

**THIS PRINT COVERS CALENDAR ITEM NO.: 10.7**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Approving revisions to the Title VI analysis for the fare changes in the SFMTA Fiscal Year (FY) 2015 and FY 2016 Operating Budget including providing “Free Muni” for low and moderate income 18 year olds, effective November 1, 2014, and providing “Free Muni” to low and moderate income 19-22 year olds enrolled in the San Francisco Unified School District’s Special Education Programs.

**SUMMARY:**

- On April 15, 2014, the SFMTA Board of Directors approved the SFMTA FY 2015 and FY 2016 Operating Budget.
- At the April 15, 2014 Board meeting, the SFMTA Board of Directors approved providing free Muni for low and moderate income 18 year olds effective November 1, 2014, instead of upon MTAB further review in January 2015 as originally proposed.
- The Board also directed the Director of Transportation (DOT) to explore the feasibility of providing “Free Muni” for low and moderate income 19-22 year olds enrolled in SFUSD’s Special Education programs. As part of a separate calendar item, the DOT now recommends making this fare change to the Board
- These items were not incorporated into the Title VI analysis before the Board at its April 15, 2014 meeting. The Title VI analysis has been updated to reflect both of these changes.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Title VI Analysis

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_ 8/10/14

SECRETARY \_\_\_\_\_ 8/10/14

**ASSIGNED SFMTAB CALENDAR DATE:** August 19, 2014

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### **PURPOSE**

Approves revisions to the Title VI analysis for the fare changes in the SFMTA Fiscal Year (FY) 2015 and FY 2016 Operating Budget including providing "Free Muni" for low and moderate income 18 year olds, effective November 1, 2014, and providing "Free Muni" to low and moderate income 19-22 year olds enrolled in the San Francisco Unified School District's Special Education Programs.

### **GOAL**

This item supports the following Strategic Plan Goals:

Goal 3: Improve the environment and quality of life in San Francisco

### **DESCRIPTION**

On April 15, 2014, the SFMTA Board approved the SFMTA FY 2015 and FY 2016 Operating Budget but made the following modification:

- Approved providing "Free Muni" for low and moderate income 18 year olds effective November 1, 2014 instead of contingent upon a review of the agency's fiscal health in January 2015 as originally proposed.

The Board also directed the DOT to explore the feasibility of providing "Free Muni" for low and moderate income 19-22 year olds enrolled in SFUSD's Special Education programs. At this time, the DOT recommends making this fare change subject to approval by the MTAB.

The Title VI analysis has been revised to reflect both of these changes and now requires Board approval.

### ***Title VI Analysis***

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. Pursuant to the requirements contained in the Federal Transit Administration's (FTA) Circular 4702.1B, "Title VI and Title VI- Dependent Guidelines for Federal Transit Administration Recipients," SFMTA performed a Title VI analysis of the proposed fare changes to Municipal Railway passes, passports, stickers, and fares. These fare changes were evaluated to determine if the proposed changes have a disparate impact on minority populations or a disproportionate burden on low-income populations.

As a result of this analysis, SFMTA staff determined that there are neither disparate impacts nor disproportionate burdens associated with any of the proposed fare changes including the ones approved by the Board at the April 15, 2014 Board meeting and the one anticipated to be approved at the August 19, 2014 Board meeting. Pursuant to FTA requirements, the SFMTA Board is required to approve the Title VI analysis.

## **ALTERNATIVES CONSIDERED**

The alternative would be not to accept the revisions to the Title VI report which is a FTA requirement.

## **FUNDING IMPACT**

The impact of these revisions has a funding impact to the SFMTA FY 2015 and FY 2016 Budget.

## **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The City Attorney's Office has reviewed the item.

## **RECOMMENDATION**

That the SFMTA Board of Directors approve the Title VI analysis for the fare changes in the SFMTA Fiscal Year (FY) 2015 and FY 2016 Operating Budget including providing "Free Muni" for low and moderate income 18 year olds, effective November 1, 2014, and providing "Free Muni" to low and moderate income 19-22 year olds enrolled in the San Francisco Unified School District's Special Education Programs.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, On April 15, 2014, the SFMTA Board approved the SFMTA FY 2015 and FY 2016 Operating Budget; and

WHEREAS, On April 15, 2014, the SFMTA Board approved providing "Free Muni" for low and moderate income 18 year olds effective November 1, 2014 instead of contingent upon a review of the agency's fiscal health in January 2015 as originally proposed; and

