \$1.00 for fares paid for with Blue magnetic-stripe tickets.
- The surcharge would continue to be reduced by a prorated amount for discounted Green and Red magnetic-stripe tickets for seniors, people with disabilities, and youth.

The following table summarizes analysis results:

### Analysis Results

<b>Fare Change</b>	<b>Disparate Impact?</b>	<b>Disproportionate Burden?</b>	<b>Mitigation Required?</b>
<b>2020 Inflation-Based Fare Increase</b>	No	No	No
<b>Series 3 of Inflation-Based Fare Increase Program 2022-28</b>	No	No	No
<b>Magnetic-Stripe Paper Ticket Surcharge</b>	No	Yes	Yes

This next table shows the equity findings, which consider both the analysis results and public comment received. No disproportionate impacts were found for the two less-than-inflation-based fare increase proposals. The magnetic-stripe paper ticket surcharge may be

disproportionately borne by low-income riders, and accordingly, mitigation is required.

### **Equity Findings**

<b>Fare Change</b>	<b>Disparate Impact?</b>	<b>Disproportionate Burden?</b>	<b>Mitigation Required?</b>
<b>2020 Inflation-Based Fare Increase</b>	No	No	No
<b>Series 3 of Inflation-Based Fare Increase Program 2022-28</b>	No	No	No
<b>Magnetic-Stripe Paper Ticket Surcharge</b>	No	Yes	Yes

Attachment A provides detail for each proposed fare change regarding analysis findings, public input, the fare change's equity findings, and mitigation where applicable.

### **FISCAL IMPACT:**

There is no fiscal impact associated with approval of the Title VI Fare Equity Analysis.

### **ALTERNATIVES:**

Do not approve the Title VI Fare Equity Analysis. If the Title VI Fare Equity Analysis is not approved or if approval is deferred, the fare changes identified for implementation as part of the Fiscal Year 2020 (FY20) budget may not be included in the FY20 budget. The Board could adopt an unbalanced budget and direct staff to pursue other revenue increases or expense reductions to balance the FY20 budget.

### **RECOMMENDATION:**

Approval of the following motion.

### **MOTION:**

The Board of Directors approves the Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Series 3, 2020-28, of the Productivity-Adjusted Inflation-Based Fare Increase Program; and Magnetic-Stripe Surcharge Increase and Public Participation Report.

## **Attachment A**

For each proposed fare change, Attachment A provides detail on the analysis findings; public input; the fare change's equity findings (which consider both the analysis results and public comment received), and mitigation where applicable.

### **1. Implement a Productivity-Adjusted Inflation-Based Fare Increase of 5.4%**

#### **a. Analysis Findings**

This across-the-board fare change will be considered to have a disproportionate impact if the difference between the changes for protected riders and non-protected riders is equal to or greater than 5% (DI/DB Policy). Calculations of weighted average fares for protected and non-protected riders show that the increases are virtually identical and thus the difference between these fares does not exceed the 5% threshold for either minority or low-income riders. In addition, the cumulative effect of fare increases from 2012 through the proposed increase in 2020 would not result in a disproportionate impact on protected riders because the increases are virtually identical and thus the difference is less than 5%. The table below summarizes the findings.

	Minority Disparate Impact	Low-Income Disproportionate Burden
A. 5.4% CPI-Based Fare Increase, 2020	No	No
Cumulative Impact	No	No

#### **b. Public Outreach**

Question 1 of the Fare Program Survey, **“Do you have any comments about this scheduled fare increase?”** was an open-ended question regarding the scheduled January 2020 less-than-inflation-based 5.4% fare increase:

Approximately 66% of all survey respondents, or 838 respondents, chose to comment. Of the 838 respondents, 49% (414 respondents) identified as minority and 15% (125) as low-income. Of the minority respondents, 58% did not support and 42% were in favor (unconditional or conditional support). Of the low-income respondents, 63% did not support and 37% were in favor (unconditional or conditional support).

### c. Equity Finding

Although increasing fares by less than inflation may not be a preferred option for some taking the survey, the fare change analysis found no disproportionate impact on protected riders, and new fare revenue will be used to fund critical BART capital needs which will improve the system for all riders, including those who are protected. The equity finding for this fare change is that it would not have a disparate impact on minority riders or place a disproportionate burden on low-income riders.

