



**SFMTA**  
Municipal  
Transportation  
Agency

# **Title VI Analysis FY 2017 & FY 2018 Proposed Fare Changes**

April 5, 2016

## **I. Background**

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. Specifically, Title VI provides that "no person in the United States 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." (42 U.S.C. Section 2000d)

The analysis below responds to the reporting requirements contained in the Federal Transit Administration's (FTA) Circular 4702.1B, "Title VI and Title VI-Dependent Guidelines," which provides guidance to transit agencies serving large urbanized areas and requires that these agencies "shall evaluate significant system-wide service and fare changes and proposed improvements at the planning and programming stages to determine whether these changes have a discriminatory impact." (Circular 4702.1B, Chapter IV-10) The FTA requires that transit providers evaluate the effects of service and fare changes on low-income populations in addition to Title VI-protected categories (race, color and national origin). In addition, upon completion of the fare equity analysis, SFMTA is required to submit the equity analysis to the SFMTA Board of Directors for its consideration, awareness and approval of the analysis and to provide a copy of the Board resolution to the FTA as documentation.

The San Francisco Municipal Transportation Agency (SFMTA), a department of the City and County of San Francisco, was established by voter proposition in 1999. One of the SFMTA's primary responsibilities is running the San Francisco Municipal Railway, known universally as "Muni." Muni is the largest transit system in the Bay Area and the seventh largest in the nation, with approximately 700,000 passenger boardings per day and serving approximately 215 million customers a year. The Muni fleet includes: historic streetcars, renewable diesel and electric hybrid buses and electric trolley coaches, light rail vehicles, paratransit cabs and vans and the world-famous cable cars. Muni provides one of the highest levels of service per capita with over 60 bus routes, seven light rail lines, two historic streetcar lines and three cable car lines and provides seamless connections to other Bay Area public transit systems such as BART, AC Transit, Golden Gate Transit and Ferries, SamTrans, and Caltrain.

This Title VI analysis includes:

- SFMTA's Board approved disparate impact and disproportionate burden policies.
- A description of the proposed fare changes and background on why the changes are being proposed;
- A data analysis based on customer survey data to determine the percent of users of each fare media proposed for increase or decrease, including a profile of fare usage by protected group – minority and low-income – and a comparison to their representation system-wide;
- An analysis of potential impacts on minority and/or low-income customers;
- Any required analysis of alternative transit modes, fare payment types or fare media availability for customers who may be impacted by the proposed fare changes;
- A summary of public outreach and engagement efforts.

## **II. SFMTA's Title VI-Related Policies**

On October 1, 2012, FTA issued updated Circular 4702.1B, which requires a transit agency's governing board to adopt the following policies related to fare and service changes:

- Major Service Change Definition – establishes a definition for a major service change, which provides the basis for determining when a service equity analysis needs to be conducted.
- Disparate Impact and Disproportionate Burden Policies – establishes thresholds to determine when proposed major service changes or fare changes would adversely affect minority and/or low-income populations and when alternatives need to be considered or impacts mitigated.

In response to Circular 4702.1B, SFMTA developed the following recommended Disparate Impact and Disproportionate Burden Policies, which were approved, after an extensive multilingual public outreach process, by the SFMTA Board of Directors on August 20, 2013:

- Disparate Impact Policy determines the point (“threshold”) when adverse effects of fare or service changes are borne disparately by minority populations. Under this policy, a fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disparate impact on minority populations if the difference between the percentage of the minority population impacted by the changes and the percentage of the minority population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively.
- Disproportionate Burden Policy determines the point when adverse effects of fare or service changes are borne disproportionately by low-income populations. Under this policy, a fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disproportionate burden on low-income populations if the difference between the percentage of the low-income population impacted by the changes and the percentage of the low-income population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively.

As part of the SFMTA's process to develop the disparate impact and disproportionate burden policies, SFMTA conducted a multilingual stakeholder outreach campaign to receive input on the proposed policies and engage the public in the decision making process for adoption of these policies by the SFMTA Board. This effort included presentations to the SFMTA Citizens Advisory Council (CAC) and Muni Accessible Advisory Committee (MAAC), as well as two public workshops. The workshops were promoted through email, telephone calls to community groups and in nine languages on the SFMTA website. Outreach was also targeted to approximately 30 Community Based Organizations and transportation advocates with broad representation among low-income and minority communities. Staff also offered to meet with some community groups if they were unable to attend the public workshops. In addition staff presented the Title VI recommendations at the SFMTA Board of Directors meeting on Tuesday, July 16, 2013. The policies were approved at the Board of Directors meeting on August 20, 2013.

### **III. Assessing Impacts of the Proposed Fare Changes on Minority and/or Low Income Communities**

As detailed in FTA Circular 4702.1B, transit providers shall evaluate the impacts of their proposed fare changes (either increases or decreases) on Title VI-protected populations (minority populations) and low-income populations separately, and within the context of their Disparate Impact and Disproportionate Burden policies, to determine whether minority and/or low-income riders are bearing a disproportionate impact of the change between the existing cost and the proposed cost. The impact may be defined as a statistical percentage. The disparate impact and disproportionate burden thresholds must be applied uniformly, regardless of fare media.

Minority Disparate Impact: If after analyzing the proposed fare changes, the SFMTA determines that minority riders will bear a disproportionate impact of the change between the existing cost and the proposed cost and chooses not to alter the proposed fare changes despite the disparate impact on minority ridership, or if it finds, even after modifications are made, that minority riders will continue to bear a disproportionate share of the proposed fare change, the fare change may only be implemented if:

- (i) There is a substantial legitimate justification for the proposed fare change, and
- (ii) SFMTA can show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish its legitimate program goals.

In order to make this showing, any alternatives must be considered and analyzed to determine whether those alternatives would have less of a disparate impact on the basis of race, color, or national origin, and then only the least discriminatory alternative can be implemented.

Low-Income Disproportionate Burden: If at the conclusion of the analysis, the SFMTA finds that low-income populations will bear a disproportionate burden of the proposed fare change, steps must be taken to avoid, minimize or mitigate impacts where practicable and descriptions of alternatives available to low-income populations affected by the fare changes must be provided.