WHEREAS, On August 19, 2014, the SFMTA Board approved an additional fare change to provide "Free Muni" for low and moderate income 19-22 year olds enrolled in the SFUSD's Special Education programs; and

WHEREAS, Title VI of the Civil Rights Act of 1964 applies to programs and services receiving federal funding and prohibits discrimination based on race, color, or national origin from federally funded programs such as transit and in order to remain compliant with Title VI requirements and ensure continued federal funding, the SFMTA must analyze the impacts of fare changes on minority and low income populations in compliance with the FTA's updated Circular 4702.1B; and

WHEREAS, The SFMTA prepared a comprehensive Title VI analysis of the impacts of the proposed fare changes on low-income and minority communities in San Francisco and has determined that there is no disparate impact to minority populations or disproportionate burden to low-income populations; now therefore be it

RESOLVED, That the SFMTA Board approves revisions to the Title VI analysis for the fare changes in the SFMTA Fiscal Year (FY) 2015 and FY 2016 Operating Budget, including providing "Free Muni" for low and moderate income 18 year olds, effective November 1, 2014, and providing "Free Muni" to low and moderate income 19-22 year olds enrolled in the San Francisco Unified School District's Special Education Programs.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of August 19, 2014.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency



**SFMTA**  
Municipal  
Transportation  
Agency

# **Updated Title VI Analysis of FY 2015 & FY 2016 Proposed Fare Changes**

August 19, 2014

## **I. Overview**

At the April 15, 2014 meeting of the San Francisco Municipal Transportation Agency Board of Directors (MTAB), in addition to other fare changes, the Board approved the following fares for FY2015-2016: one, to continue to provide “Free Muni” for low and moderate income youth up to 17 years old who use a Clipper® card; and two, to provide “Free Muni” for low and moderate income 18 year olds who use a Clipper card effective November, 2014. The latter change differed from an initial proposal that the inclusion of 18 year olds be contingent upon a review and determination of the Agency’s fiscal health in January, 2015. At the April 15<sup>th</sup> meeting, the MTAB requested that the Title VI report approved at that Board meeting be updated and approved at a later Board meeting to reflect this change. This approval is scheduled to occur at the August 19, 2014 MTAB meeting.

In addition, on April 15<sup>th</sup> the MTAB gave direction to the Director of Transportation (DOT) to explore the feasibility of adding low and moderate income 19 to 22 year olds enrolled in the San Francisco Unified School District’s (SFUSD) Special Education programs to the “Free Muni” program. On August 19<sup>th</sup>, it is expected that the MTAB will approve the DOT's recommendation that these students be added to the program. This report reflects these two modifications and serves as an update to the SFMTA’s Title VI report on the Agency’s FY 2015-2016 fare changes that was approved at the April 15, 2014 MTAB meeting.

## **II. 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 populations.

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, biodiesel 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 63 bus routes, seven light rail lines, the historic streetcar F Line 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.

In 2009, the SFMTA Board adopted an Automatic Indexing Plan, a formula based on a combination of Bay Area Consumer Price Index for all urban consumers (CPI-U) and SFMTA labor costs. Prior to that time, the SFMTA instituted fare increases less frequently but at higher rates. The application of the Automatic Indexing Plan results in smaller, more predictable fare increases rather than larger, more infrequent fare increases.

The proposed FY2015-2016 budget includes two sets of fare changes: the application of the above-referenced fare indexing plan, as well as a second set of fare proposals that serves to either increase prices for specific fare products beyond the indexing formula, or to introduce fare increases or decreases outside of the indexing plan.

This Title VI analysis includes:

- SFMTA's Board-approved disparate impact and disproportionate burden policies, as well as a summary of the public outreach and engagement process employed in the development of these 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.

### **III. SFMTA's Title VI-Related Policies and Definitions**

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 – establish 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, the 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.

The SFMTA Board of Directors approved the Title VI policies (see Resolution No. 13-192).

### Stakeholder Outreach and Engagement

As part of the SFMTA’s process to develop the proposed Title VI policies, the 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 July 16, 2013. The policies were approved at the Board of Directors meeting on August 20, 2013.

**Definition of Minority**

For the purpose of the Title VI analysis, “minority” is defined as a person who self-identifies as any race/ethnicity other than white. Minority includes those self-identifying as multi-racial including white.

**Definition of Low Income**

The SFMTA defines low-income as a person self-reporting their household income at 200% below the 2013 Federal Poverty Levels (FPL). The table below shows the 2013 household income levels meeting the 200% FPL threshold. This definition of low-income matches the SFMTA’s criteria for Lifeline Muni passes for low-income households in San Francisco.