## 2. **Extend the Productivity-Adjusted Inflation-Based Fare Increase Program for a Third Series between 2022-2028**

### a. Analysis Findings

This across-the-board fare change will be considered to have a disproportionate impact if the difference between the changes for protected riders and non-protected riders is equal to or greater than 5% (DI/DB Policy). Calculations of weighted average fares for protected and non-protected riders show that the increases are virtually identical and thus the difference between these fares does not exceed the 5% threshold for either minority or low-income riders. In addition, the cumulative effect of fare increases from 2018 through the proposed increase in 2028 would not result in a disproportionate impact on protected riders because the increases are virtually identical and thus the difference is less than 5%. The table below summarizes the findings.

	Minority Disparate Impact	Low-Income Disproportionate Burden
<b>B. CPI-Based Fare Increase Program, Series 3, 2022-28</b>	No	No
<b>Cumulative Impact</b>	No	No

## b. Public Outreach

Survey respondents were asked Question 2:

**Would you support or oppose extending BART's current fare increase program (less-than-inflation increases every two years)?**

- ☐ **Strongly support**
- ☐ **Somewhat support**
- ☐ **Neutral**
- ☐ **Somewhat oppose**
- ☐ **Strongly oppose**
- ☐ **Don't know**

Question 2 was answered by 1,241 of the 1,272 survey respondents, which is approximately 98% of all respondents. Of the 1,241 respondents to Question 2, 622 or approximately 50% identified as minority and 179 or approximately 14% identified as low-income. Of minority respondents, fewer (199 or 32%) supported the fare increase program compared to those who did not support it (327 or 53%). Of the remaining minority respondents, 14% were neutral and 2% selected "don't know." Of low-income respondents, fewer (50 or 28%) supported the fare increase program compared to those who did not support it (100 or 56%). The remaining 14% of low-income respondents were neutral. The table below summarizes these findings.

**Question 2**

	<b>Support</b>	<b>Neutral</b>	<b>Don't Support</b>	<b>Don't Know</b>	<b>Total</b>
<b>Minority</b>	<b>199</b>	<b>86</b>	<b>327</b>	<b>10</b>	<b>622</b>
<b>%</b>	<b>32%</b>	<b>14%</b>	<b>53%</b>	<b>2%</b>	<b>100%</b>
<b>Low-income</b>	<b>50</b>	<b>25</b>	<b>100</b>	<b>4</b>	<b>179</b>
<b>%</b>	<b>28%</b>	<b>14%</b>	<b>56%</b>	<b>0%</b>	<b>100%</b>

Survey Question 3, "If you would support or oppose this program, please explain" asked for comments regarding the respondent's answer to Question 2. Comments were provided by 802 respondents, or 65% of the 1,241 respondents to Question 2. Of the 802 respondents, 50% (402 respondents) identified as minority and 15% (119 respondents) identified as low-income. A respondent's rating of Question 2 determined the grouping of the comment. For example, a Question 3 comment was automatically grouped as "Neutral" for sorting purposes if the respondent checked "Neutral" for Question 2.

“Strongly Support” and “Somewhat Support” comments were grouped as “Support,” which may indicate clear support or some level of support with caveats. “Don’t Support” includes comments in the “Strongly Oppose” and “Somewhat Oppose” categories.

Of the 402 minority respondents providing comments, 60% did not support, 33% were in favor, 6% were neutral, and 1% selected “don’t know.” Of the 119 low-income respondents providing comments, 59% did not support, 32% were in favor, 8% were neutral, and 1% selected “don’t know.” The table below summarizes answers to Question 3.

### Question 3

	Support	Neutral	Don't Support	Don't Know	Total
Minority	131	24	243	4	402
%	33%	6%	60%	1%	100%
Low-income	39	9	70	1	119
%	32%	8%	59%	1%	100%

#### c. Equity Finding

Although Series 3 of a program to increase fares by less than inflation may not be a preferred option for some taking the survey, the fare change analysis found no disproportionate impact on protected riders, and new fare revenue will be used to fund critical BART capital needs and to operate those improvements, which will improve the system for all riders including those who are protected.

The equity finding, therefore, is this fare change would not have a disparate impact on minority riders or place a disproportionate burden on low-income riders.

### 3. Increase the Surcharge from \$0.50 to \$1.00 on Fares Paid for with Magnetic-Stripe Tickets

#### a. Analysis Findings

The assessment for changes to a fare media is to determine whether protected riders are disproportionately more likely to use the affected fare media. Per the DI/DB Policy, impacts are considered disproportionate when the

difference between the protected ridership using the affected fare media and the protected ridership of the overall system is greater than 10%. The table below shows the results of applying the threshold to survey data:

	Minority Disparate Impact	Low-Income Disproportionate Burden
<b>C. Mag Stripe Surcharge Increase</b>	No	Yes

**b. Public Outreach.**

The Fare Program Survey included the following question about the magnetic stripe ticket surcharge increase:

**Question 4: Would you support or oppose increasing the paper ticket surcharge to \$1.00 to maximize use of the Clipper card?**

- ☐ **Strongly support**
- ☐ **Somewhat support**
- ☐ **Neutral**
- ☐ **Somewhat oppose**
- ☐ **Strongly oppose**
- ☐ **Don't know**

This question was answered by 1,229 of the 1,272 survey respondents, which is approximately 97% of all respondents.