### **IV. Data Analysis and Methodology**

In order to make an appropriate assessment of disparate impact or disproportionate burden in regard to fare changes, the transit provider must compare available customer survey data and show the number and percent of minority riders and low-income riders using a particular fare media, in order to establish whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type or payment media that would be subject to the fare change. (Circular 4702.1B, Chapter IV-19). The SFMTA has data on ridership demographics by transit line based on a comprehensive Systemwide On-Board Survey conducted in spring 2013. The survey asked demographics questions for race/ethnicity, household income, household size, gender, age, vehicle ownership, and other information including fare type used on the trip and origin/destination information. Consultants collected over 22,000 survey responses, providing a statistically significant snapshot of ridership patterns. This provides the basis for determining the potential impacts of fare changes on our customers. A copy of the survey is available upon request.

As noted above, in August 2013, the SFMTA Board approved a methodology for analyzing Title VI impacts. In the case of fare changes, both increases and decreases of any amount, this methodology relies on comparing the percentage of protected customers using a particular fare product or instrument to their representation system-wide.

When protected customers' usage of said fare product or instrument exceeds their system-wide average by eight percent or more, and the cost of that product or instrument is being increased, then a finding of disparate impact (minority populations) and/or disproportionate burden (low-income populations) is indicated.

Conversely, Title VI also requires that fare decreases be evaluated to determine whether they disproportionately benefit populations that are not protected by Title VI, thereby diverting the allocation of transit resources away from Title VI-protected groups. As a result, when Title VI-protected customers' usage of a fare product or instrument falls below their system-wide average by eight percent or more, and the cost of that product or instrument is being reduced, then a finding of disparate impact (minority-based impact) and/or disproportionate burden (low income-based impact) is indicated.

Respondents who declined to answer questions about income or ethnicity are excluded from the analysis. The overall system-wide averages were determined from National Transit Database and Automatic Passenger Counter (APC) data weighted by the weekly ridership share by line. The system-wide average for minority customers was determined to be 58%, and the system-wide average for low-income customers was determined to be 51%.

In order to protect privacy, survey respondents were asked to report their income bracket as opposed to their specific income. As a result, the analysis made assumptions about whether the combination of a particular respondent's household size and income bracket fell into a "low-income" category based on the Agency's definition of low-income described above. Generally, the analysis erred on the side of caution and placed possibly low-income respondents into the low-income category.

## **V. Description of Proposed Fare Changes and Summary of Impacts**

As noted in Section I, the SFMTA's FY2017-2018 budget includes proposals to change fares per the Automatic Fare Indexing Policy as well as a second group of additional proposals that increases prices for specific fare products beyond the indexing formula, or introduces fare increases or decreases outside of the indexing plan.

### *Automatic Fare Indexing Policy*

In 2009, the SFMTA Board adopted an Automatic Indexing Plan, a formula based on the combination of Bay Area Consumer Price Index for all urban consumers (CPI-U) and SFMTA labor costs that serves as a policy for incremental fare increases. Automatic Indexing is critical to ensure that service levels are not compromised given the increase in operating costs annually due to inflation. Operating costs include labor costs, fuel, material and parts for vehicle maintenance costs and all other costs needed to support service availability. Application of the Automatic Indexing Plan also ensures that riders can expect and anticipate small incremental fare increases over time rather than unknown larger increases sporadically.

An example of the automatic fare indexing policy is the proposal to raise the monthly Muni-Only pass from \$70 currently to \$73 in FY 17 and \$75 in FY 18. All indexing proposals are included in Tables 2 and 4 below.

## *Additional Proposals*

Additional proposals for FY 17 and 18 include:

- ***All Fare Categories – Cash Fare Increase for Cash Paying Riders***  
The proposed budget would increase fares by \$0.25 when customers pay using cash on-board vehicles or for tickets at Metro stations. Fares paid using a Clipper® card or with Mobile Ticketing (which requires a credit or debit card or a PayPal account linked to a credit, debit or bank account) would not be subject to this fare increase. The purpose of this fare increase would be to incentivize customers to prepay fares before boarding, thus speeding customer boardings and reducing dwell times. With fewer transactions, this proposal may also reduce farebox maintenance requirements.
- ***Adult Fares – Monthly “A” pass increase***  
The monthly Adult “A” pass is valid both on Muni and on BART within San Francisco city limits. This proposal would increase the “A” pass \$5 above the rate calculated by the automatic fare indexing formula. The current \$83 pass would increase to \$91 in FY 17 and \$94 in FY 18.
- ***Youth Fares – Increasing Age Eligibility from 17 to 18***  
The current youth fare category is from 5 to 17 years of age. This budget package proposes raising the youth fare’s age eligibility from 17 to 18 years of age to be consistent with the regional definition of youth as directed by the Metropolitan Transportation Commission (MTC). This would result in a fare decrease for youths who are 18 years old.
- ***Discount Fares (Youth, Seniors and People with Disabilities) – Raising the Monthly Pass to 50% of the Adult Fare***  
Currently, cash fares and monthly passes for discount fare categories are set at approximately 45% and 35% of the adult cash and monthly pass prices, respectively. Because the SFMTA now offers Free Muni programs for low- and moderate income customers in discount categories, this proposal seeks to increase discount fares and pass prices to 50% of the equivalent adult rate for higher-income customers. The Federal Transit Administration (FTA) requires that senior fares be set no higher than 50% of adult fares during off-peak hours, but there are no restrictions at other times or with other fare categories.
- ***Tokens for Low-Income Populations***  
Currently, the SFMTA sells tokens valid for the base fare to organizations at face value. This proposal would provide a 50% discount to non-profit agencies. The SFMTA estimates that at least 95% of current purchases are by agencies providing direct services to low-income, minority or special needs populations.
- ***Elimination of the Special Event Fare***  
The current \$14 round trip special event fare for services such as Bay to Breakers express buses would be eliminated. Customers would pay the regular fare, resulting in a fare decrease for all customers.