Household Size	Household Income 200% of the 2013 Federal Poverty Levels
1	\$22,980
2	\$31,020
3	\$39,060
4	\$47,100
5	\$55,140
6	\$63,180
7	\$71,220
8	\$79,260
For each additional person, add:	\$8,040

**IV. 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 minority 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 the SFMTA finds potential disparate impacts and then modifies the proposed changes in order to avoid, minimize or mitigate those impacts, it is required to reanalyze the proposed changes in order to determine whether the modifications actually removed the potential disparate impacts of the changes. If

SFMTA chooses not to alter the proposed fare changes despite the disparate impact on minority ridership, or if it finds, even after the revisions, 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 the transit provider's 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.

## **V. 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). Unlike previous Title VI analyses, the SFMTA has data on ridership demographics by transit line based on a comprehensive On-Board Customer 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-based impact) and/or disproportionate burden (low-income based impact) 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.

## **VI. Description of Proposed Fare Changes and Analysis of Impacts**

As noted in Section II, the SFMTA's FY2015-2016 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. Tables 1 through 4 provide an analysis of the effects of the fare changes included in both sets of fare proposals on minority and low-income customers. Tables 1 and 2 examine all fare increases together, and Tables 3 and 4 examine all fare decreases together. Both tables include current and proposed fares by planned year of implementation, as well as the demographic characteristics of the customers who use each fare type. Finally, they compare the cumulative usage of these fare types by minority and low-income customers to their representation system-wide. 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. Based on applying this analysis, the proposed fare changes do not result in either a disparate impact or disproportionate burden.

**Table 1: All Fare Increases - Assessment of Disparate Impact**

Fare Type	FY 2014 Current Fare	FY 2015 Proposed Fare	FY 2016 Proposed Fare	Estimated Ridership	% Minority	Estimated Minority Ridership
Adult Cash Fare	\$2.00	\$2.25	\$2.25	240,149	54%	129,076
Youth Cash Fare	\$0.75	\$0.75	\$1.00	21,996	86%	18,947
Senior Cash Fare	\$0.75	\$0.75	\$1.00	20,545	44%	8,999
Disabled Cash Fare	\$0.75	\$0.75	\$1.00	8,334	53%	4,438
Adult "A" Fast Pass with BART in SF <sup>1</sup>	\$76.00	\$80.00	\$83.00	240,433	58%	138,491
Adult "M" Fast Pass Muni Only <sup>1</sup>	\$66.00	\$68.00	\$70.00	Included in Previous Fare Type <sup>2</sup>		
Youth Monthly Pass	\$23.00	\$23.00	\$25.00	18,326	89%	16,267
Senior Monthly Pass	\$23.00	\$23.00	\$25.00	17,978	45%	8,092
Disabled Monthly Pass	\$23.00	\$23.00	\$25.00	11,155	64%	7,131
Lifeline Monthly Pass	\$33.00	\$34.00	\$35.00	4,838 <sup>3</sup>	77%	3,724
Lifeline ID Card Replacement Fee	\$5.00	\$5.00	\$5.00	Included in Previous FareType <sup>2</sup>		
Cable Car Cash	\$6.00	\$6.00	\$7.00	10,572	30%	3,121
Cable Car All-Day Pass	\$15.00	\$16.00	\$16.00	20,682	43%	8,975
Passports: 1-Day	\$15.00	\$17.00	\$20.00			
Passports: 3-Day	\$23.00	\$26.00	\$31.00			
Passports: 7-Day	\$29.00	\$35.00	\$40.00	842	67%	566
Tokens (Pack of 10)	\$20.00	\$22.50	\$22.50	Data Not Available <sup>4</sup>		
Interagency Sticker (Caltrain and Vallejo Ferry)	\$61.00	N/A	N/A	Data Not Available <sup>4</sup>		
BART-to-Muni Transfer (each way)	\$1.75	N/A	N/A	20,978	67%	14,063
Adult Interagency Transfer: BART-to-Muni	\$1.50	\$1.75	\$1.75	Included in Previous FareType <sup>2</sup>		
Class Pass	\$27.00	\$28.00	\$29.00	5,745	57%	3,277
School Coupon Booklet	\$11.25	\$15.00	\$15.00	Data Not Available <sup>4</sup>		
Special Event Service Adult R/T	\$12.00	\$12.00	\$14.00	Data Not Available <sup>4</sup>		

<sup>1</sup> Survey responses did not distinguish between "A" and "M" Muni monthly passes. All riders indicating payment with an adult monthly pass are included in these figures.