Of the 1,229 respondents to Question 4, 623 or approximately 51% identified as minority and 180 or approximately 15% identified as low-income. Of minority respondents, more (273 or 44%) supported the surcharge increase compared to those who did not support it (243 or 39%). Of the remaining minority respondents, 16% were neutral and 1% selected "don't know." Of low-income respondents, fewer (68 or 38%) supported the surcharge increase compared to those who did not support it (84 or 47%). Of the remaining low-income respondents, 13% were neutral and 2% selected "don't know." Findings are summarized in the table below.



#### Question 4

	Support	Neutral	Don't Support	Don't Know	Total
<b>Minority</b>	<b>273</b>	<b>98</b>	<b>243</b>	<b>9</b>	<b>623</b>
<b>%</b>	<b>44%</b>	<b>16%</b>	<b>39%</b>	<b>1%</b>	<b>100%</b>
<b>Low-income</b>	<b>68</b>	<b>24</b>	<b>84</b>	<b>4</b>	<b>180</b>
<b>%</b>	<b>38%</b>	<b>13%</b>	<b>47%</b>	<b>2%</b>	<b>100%</b>

Question 5, “Do you have any comments about this potential paper ticket surcharge increase?” asked for explanatory comments to Question 4. Of the 1,229 survey respondents to Question 4, 716 or approximately 58% answered Question 5. Of the 716 respondents, 48% (345 respondents) identified as minority and 16% (116 respondents) identified as low-income. A respondent’s rating of Question 4 determined the grouping of the comment as described in section 2b above.

Of the 345 minority respondents providing comments, 50% did not support, 38% were in favor (strongly or somewhat support), 10% were neutral, and 2% selected “don’t know.” Of the 116 low-income respondents providing comments, 50% did not support, 38% were in favor (strongly or somewhat support), 9% were neutral, and 3% selected “don’t know.” These results are summarized in the table below.

#### Question 5

	Support	Neutral	Don't Support	Don't Know	Total
<b>Minority</b>	<b>131</b>	<b>33</b>	<b>174</b>	<b>7</b>	<b>345</b>
<b>%</b>	<b>38%</b>	<b>10%</b>	<b>50%</b>	<b>2%</b>	<b>100%</b>
<b>Low-Income</b>	<b>44</b>	<b>11</b>	<b>58</b>	<b>3</b>	<b>116</b>
<b>%</b>	<b>38%</b>	<b>9%</b>	<b>50%</b>	<b>3%</b>	<b>100%</b>

#### **c. Equity Finding**

The equity finding based on the fare change analysis and public comment received is that a magnetic-stripe ticket surcharge increase may be disproportionately borne by low-income riders.

**d. Mitigation**

Per BART's DI/DB Policy and the Title VI Circular, if low-income populations will bear a disproportionate burden of the proposed fare change, the transit provider should take steps to avoid, minimize, or mitigate impacts where practicable and describe alternatives available.

The initial magnetic stripe ticket surcharge of \$0.50 implemented on January 1, 2018 was found to result in a disproportionate burden on low-income riders. As mitigation, in December 2017-March 2018, BART, in partnership with the Metropolitan Transportation Commission (MTC), distributed free Clipper cards at 29 BART in-station and community-based organization (CBO) events located in or near low-income communities.

In addition, BART worked with MTC to expand MTC's existing partnership program with CBOs serving low-income communities to distribute free Clipper cards to their members/clients. As recommended by BART, MTC added a number of CBOs to its existing program to support BART's mitigation efforts. The MTC program is ongoing for as long as the CBO requests cards for their members/clients and provides a consistent pipeline of free Clipper cards to low-income communities. Thus, low-income riders affected by the proposed increase to the magnetic stripe ticket surcharge will continue to be able to obtain free Clipper cards.

Committee members also supported BART's overall efforts to move riders to the Clipper card. BART considers these established mitigation efforts sufficient, and staff will continue to work with BART's Title VI/Environmental Justice and Limited English Proficiency Advisory Committees to determine if any additional public outreach efforts are needed.