Tables 1 through 2 below include current and proposed fares by planned year of implementation, as well as the demographic characteristics of the customers who use each fare type. They also include

a comparison of the cumulative usage of these fare types by minority and low-income customers to their representation system-wide. Consistent with SFMTA’s disparate impact and disproportionate burden policies, a disparate impact and/or disproportionate burden finding is indicated if the total usage by minority and/or low-income customers deviates from their system-wide averages by eight percent or more.

Tables 1 through 4 provide disparate impact and disproportionate burden analyses for the cumulative effects of the proposed fare decreases and increases. In summary, as illustrated in Table 5:

- The most significant fare decrease would be provided to populations receiving tokens and passes from social service agencies. Since the primary beneficiaries of this change are minority and low-income populations, there are no disparate impacts or disproportionate burdens. No data were available to evaluate the special event fares or increasing the age of the youth pass. The 2013 Systemwide On-Board Survey grouped 18 year olds with adults from age 18 to 34.
- When taken collectively, the proposed fare increases would impact most SFMTA customers (approximately 95 percent) regardless of their ethnicity or income status. Approximately 660,000 to 670,000 of the 700,000 weekday boardings would be impacted by the fare increases in one way or another. Thus, there would be no disparate impact or disproportionate burden effects as shown in Table 3.
- While there are no disparate impacts or disproportionate burden effects on the fare increase packages taken as a whole, individual fare proposals may impact minority or low-income populations differently. Section VII will examine this in more detail.

**Table 1: Assessment of Disparate Impacts – Fare Decreases**

| Fare Type   | FY 2016 Current Fares | FY 2017 Proposed Fares                      | FY 2018 Proposed Fares                      | FY 2016-2018 Change                  | FY 2016-2018 Percentage Change | Estimated Ridership | % Minority Impacted | Estimated Minority Ridership |
|---|-----------------------|---|---|--------------------------------------|--------------------------------|---------------------|---------------------|------------------------------|
| <b>Youth Base Fare – Increase age eligibility from 17 to 18</b> | \$2.25                | \$1.00 (Clipper®)<br>\$1.25 (cash)          | \$1.25 (Clipper®)<br>\$1.50 (cash)          | -\$1.00 (Clipper®)<br>-\$0.75 (cash) | -44% (Clipper®)<br>-33% (cash) | Data Not Available  | Data Not Available  | Data Not Available           |
| <b>Tokens and Passes for Low-Income Populations</b>             | \$2.25                | \$1.00                                      | \$1.25                                      | -\$1.00                              | -44%                           | 852 <sup>1</sup>    | 61.0%               | 572 <sup>1</sup>             |
| <b>Special Event Service Adult Round Trip</b>                   | \$14.00               | Regular fare (\$4.50 Clipper®; \$5.00 cash) | Regular Fare (\$5.00 Clipper®; \$5.50 cash) | -\$9.00 (Clipper®)<br>-\$8.50 (Cash) | -64% (Clipper®)<br>-61% (Cash) | Data Not Available  | Data Not Available  | Data Not Available           |
| <b>Total-Fare Decreases</b>                                     | N/A                   | N/A   | N/A   | N/A                                  | N/A                            | 852                 | 61.0%               | 572                          |

<sup>1</sup> SFMTA sells approximately 95% of tokens to social service agencies that would be eligible for the proposed 50% discount for token sales to low-income populations. The estimated ridership is distributed proportionally between eligible social services agencies (95%) and ineligible entities (5%)

**Table 2: Assessment of Disparate Impacts – Fare Increases**

| <b>Fare Type</b>  | <b>FY 2016 Current Fares</b>                       | <b>FY 2017 Proposed Fares</b>                      | <b>FY 2018 Proposed Fares</b>                      | <b>FY 2016-2018 Change</b>                      | <b>FY 2016-2018 Percentage Change</b>   | <b>Estimated Ridership</b> | <b>% Minority Impacted</b> | <b>Estimated Minority Ridership</b> |
|---|--|--|--|---|---|----------------------------|----------------------------|-------------------------------------|
| <b>Adult Base Fare - Clipper® Card or Mobile Ticketing</b>    | \$2.25   | \$2.25   | \$2.50   | \$0.25  | +11%                                    | 138,410                    | 49.4%                      | 68,382                              |
| <b>Youth Base Fare - Clipper® Card or Mobile Ticketing</b>    | \$1.00   | \$1.00   | \$1.25   | \$0.25  | +25%                                    | 6,744                      | 79.9%                      | 5,410                               |
| <b>Senior Base Fare-Clipper® Card or Mobile Ticketing</b>     | \$1.00   | \$1.00   | \$1.25   | \$0.25  | +25%                                    | 9,113                      | 42.7%                      | 3,895                               |
| <b>Disabled Base Fare - Clipper® Card or Mobile Ticketing</b> | \$1.00   | \$1.00   | \$1.25   | \$0.25  | +25%                                    | 3,694                      | 57.7%                      | 2,132                               |
| <b>Adult Base Fare – On Board Cash Premium</b>                | \$2.25   | \$2.50   | \$2.75   | \$0.50  | +22%                                    | 147,144                    | 58.1%                      | 85,553                              |
| <b>Youth Base Fare – On Board Cash Premium</b>                | \$1.00   | \$1.25   | \$1.50   | \$0.50  | +50%                                    | 16,714                     | 88.3%                      | 14,759                              |
| <b>Senior Base Fare – On Board Cash Premium</b>               | \$1.00   | \$1.25   | \$1.50   | \$0.50  | +50%                                    | 12,472                     | 43.9%                      | 5,475                               |
| <b>Disabled Base Fare – On Board Cash Premium</b>             | \$1.00   | \$1.25   | \$1.50   | \$0.50  | +50%                                    | 5,109                      | 50.0%                      | 2,554                               |
| <b>Adult “A” Fast Pass with rides on BART in SF</b>           | \$83.00  | \$91.00  | \$94.00  | \$11.00   | +11%                                    | 253,453 <sup>1</sup>       | 57.6% <sup>1</sup>         | 145,991 <sup>1</sup>                |
| <b>Adult “M” Fast Pass Muni Only</b>                          | \$70.00  | \$73.00  | \$75.00  | \$5.00  | +7%                                     | 253,453 <sup>1</sup>       | 57.6% <sup>1</sup>         | 145,991 <sup>1</sup>                |
| <b>Youth Monthly Pass – 50% of Adult Fare</b>                 | \$24.00  | \$36.00  | \$38.00  | \$14.00   | +58%                                    | 19,190                     | 88.8%                      | 17,033                              |
| <b>Senior Monthly Pass – 50% of Adult Fare</b>                | \$24.00  | \$36.00  | \$38.00  | \$14.00   | +58%                                    | 18,731                     | 45.0%                      | 8,431                               |
| <b>Disabled Monthly Pass – 50% of Adult Fare</b>              | \$24.00  | \$36.00  | \$38.00  | \$14.00   | +58%                                    | 11,309                     | 63.9%                      | 7,229                               |
| <b>Lifeline Monthly Pass</b>                                  | \$35.00  | \$36.00  | \$38.00  | \$3.00  | +9%                                     | 6,329                      | 90.9%                      | 5,818                               |
| <b>Passports</b>  | 1-Day: \$20.00<br>3-Day: \$31.00<br>7-Day: \$40.00 | 1-Day: \$21.00<br>3-Day: \$32.00<br>7-Day: \$42.00 | 1-Day: \$22.00<br>3-Day: \$33.00<br>7-Day: \$43.00 | 1-Day: \$2.00<br>3-Day: \$2.00<br>7-Day: \$3.00 | 1-Day: +10%<br>3-Day: +6%<br>7-Day: +8% | 22,105                     | 43.5%                      | 9,608                               |
| <b>Tokens (Pack of 10)</b>                                    | \$22.50  | \$22.50  | \$25.00  | \$2.50  | +11%                                    | 45 <sup>2</sup>            | 67.2%                      | 30 <sup>2</sup>                     |