<sup>2</sup> These fare changes impact the same group of customers as the fare change listed immediately above them. They are listed separately for the purpose of clarifying the fare options; however, ridership and demographics are tabulated only once to avoid double-counting.

<sup>3</sup> "Lifeline Pass" was not included as a standard response in the customer survey. The ridership number shown here is low relative to the amount of passes purchased monthly; however, it is possible that survey respondents indicated use of an adult monthly pass instead of specifying use of a Lifeline pass.

<sup>4</sup> For these fare types, there was either an extremely limited number of or no survey responses received upon which to base an assessment.

Fare Type	FY 2014 Current Fare	FY 2015 Proposed Fare	FY 2016 Proposed Fare	Estimated Ridership	% Minority	Estimated Minority Ridership
Special Event Service Youth/Senior/Disabled R/T	\$11.00	N/A	N/A	Data Not Available <sup>4</sup>		
<b>TOTAL</b>				<b>642,574</b>	<b>57%</b>	<b>365,166</b>

**Table 2: All Fare Increases – Assessment of Disproportionate Burden**

Fare Type	FY 2014 Current Fare	FY 2015 Proposed Fare	FY 2016 Proposed Fare	Estimated Ridership	% Low-Income	Estimated Low-Income Ridership
Adult Cash Fare	\$2.00	\$2.25	\$2.25	240,149	50%	119,555
Youth Cash Fare	\$0.75	\$0.75	\$1.00	21,996	75%	16,482
Senior Cash Fare	\$0.75	\$0.75	\$1.00	20,545	52%	10,683
Disabled Cash Fare	\$0.75	\$0.75	\$1.00	8,334	80%	6,705
Adult "A" Fast Pass with BART in SF <sup>1</sup>	\$76.00	\$80.00	\$83.00	240,433	44%	104,507
Adult "M" Fast Pass Muni Only <sup>1</sup>	\$66.00	\$68.00	\$70.00	Included in Previous Fare Type <sup>2</sup>		
Youth Monthly Pass	\$23.00	\$23.00	\$25.00	18,326	80%	14,623
Senior Monthly Pass	\$23.00	\$23.00	\$25.00	17,978	50%	9,038
Disabled Monthly Pass	\$23.00	\$23.00	\$25.00	11,155	83%	9,262
Lifeline Monthly Pass	\$33.00	\$34.00	\$35.00	4,838 <sup>3</sup>	91%	4,389
Lifeline ID Card Replacement Fee	\$5.00	\$5.00	\$5.00	Included in Previous Fare Type <sup>2</sup>		
Cable Car Cash	\$6.00	\$6.00	\$7.00	10,572	25%	2,645
Cable Car All-Day Pass	\$15.00	\$15.00	\$16.00	20,682	48%	9,884
Passports: 1-Day	\$15.00	\$17.00	\$20.00			
Passports: 3-Day	\$23.00	\$26.00	\$31.00			
Passports: 7-Day	\$29.00	\$35.00	\$40.00			
Tokens (Pack of 10)	\$20.00	\$22.50	\$22.50	842	86%	722
Interagency Sticker (Caltrain and Vallejo Ferry)	\$61.00	N/A	N/A	Data Not Available <sup>4</sup>		
BART-to-Muni Transfer (each way)	\$1.75	N/A	N/A	20,978	47%	9,920
Adult Interagency Transfer: BART-to-Muni	\$1.50	\$1.75	\$1.75	Included in Previous Fare Type <sup>2</sup>		
Class Pass	\$27.00	\$28.00	\$29.00	5,745	77%	4,399
School Coupon Booklet	\$11.25	\$15.00	\$15.00	Data Not Available <sup>4</sup>		
Special Event Service Adult R/T	\$12.00	\$12.00	\$14.00	Data Not Available <sup>4</sup>		

Fare Type	FY 2014 Current Fare	FY 2015 Proposed Fare	FY 2016 Proposed Fare	Estimated Ridership	% Low-Income	Estimated Low-Income Ridership
Special Event Service Youth/Senior/Disabled R/T	\$11.00	N/A	N/A	Data Not Available <sup>4</sup>		
<b>TOTAL</b>				<b>642,574</b>	<b>50%</b>	<b>322,812</b>

**Table 3: All Fare Decreases - Assessment of Disparate Impact**

Fare Type	FY 2014 Current Fare	FY 2015 Proposed Fare	FY 2016 Proposed Fare	Estimated Ridership	% Minority	Estimated Minority Ridership
<i>“Free Muni” for Low and Moderate Income Youth – Inclusion of 18 Year Olds</i>	\$2.00/\$66.00	\$2.00/\$66.00/\$0.00 (change effective 11/1/2014)	\$0.00	Data Not Available <sup>4</sup>		
<i>“Free Muni” for Low and Moderate Income 19 to 22 Year Olds Enrolled in SFUSD Special Education Programs</i>	\$2.00/\$66.00	\$2.00/\$66.00/\$0.00 (change effective 11/1/2014)	\$0.00	Data Not Available <sup>5</sup>		
“Free Muni” for Low and Moderate Income Seniors	\$0.75/\$23.00	\$0.75/\$23.00/\$0.00 (change effective 6/1/2015)	\$0.00	17,351	61%	10,515
“Free Muni” for Low and Moderate Income People with Disabilities	\$0.75/\$23.00	\$0.75/\$23.00/\$0.00 (change effective 6/1/2015)	\$0.00	15,032	57%	8,613
Adult Interagency Transfer: AC Transit-to-Muni	\$2.00	\$1.75	\$1.75	1,216	35%	420
Adult Interagency Transfer: Caltrain-to-Muni	\$2.00	\$1.75	\$1.75	4,178	58%	2,440
Adult Interagency Transfer: SamTrans-to-Muni	\$2.00	\$1.75	\$1.75	940	100%	940
Adult Interagency Transfer: Vallejo Ferry-to-Muni	\$2.00	\$1.75	\$1.75	Data Not Available <sup>4</sup>		
<b>TOTAL</b>				<b>38,718</b>	<b>59%</b>	<b>22,928</b>

<sup>5</sup> Per the San Francisco Unified School District (SFUSD), there are approximately 7,000 students enrolled in Special Education programs. Of these, approximately 250 students are between the ages of 19 and 22. SFUSD does not collect data regarding students’ income; however, the “Free Muni” benefit for this group of students would be further limited to only those individuals who qualify as low and moderate income, consistent with the broader “Free Muni” for Youth program. In terms of race, 89% of these students are minority.

**Table 4: All Fare Decreases – Assessment of Disproportionate Burden**

Fare Type	FY 2014 Current Fare	FY 2015 Proposed Fare	FY 2016 Proposed Fare	Estimated Ridership	% Low-Income	Estimated Low-Income Ridership
<i>“Free Muni” for Low and Moderate Income Youth – Inclusion of 18 Year Olds</i>	\$2.00/\$66.00	\$2.00/\$66.00/\$0.00 (change effective 11/1/2014)	\$0.00	Data Not Available <sup>4</sup>		
<i>“Free Muni” for Low and Moderate Income 19 to 22 Year Olds Enrolled in SFUSD Special Education Programs</i>	\$2.00/\$66.00	\$2.00/\$66.00/\$0.00 (change effective 11/1/2014)	\$0.00	Data Not Available <sup>5</sup>		
<b>“Free Muni” for Low and Moderate Income Seniors</b>	\$0.75/\$23.00	\$0.75/\$23.00/\$0.00 (change effective 6/1/2015)	\$0.00	17,351	100%	17,351
<b>“Free Muni” for Low and Moderate Income People with Disabilities</b>	\$0.75/\$23.00	\$0.75/\$23.00/\$0.00 (change effective 6/1/2015)	\$0.00	15,032	100%	15,032
<b>Adult Interagency Transfer: AC Transit-to-Muni</b>	\$2.00	\$1.75	\$1.75	1,216	36%	435
<b>Adult Interagency Transfer: Caltrain-to-Muni</b>	\$2.00	\$1.75	\$1.75	4,178	36%	1,487
<b>Adult Interagency Transfer: SamTrans-to-Muni</b>	\$2.00	\$1.75	\$1.75	940	77%	726
<b>Adult Interagency Transfer: Vallejo Ferry-to-Muni</b>	\$2.00	\$1.75	\$1.75	Data Not Available <sup>4</sup>		
<b>TOTAL</b>				<b>38,718</b>	<b>91%</b>	<b>35,032</b>

As Table 5 indicates, none of the proposed fare changes results in disparate impacts or disproportionate burdens on minority and low-income Muni customers:

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

Type of Change	% Minority Impacted	System-wide Average: Minority	Disparate Impact?	% Low-Income Impacted	System-wide Average: Low-Income	Disproportionate Burden?
<b>All Fare Increases</b>	57%	58%	NO	50%	51%	NO
<b>All Fare Decreases</b>	59%	58%	NO	91%	51%	NO

For the package of fare increases, the percent of impacted minority riders is only slightly below the system-wide average of minority riders, and the percent of impacted low-income riders is also just below the system-wide average of low-income riders, so no disparate impact or disproportionate burden is shown. In other words, the fare increases do not impact minority and low-income customers disproportionately by eight percent or more relative to their representation system-wide.