| Fare Type                                      | FY 2016 Current Fares | FY 2017 Proposed Fares | FY 2018 Proposed Fares | FY 2016-2018 Change | FY 2016-2018 Percentage Change | Estimated Ridership | % Minority Impacted | Estimated Minority Ridership |
|--|-----------------------|------------------------|------------------------|---------------------|--------------------------------|---------------------|---------------------|------------------------------|
| Adult Inter-Agency Transfer Clipper® Cash Fare | \$1.75                | \$1.75                 | \$2.00                 | \$0.25              | +14%                           | Data Not Available  | Data Not Available  | Data Not Available           |
| Class Pass                                     | \$29.00               | \$30.00                | \$31.00                | \$2.00              | +7%                            | 6,184               | 80.0%               | 4,949                        |
| School Coupon Booklet                          | \$15.00               | \$15.00                | \$18.75                | \$3.75              | +25%                           | Data Not Available  | Data Not Available  | Data Not Available           |
| <b>TOTAL-Fare Increases</b>                    | N/A                   | N/A                    | N/A                    | N/A                 | N/A                            | <b>677,153</b>      | <b>57.2%</b>        | <b>387,521</b>               |

Notes: The estimated ridership in each fare type category for Tables 1 and 2 is not consistent because not all survey respondents answered both income and ethnicity questions.

<sup>1</sup> The 2013 Systemwide On-Board Survey did not distinguish between ‘A’ (BART) and ‘M’ (Muni-Only) Adult Passes.

<sup>2</sup> SFMTA sells approximately 95% of tokens to social service agencies that would be eligible for the proposed 50% discount for token sales to low-income populations. The estimated ridership is distributed proportionally between eligible social services agencies (95%) and ineligible entities (5%)

**Table 3: Assessment of Disproportionate Burden – Fare Decreases**

| Fare Type  | FY 2016 Current Fares | FY 2017 Proposed Fares             | FY 2018 Proposed Fares             | FY 2016-2018 Change                  | FY 2016-2018 Percentage Change | Estimated Ridership | % Low-Income Impacted | Estimated Low-Income Ridership |
|--|-----------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------|---------------------|-----------------------|--------------------------------|
| Youth Base Fare – Increase age eligibility from 17 to 18 | \$2.25                | \$1.00 (Clipper®)<br>\$1.25 (cash) | \$1.25 (Clipper®)<br>\$1.50 (cash) | -\$1.00 (Clipper®)<br>-\$0.75 (cash) | -44% (Clipper®)<br>-33% (cash) | Data Not Available  | Data Not Available    | Data Not Available             |
| Tokens and Passes for Low Income Populations             | \$2.25                | \$1.10                             | \$1.25                             | -\$1.00                              | -44%                           | 1,471 <sup>1</sup>  | 85.7%                 | 1,262 <sup>1</sup>             |
| Special Event Service Adult R/T                          | \$14.00               | Regular fare                       | Regular Fare                       | -\$9.00 (Clipper®)<br>-\$8.50 (Cash) | -64% (Clipper®)<br>-61% (Cash) | Data Not Available  | Data Not Available    | Data Not Available             |
| <b>Total-Fare Decreases</b>                              | N/A                   | N/A                                | N/A                                | N/A                                  | N/A                            | 1,471               | 85.7%                 | 1,262                          |

<sup>1</sup> SFMTA sells approximately 95% of tokens to social service agencies that would be eligible for the proposed 50% discount for token sales to low-income populations. The estimated ridership is distributed proportionally between eligible social services agencies (95%) and ineligible entities (5%)