For the package of fare decreases, the percent of impacted minority riders is slightly above the system-wide average of minority riders. Since fare decreases carry a positive effect, the assessment of impact or burden focuses on whether the fare decreases will benefit populations not protected by Title VI disproportionately to their representation system-wide. Therefore, an impact or burden is indicated only if the percentages of low-income and minority riders is more than eight percent *lower* than their system-wide averages. In this case, the fare decreases do not result in a disparate impact since they benefit minority riders slightly more than their system-wide average. Similarly, the fare decreases do not result in a disproportionate burden for low-income riders since they benefit these riders at a significantly greater percentage when compared to their system-wide average.

#### *Automatic Fare Indexing Policy*

As noted above, 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.

Furthermore, as demonstrated by the tables in Appendix A, Muni's fares are consistent with fares for other transit systems in major metropolitan areas around the nation.

In addition, over the past decade, the SFMTA has developed and/or proposed a number of programs geared specifically towards qualified low-income customers in every fare category: the Lifeline Pass (adults) and "Free Muni" for Low and Moderate Income Youth have both been implemented, and "Free Muni" for Low and Moderate Income Seniors and People with Disabilities is being proposed as part of this budget package contingent upon Board of Director's review of the Agency's fiscal health in January 2015. These programs will be described in more detail below.



## *Adult Fares*

### Lifeline Pass

The SFMTA offers its Lifeline Pass at a 50% discount relative to the adult Muni-Only monthly pass. The Lifeline Pass, which was created by the SFMTA in 2005 in conjunction with the 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 2013 Federal Poverty Levels, which is a pre-tax income of approximately \$47,100 for a family of four people. Based on recent survey data, SFMTA estimates that about one-third of SFMTA customers are eligible for the Lifeline Pass.

A new feature of the Lifeline pass program is the implementation of a “Lifeline ID” card to streamline monthly access for the pass. In lieu of receiving a magnetic stripe pass each month, Lifeline program participants will now be able to purchase a monthly sticker to affix to their personalized ID card. This will significantly reduce the processing time associated with distribution of the monthly pass, and will also allow for the expansion of locations where the pass can be sold. In conjunction with this ID card, a \$5 card replacement fee is being implemented. This fee serves to offset the administrative cost of processing replacement cards.

### *Youth, Senior and Disabled Fares – Updated August 19, 2014*

The SFMTA’s FY2015-2016 budget proposed increasing youth, senior, and disabled single-ride and monthly pass fares per the Automatic Fare Indexing Policy starting in FY 2016. For youth, the “Free Muni” for Low and Moderate Income Youth program provides eligible youth with free access to Muni services, and offers the clearest way to mitigate the impacts of this fare increase for low-income customers. This fare program was initiated as a pilot program in 2013 and was incorporated as a regular fare program in the SFMTA’s FY2015-2016 budget and approved by the MTAB on April 15, 2014.

In addition to extending the “Free Muni” for Low and Moderate Youth program, the MTAB approved expanding the age eligibility for participation in the program to include 18 year olds effective November, 2014. The current age eligibility is from 5 to 17 years of age.

The MTAB also requested that the Title VI report be updated to clarify that eligible 18 year olds would be included in the program effective November 2014 instead of upon MTAB further review in January 2015 as originally proposed. While there is no demographic data available that is specific to 18 year olds, it is anticipated that expanding program eligibility for one year will minimize the impact of any proposed increase in fares. Expanding program eligibility for one year will provide low and

moderate income 18 year olds with an additional year of eligibility for a free fare, rather than having to pay the adult fare at age 18.

Finally, the MTAB gave direction to the DOT to explore the feasibility of adding low and moderate income 19 to 22 year olds enrolled in the SFUSD Special Education programs to the Free Muni program. On August 19th, it is expected that the MTAB will approve the DOT's recommendation that these students be added to the program. This will provide free Muni transit service for these income-qualified students who are in high school, but who do not otherwise qualify for Muni youth fares. While there is no ridership demographic data available regarding the approximately 250 students in the program and SFUSD does not collect data regarding students' income, approximately 89% of these students are minority.

#### Discounts Contingent upon Review of Agency's Fiscal Health

In addition to the continuation of the "Free Muni" for Low and Moderate Income Youth program, this budget proposes implementing two discounts that are contingent upon Board of Director's review of the Agency's fiscal health in January 2015:

1. Introduction of "Free Muni" for Low and Moderate Income Seniors. This would extend the benefit of the "Free Muni" for Low and Moderate Income Youth program to eligible seniors and provide them with free access to Muni services.
2. Introduction of "Free Muni" for Low and Moderate Income People with Disabilities. This would extend the benefit of the "Free Muni" Muni for Low and Moderate Income Youth program to eligible people with disabilities and provide them with free access to Muni services.

If approved, the target implementation date for these proposals is June 1, 2015.

## **VII. Public Comment and Outreach**

Given the diversity of the SFMTA's service area and ridership and pursuant to Title VI of the Civil Rights Act of 1964 and its implementing regulations, 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.

In order to inform our riders and gather public comment regarding the proposed fare changes, the SFMTA undertook a multilingual public information campaign that included multilingual "Take One" information cards on Muni vehicles, Metro booth agent posters, Metro service sign holder on platforms, and bus stop posters. Multilingual information was posted on SFMTA's website in Spanish, Chinese, Tagalog, Russian, Vietnamese, Korean, French, Thai and Japanese, including meeting notices. Budget Town Hall meetings were held on Thursday, February 27, 2014 at 6:30pm at 1 South Van Ness and on Saturday, March 8, 2014 at 11am at the Main Public Library. In addition to the

budget hearing scheduled for August 19, 2014, budget hearings before the SFMTA Board of Directors were scheduled as follows:

3/14/14, 8 a.m. (Special session)  
City Hall, Room 400

4/1/14, 1 p.m.  
City Hall, Room 400

4/15/14, 1 p.m.  
City Hall, Room 400

Pursuant to Charter Section 16.112 and state law, advertisements were placed in the City's official newspaper regarding the Board of Directors hearings on April 1, April 15, and August 19, 2014, to consider the proposed changes. The advertisements ran in the San Francisco Chronicle. In the interest of providing more notice, the advertisements ran for five days. In addition to the required legal notice, advertisements were placed in the Sing Tao and El Mensajero papers to reach our limited-English proficient customers regarding the April 1st and April 15th hearings.

In addition, information was distributed through press releases and through SFMTA/Muni's Twitter account and Facebook posts.

Based on the public feedback received as a result of the multi-lingual outreach process, the SFMTA Board chose not to proceed with the following fare changes:

- Introducing a single-ride fare differential between Clipper payments and cash payments;
- Increasing the F-Line Fare; and
- Implementing premium fares for express and limited service.

## **VIII. Conclusion**

In summary, the SFMTA proposed a package of both fare increases and decreases as part of its FY2015-2016 budget. The Agency performed a demographic analysis of the ridership impacted by these proposed changes, based on recent customer survey data and Title VI-related policies and methodology adopted by the SFMTA Board in August 2013. The analysis performed at that time indicated that there are neither disparate impacts nor disproportionate burdens associated with any of these fare changes. The MTAB approved the fare changes at its meeting on April 15, 2014, but modified the proposal to provide free Muni to low and moderate income 18 year olds effective November 2014, instead of upon MTAB further review of the agency's fiscal health in January 2015.

At the August 19<sup>th</sup> MTAB meeting, it is anticipated that the MTAB will approve an additional fare change to provide "Free Muni" to low and moderate income 19 to 22 year

olds enrolled in the SFUSD's Special Education programs. As a result, this report has been revised to incorporate both of these changes. The conclusion of the analysis remains the same - that there are no disparate impacts or disproportionate burdens associated with any of the fare changes included in this report.