**Table 4: Assessment of Disproportionate Burden – Fare Increases**

| <b>Fare Type</b>  | <b>FY 2016 Current Fares</b>                       | <b>FY 2017 Proposed Fares</b>                      | <b>FY 2018 Proposed Fares</b>                      | <b>FY 2016-2018 Change</b>                      | <b>FY 2016-2018 Percentage Change</b>   | <b>Estimated Ridership</b> | <b>% Low-Income: Impacted</b> | <b>Estimated Low-Income Ridership</b> |
|---|--|--|--|---|---|----------------------------|-------------------------------|---------------------------------------|
| <b>Adult Base Fare - Clipper® Card or Mobile Ticketing</b>    | \$2.25   | \$2.25   | \$2.50   | \$0.25  | +11%                                    | 101,530                    | 36.3%                         | 36,828                                |
| <b>Youth Base Fare - Clipper® Card or Mobile Ticketing</b>    | \$1.00   | \$1.00   | \$1.25   | \$0.25  | +25%                                    | 6,572                      | 65.1%                         | 4,279                                 |
| <b>Senior Base Fare - Clipper® Card or Mobile Ticketing</b>   | \$1.00   | \$1.00   | \$1.25   | \$0.25  | +25%                                    | 7,216                      | 45.6%                         | 3,291                                 |
| <b>Disabled Base Fare - Clipper® Card or Mobile Ticketing</b> | \$1.00   | \$1.00   | \$1.25   | \$0.25  | +25%                                    | 5,005                      | 71.9%                         | 3,600                                 |
| <b>Adult Base Fare – On Board Cash Premium</b>                | \$2.25   | \$2.50   | \$2.75   | \$0.50  | +22%                                    | 178,779                    | 60.6%                         | 108,267                               |
| <b>Youth Base Fare – On Board Cash Premium</b>                | \$1.00   | \$1.25   | \$1.50   | \$0.50  | +50%                                    | 20,727                     | 78.6%                         | 16,302                                |
| <b>Senior Base Fare – On Board Cash Premium</b>               | \$1.00   | \$1.25   | \$1.50   | \$0.50  | +50%                                    | 13,200                     | 56.0%                         | 7,389                                 |
| <b>Disabled Base Fare – On Board Cash Premium</b>             | \$1.00   | \$1.25   | \$1.50   | \$0.50  | +50%                                    | 8,978                      | 86.0%                         | 7,722                                 |
| <b>Adult “A” Fast Pass with rides on BART in SF</b>           | \$83.00  | \$91.00  | \$94.00  | \$11.00   | +11%                                    | 225,507 <sup>1</sup>       | 43.5% <sup>1</sup>            | 98,019 <sup>1</sup>                   |
| <b>Adult “M” Fast Pass Muni Only</b>                          | \$70.00  | \$73.00  | \$75.00  | \$5.00  | +7%                                     | 225,507 <sup>1</sup>       | 43.5% <sup>1</sup>            | 98,019 <sup>1</sup>                   |
| <b>Youth Monthly Pass – 50% of Adult Fare</b>                 | \$24.00  | \$36.00  | \$38.00  | \$14.00   | +58%                                    | 24,512                     | 79.8%                         | 19,559                                |
| <b>Senior Monthly Pass – 50% of Adult Fare</b>                | \$24.00  | \$36.00  | \$38.00  | \$14.00   | +58%                                    | 18,536                     | 50.3%                         | 3,291                                 |
| <b>Disabled Monthly Pass – 50% of Adult Fare</b>              | \$24.00  | \$36.00  | \$38.00  | \$14.00   | +58%                                    | 18,542                     | 83.0%                         | 3,600                                 |
| <b>Lifeline Monthly Pass</b>                                  | \$35.00  | \$36.00  | \$38.00  | \$3.00  | +9%                                     | 6,535                      | 92.2%                         | 6,022                                 |
| <b>Passports</b>  | 1-Day: \$20.00<br>3-Day: \$31.00<br>7-Day: \$40.00 | 1-Day: \$21.00<br>3-Day: \$32.00<br>7-Day: \$42.00 | 1-Day: \$22.00<br>3-Day: \$33.00<br>7-Day: \$43.00 | 1-Day: \$2.00<br>3-Day: \$2.00<br>7-Day: \$3.00 | 1-Day: +10%<br>3-Day: +6%<br>7-Day: +8% | 19,831                     | 47.9%                         | 9,503                                 |
| <b>Tokens (Pack of 10)</b>                                    | \$22.50  | \$22.50  | \$25.00  | \$2.50  | +11%                                    | 77 <sup>2</sup>            | 85.7%                         | 66 <sup>2</sup>                       |
| <b>Adult Inter-Agency Transfer Clipper® Cash Fare</b>         | \$1.75   | \$1.75   | \$2.00   | \$0.25  | +14%                                    | Data Not Available         | Data Not Available            | Data Not Available                    |
| <b>Class Pass</b>   | \$29.00  | \$30.00  | \$31.00  | \$2.00  | +7%                                     | 6,184                      | 80.0%                         | 4,949                                 |

| Fare Type                   | FY 2016 Current Fares | FY 2017 Proposed Fares | FY 2018 Proposed Fares | FY 2016-2018 Change | FY 2016-2018 Percentage Change | Estimated Ridership | % Low-Income: Impacted | Estimated Low-Income Ridership |
|-----------------------------|-----------------------|------------------------|------------------------|---------------------|--------------------------------|---------------------|------------------------|--------------------------------|
| School Coupon Booklet       | \$15.00               | \$15.00                | \$18.75                | \$3.75              | +25%                           | Data Not Available  | Data Not Available     | Data Not Available             |
| <b>Total-Fare Increases</b> | N/A                   | N/A                    | N/A                    | N/A                 | N/A                            | 661,731             | 50.3%                  | 332,687                        |

Note: The estimated ridership in each fare type category for Tables 1 through 4 is not consistent because not all survey respondents answered both income and ethnicity questions.

<sup>1</sup> The 2013 Systemwide On-Board Survey did not distinguish between ‘A’ (BART) and ‘M’ (Muni-Only) Adult Passes.

<sup>2</sup> SFMTA sells approximately 95% of tokens to social service agencies that would be eligible for the proposed 50% discount for token sales to low-income populations. The estimated ridership is distributed proportionally between eligible social services agencies (95%) and ineligible entities (5%)

**Table 5: Summary of Disparate Impact and Disproportionate Burden Analysis, All Fare Changes**

| Change             | % Minority Impacted | System-wide Average: Minority | Disparate Impact? | % Low-Income Impacted | System-wide Average: Low-Income | Disproportionate Burden? |
|--------------------|---------------------|-------------------------------|-------------------|-----------------------|---------------------------------|--------------------------|
| All Fare Decreases | 61%                 | 58%                           | No                | 86% <sup>1</sup>      | 51%                             | No                       |
| All Fare Increases | 57%                 | 58%                           | No                | 50%                   | 51%                             | No                       |

<sup>1</sup> Low income customers would disproportionately benefit from the fare decreases; as a result there is not a disproportionate burden impact.