### Appendix A: Comparison of Pass Prices to Peer Agencies

City	Base Fare	Pass Prices			Number of Rides to Break Even		
	Adult	1-Day	3-Day	7-Day	1-Day	3-Day	7-Day
Atlanta, GA	\$2.50	\$9.00	\$16.00	\$23.75	3.6	6.4	9.5
Baltimore, MD	\$1.60	\$3.50	NA	\$16.50	2.2	NA	10.3
Boston, MA*	\$2.00	\$11.00	NA	\$18.00	5.5	NA	9.0
Chicago, IL*	\$2.00	\$10.00	\$20.00	\$28.00	5.0	10.0	14.0
Denver, CO	\$2.25	\$6.75	NA	NA	3.0	NA	NA
Houston, TX	\$1.25	\$3.00	NA	NA	2.4	NA	NA
Los Angeles, CA	\$1.50	\$5.00	NA	\$20.00	3.3	NA	13.3
Miami, FL	\$2.25	\$5.65	NA	\$29.25	2.5	NA	13.0
Minneapolis, MN*	\$2.25	NA	NA	\$22.00	NA	NA	9.8
New York, NY	\$2.25	NA	NA	\$30.00	NA	NA	13.3
Oakland, CA	\$2.10	\$5.00	NA	NA	2.4	NA	NA
Philadelphia, PA	\$2.25	\$12.00	NA	\$24.00	5.3	NA	10.7
Portland, OR	\$2.50	\$7.00	NA	\$26.00	2.8	NA	10.4
San Carlos, CA	\$2.50	\$5.00	NA	NA	2.0	NA	NA
San Diego, CA	\$2.25	\$5.00	\$12.00	NA	2.2	5.3	NA
San Francisco, CA (regular service) (FY15 proposed)*	\$2.25	\$17.00	\$26.00	\$35.00	7.6	11.6	15.6
San Francisco, CA (cable cars) (FY15 proposed)*	\$6.00	\$17.00	\$26.00	\$35.00	2.8	4.3	5.8
San Francisco, CA (regular service) (FY16 proposed)*	\$2.25	\$20.00	\$31.00	\$40.00	8.9	13.8	17.8
San Francisco, CA (cable cars) (FY16 proposed)*	\$7.00	\$20.00	\$31.00	\$40.00	2.9	4.4	5.7
San Jose, CA	\$2.00	\$6.00	NA	NA	3.0	NA	NA
San Rafael, CA	\$2.00	\$5.00	NA	\$20.00	2.5	NA	10.0
Seattle, WA	\$2.50	NA	NA	NA	NA	NA	NA
Washington, DC*	\$1.95	\$14.00	NA	\$35.00	7.2	NA	17.9

**\* Notes**

Boston, MA - rail fare with Charlie Card

Chicago, IL - with Ventra Card or Transit Card

Minneapolis, MN - peak prices

San Francisco, CA - Passport prices tied to cable car fares.

Seattle, WA - peak prices

Washington, DC - minimum peak rail fare with SmartTrip card

City	Monthly Pass				Discount compared to Adult Fare		
	Adult	Senior	Disabled	Youth	Senior	Disabled	Youth
Atlanta, GA	\$95.00	NA	NA	NA	NA	NA	NA
Baltimore, MD	\$64.00	\$16.50	\$16.50	NA	74%	74%	NA
Boston, MA	\$70.00	\$28.00	\$28.00	\$28.00	60%	60%	60%
Chicago, IL	\$100.00	\$50.00	\$50.00	NA	50%	50%	NA
Denver, CO	\$72.00	\$39.50	\$39.50	\$39.50	45%	45%	45%
Houston, TX	NA	NA	NA	NA	NA	NA	NA
Los Angeles, CA	\$75.00	\$14.00	\$14.00	\$24.00	81%	81%	68%
Miami, FL	\$112.50	\$56.25	\$56.25	\$56.25	50%	50%	50%
Minneapolis, MN	\$85.00	NA	NA	NA	NA	NA	NA
New York, NY	\$112.00	\$56.00	\$56.00	NA	50%	50%	NA
Oakland, CA	\$75.00	\$23.00	\$23.00	\$23.00	69%	69%	69%
Philadelphia, PA	\$91.00	\$0.00	NA	NA	100%	NA	NA
Portland, OR	\$100.00	\$26.00	\$26.00	\$30.00	74%	74%	70%
San Carlos, CA	\$64.00	\$25.00	\$25.00	\$36.00	61%	61%	44%
San Diego, CA	\$72.00	\$18.00	\$18.00	\$36.00	75%	75%	50%
San Francisco, CA (FY15 proposed)	\$68.00	\$23.00	\$23.00	\$23.00	65%	65%	65%
San Francisco, CA (FY16 proposed)	\$70.00	\$25.00	\$25.00	\$25.00	65%	65%	65%
San Jose, CA	\$70.00	\$25.00	\$25.00	\$40.00	64%	64%	43%
San Rafael, CA	\$80.00	\$40.00	\$40.00	\$40.00	50%	50%	50%
Seattle, WA	\$90.00	\$27.00	\$27.00	\$45.00	70%	70%	50%
Washington, DC*	\$72.00	\$36.00	\$36.00	\$30.00	50%	50%	58%

\* Notes

Washington, DC (buses only) - 4.5 weekly bus passes used to calculate the price of a monthly pass for adults, seniors and disabled