## VI. Low and Moderate Income Fare Programs

Over the past decade, the SFMTA has developed a number of programs geared specifically toward low-income customers in every fare category: the Lifeline Pass (adults), Free Muni for Youth, Free Muni for Seniors, and Free Muni for People with Disabilities. The table below indicates the income eligibility thresholds for each of these programs.

**Table 6: Muni Discount Programs**

| Household Size | Adult Lifeline Pass (50% off Muni-Only ‘M’ Pass)<br>Eligibility: 200% of Federal Poverty Level or Less | Free Muni for Low and Moderate Income Youth, Seniors and People with Disabilities<br>Eligibility: 100% Bay Area Median Income or Less |
|----------------|--|---|
| 1              | \$23,540   | \$71,350  |
| 2              | \$31,860   | \$81,500  |
| 3              | \$40,180   | \$91,700  |
| 4              | \$48,500   | \$101,900   |
| 5              | \$56,820   | \$110,050   |
| 6              | \$65,140   | \$118,200   |
| 7              | \$73,460   | \$126,350   |

|                |  |  |
|----------------|--|--|
| Household Size | <b>Adult Lifeline Pass</b><br>(50% off Muni-Only ‘M’<br>Pass)<br>Eligibility: 200% of Federal<br>Poverty Level or Less | <b>Free Muni for Low and<br/>Moderate Income<br/>Youth, Seniors and<br/>People with Disabilities</b><br>Eligibility: 100% Bay<br>Area Median Income or<br>Less |
| 8              | \$81,780   | \$134,500  |

The SFMTA offers its Lifeline Pass at a 50% discount relative to the Muni-Only pass. The Lifeline Pass, which was created by SFMTA in 2005 in conjunction with the City’s Human Services Agency in order to minimize the impact of fare increases being implemented at that time, will continue to be offered at a 50% discount off the regular pass price. Eligibility for the Lifeline Fast Pass is based on three criteria: (1) enrollment in the Working Families Tax Credit, the local version of the Earned Income Tax Credit; (2) enrollment in another income support program administered by the Human Services Agency (e.g., food stamps, County Adult Assistance Program, or CalWORKS); or (3) income at or below 200 percent of the federal poverty level, which is a pre-tax income of approximately \$48,500 for a family of four people.

**VII. Discussion of Cash Fare Increase for Cash Paying Riders**

At its February 16, 2016 meeting, the SFMTA Board of Directors discussed a proposed 25-cent fare increase that would be assessed when paying with cash for on-board vehicles or for tickets at Metro stations, as opposed to paying the fare with cash value on a Clipper® Card or Mobile Ticketing. In particular, the Board had questions about the impact of this individual fare proposal on minority and low-income populations. The following analysis provides data on the estimated impacts of the proposed cash fare increase on Title VI-protected populations to inform the Board of Directors on its policy decision.

*Purpose*

The proposed fare policy would implement a \$0.25 fare increase for customers who pay with cash on-board vehicles or at Metro stations. The purpose of this fare increase would be to incentivize customers to prepay fares before boarding by pre-loading their Clipper® card or paying with Mobile Ticketing. Potential benefits would include:

- Reducing dwell times, increasing reliability and increasing on-time performance
- Reducing farebox transactions and maintenance

*Summary of Demographic Usage of Cash Fare Increase for Cash Paying Riders versus Fare Payments Using a Clipper® Card with Cash Value*

SFMTA’s 2013 On-Board Customer Survey found that approximately 22% of SFMTA customers pay with cash on-board vehicles. Overall these cash payments have likely declined since 2013 due to the full implementation of the Free Muni for Low and Moderate Income Youths, Seniors and People with Disabilities, which requires eligible customers to use a Clipper® Card. Focusing on adult ridership, where no corresponding fare changes have been made, a demographic analysis of the survey data indicates that:

- Adult on-board cash payers are about 9% more likely to be minority and 24% more likely to be low-income than those using a Clipper® Card
- Adult on-board cash payers have an estimated annual median income of under \$35,000, compared to an estimated \$70,000 for customers who use a Clipper® Card with cash value

**Table 7: Base Fare Payment: Clipper® Card Cash Value vs. On-Board Cash**

| Fare Category | Clipper® Card Cash Value % Minority | On-Board Cash % Minority | Clipper® Card Cash Value % Low Income | On-Board Cash % Low Income |
|---------------|-------------------------------------|--------------------------|---------------------------------------|----------------------------|
| Adult         | 49.4%                               | 58.1%                    | 36.3%                                 | 60.6%                      |
| Youth         | 79.9%                               | 88.3%                    | 65.1%                                 | 78.6%                      |
| Senior        | 42.7%                               | 43.9%                    | 45.6%                                 | 56.0%                      |
| Disabled      | 57.7%                               | 50.0%                    | 71.9%                                 | 86.0%                      |

Table 7 illustrates the percentages of minority and low-income populations that pay the base fare using (a) a Clipper® Card with cash value versus (b) paying with cash (which would be subject to the \$0.25 fare increase). Detailed demographic information about Mobile Ticketing usage is not available; the program began after the 2013 On-Board Customer Survey took place. However, it is possible that Mobile Ticketing users could have higher income levels than on-board cash users. Activating Mobile Ticketing requires a credit or debit card or a PayPal account tied to a credit, debit or bank account.

Since the 2013 On-Board Customer Survey was conducted, the SFMTA has implemented the Free Muni for Low- and Moderate Income Youths, Seniors and People with Disabilities program. With the income threshold set at 100% of the Bay Area median income, all low-income persons in those discount categories would be eligible for those free programs and not be negatively impacted by the surcharge.

Additionally, for youths, there appears to be a high correlation between low-income and minority ridership status. A spring 2013 survey of public high school students conducted by the San Francisco Unified School District in partnership with the SFMTA revealed that approximately 94% of Free Muni for Youth Pass recipients were members of an ethnic minority or mixed race.

*Cash Fare Increase for Cash Paying Riders Analysis for Adult Minority and Low-Income Populations*

Based on this analysis, the most significant impacts of the \$0.25 additional cash fare increase would be on adult minority and low-income customers.

- 58% of adults paying cash on-board are minorities<sup>1</sup>, compared to 49% of adults paying with Clipper® Card cash value
- 61% of adults paying cash on-board are low-income, compared to 36% of adults paying with Clipper® Card cash value

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<sup>1</sup> Under the Board-approved Disparate Impact and Disproportionate Burden Policies, the methodology aggregates all minority groups (e.g., Asian, Black/African-American, Hispanic and Native American) together for the purposes of evaluating whether there is a disparate impact. This does not necessarily imply that the impacts would be uniform across different minority groups.

The SFMTA offers one of the most robust low-income fare programs among peer transit agencies. In particular, adults earning less than two times the Federal Poverty Level are eligible to purchase a Lifeline Pass which offers a 50% discount off the Muni-Only ‘M’ Pass. Free Muni is also available for youths, seniors and people with disabilities at or below the Bay Area median income.

However, there are still low-income adult customers who (a) do not ride Muni often enough to make purchasing a Lifeline Pass financially worthwhile, and/or (b) are lower income but are ineligible to purchase a Lifeline Pass. For example, a full-time worker earning San Francisco’s \$12.25 minimum wage would have a pre-tax income of approximately \$25,480 per year, above the \$23,540 income eligibility threshold for the Lifeline Pass.

Table 8 indicates the approximate income distribution of adult cash and non-cash customers based on responses from the 2013 Systemwide On-Board Survey. (Because those surveyed indicated their income by range, exact income levels are not available and may have changed since 2013.) The estimated annual median income for customers paying with cash on-board is less than \$35,000 compared with approximately \$70,000 for customers paying with Clipper® Card cash value.

**Table 8: Income Distribution of Adult Base Fare Payments: Clipper® Card with Cash Value vs. On-Board Cash<sup>1</sup>**

| Income Range              | Clipper® Card with Cash Value       | On-Board Cash Payment |
|---------------------------|-------------------------------------|-----------------------|
| Under \$15,000            | 14%                                 | 26%                   |
| \$15,000-24,999           | 8%                                  | 15%                   |
| \$25,000-34,999           | 7%                                  | 10%                   |
| \$35,000-49,999           | 10%                                 | 11%                   |
| \$50,000-99,999           | 27%                                 | 20%                   |
| \$100,000-149,999         | 16%                                 | 8%                    |
| \$150,000-199,999         | 8%                                  | 5%                    |
| \$200,000 and over        | 10%                                 | 5%                    |
| Approximate Median Income | Approximately \$70,000 <sup>2</sup> | Less than \$35,000    |

<sup>1</sup> Free Muni programs for youths, seniors and people with disabilities do not apply here; the data only include the adult fare category.

<sup>2</sup> Approximate median income for Clipper® Cash users estimated at \$70,000 (39% of Clipper® Cash customers earn less than \$50,000 and 27% earn between \$50,000 and \$99,999. Assuming an even income distribution within the \$50,000 to \$99,999 income bracket, the median income would be approximately \$70,000)

**Alternatives**

To avoid the cash fare increase for cash paying riders, customers who do not wish to purchase or do not qualify for a Lifeline Pass may:

- Acquire a Clipper® Card at a retail outlet or vending machine for a \$3.00 charge. Youths, seniors and people with a disability must apply for a Clipper® Card and demonstrate proof of eligibility. Clipper® will waive the \$3 fee if customers purchase their card online and sign up for Autoload (see below) at the same time.
- Reload their Clipper® Cards at locations throughout the SFMTA service area, including all underground Metro stations, Muni ticket offices, Walgreens and other retail outlets.

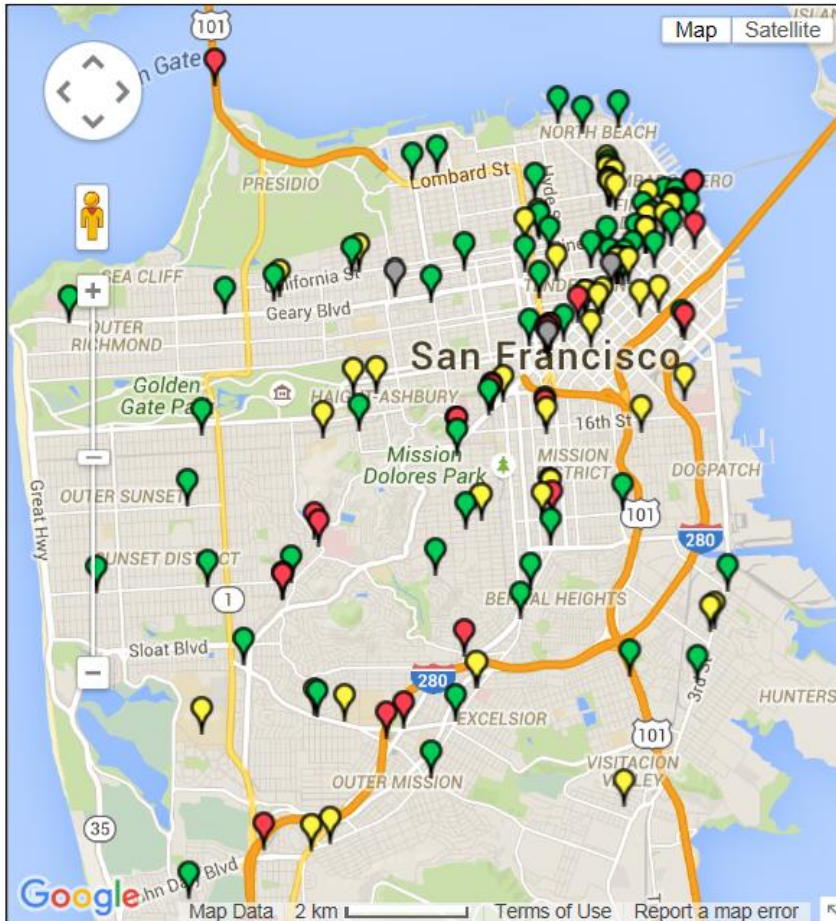
- Use the Autoload feature that automatically refills their balance when it falls below a preset level or activates a fare product, provided that the customer has a credit or debit card account to link to their Clipper® Card.
- Reload their card over the phone or online, provided that the customer has a credit or debit card account. There may be a 3 to 5 day delay before the balance is reflected on their card.
- Use Mobile Ticketing to purchase single-ride fares using their smart phones, provided that the customer has a smart phone and a credit or debit card account or a PayPal account associated with a credit, debit or bank account to link to the app.

Nonetheless, there are impediments to reloading Clipper® Cards and/or using mobile ticketing, which may impact lower-income customers in particular. Low-income individuals may not have bank accounts or sufficient credit to open a credit card account. As noted above, a customer may be lower-income yet still surpass the Lifeline Pass income threshold. To prepay fares, customers must:

- Be near a Clipper® Card outlet during the hours when it is open, or
- Have sufficient funds to have a credit or debit card account to use Autoload or recharge online or over the phone, or
- Wait up to 5 days for value added online or over the phone to be available, or
- Have a smart phone, and a credit or debit card account or a PayPal account associated with a credit, debit or bank account to pay for Mobile Ticketing

As illustrated by the map below, the density of the Clipper® Card retail network varies greatly depending on neighborhood. In partnership with the SFMTA, the Metropolitan Transportation Commission (MTC) manages the retail network and encourages, but does not require businesses to offer Clipper® card reloading and fare product purchases. In addition, outlet retail hours may vary considerably. Shorter business hours limit access, particularly for lower-income customers who may work during non-standard business hours. For example, the Visitacion Valley Pharmacy – one of the few outlets in the southeast quadrant of the City – is open from 9:30 am to 5:30 pm on weekdays and 9:30 am to 2:00 pm on Saturdays, and is closed on Sundays. Likewise, the Cesar Chavez Student Center at San Francisco State, which serves the university, Parkmerced and surrounding neighborhoods is closed on Sundays.

## Map of Clipper® Card Retail Outlet Locations



### Key:

Red = Ticket Vending Machine (first generation vending machines at the Golden Gate Bridge, Caltrain and the Transbay Terminal do not accept cash)

Green = Walgreens

Yellow = other retail outlets

Grey = SFMTA Customer Service Office and sales kiosks

Because geographical and temporal coverage is not uniform throughout the City, some customers may have fewer or less convenient opportunities to reload or purchase fare products on their Clipper® Card. With some exceptions, the outer periphery of the City – where there are large concentrations of low-income and minority populations – has fewer retail outlets than the Central Business District or closer-in neighborhoods. It is possible that some of these customers may have to travel to parts of the City where Clipper® Card retail outlets are more abundant. The SFMTA is looking into measures that would help improve access to Clipper® cards and ease the transition for existing cash-paying customers, such as offering Clipper® cards for free for a limited time, increasing the number of vendors in the Clipper® system, and conducting significant outreach to the community.



## **VIII. Public Comment and Outreach**

Pursuant to Title VI of the Civil Rights Act of 1964 and its implementing regulations, as well as state and local laws, the SFMTA takes responsible steps to ensure meaningful access to the benefits, services, information, and other important portions of SFMTA's programs and activities for low-income, minority, and Limited-English Proficient individuals and regardless of race, color or national origin. Given the diversity of San Francisco and of Muni's ridership, the SFMTA is strongly committed to disseminating information on both service changes and fare increases that is accessible to Limited English Proficient (LEP) persons. The SFMTA is undertaking a multilingual public information campaign in order to obtain public input on the proposed fare changes from all communities.

During March and April 2016, the SFMTA will have held budget hearings before the SFMTA's Board of Directors on February 16th and March 15th, one Budget webinar on March 21st and two Budget Open Houses on March 23rd and 26th in order to seek out and consider community input. These meetings were noticed in multiple languages and included information on how to request free language assistance with 48 hours' notice prior to the meeting. The budget was also discussed by the Citizen's Advisory Council on February 4th and scheduled for future meetings on March 3rd and March 24th. SFMTA also produced a Fact Sheet and blast e-mailed to our community and major project mailing lists. As required by the City Charter, advertisements publicizing each of these hearings were placed in advance in the City newspapers. Multilingual ads were also placed in prominent Chinese and Spanish newspapers in San Francisco. Multilingual information was also available to the public through the SFMTA website during the entire budget process. In addition, information was distributed through press releases and through SFMTA/Muni's Twitter and Facebook accounts.

## **IX. Conclusion**

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. In compliance with this law, the SFMTA has conducted a Title VI analysis on its proposed fare changes for the next two fiscal years. This analysis has found that there are no disparate impacts or disproportionate burden effects on the fare change packages taken as a whole.

One specific proposal would increase the cash fare for cash paying riders by 25 cents, but not for customers using a Clipper® Card with cash value or Mobile Ticketing. SFMTA survey data suggest that this proposal would more greatly impact minority and low-income customers. Cash paying riders are more likely to be minority by 9 percent and low-income by 24 percent, and earn approximately half the annual median income (\$35,000 vs. \$70,000) compared to customers who use a Clipper® Card with cash value. In addition, the analysis found that geographical and temporal access to the Clipper® card vendor network varies by neighborhood.

Some impacted customers may be income-eligible for Free Muni for Youths, Seniors and People with Disabilities or the Lifeline Pass for adults. The SFMTA is also looking into measures that would help improve access to Clipper® cards and ease the transition for existing cash-paying customers, such as offering Clipper® cards for free for a limited time and increasing the number of vendors in the Clipper® system. Finally, the SFMTA proposes to delay any fare increases to January 1, 2017 in order to conduct significant outreach to the community.