County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee **Date:** 10/28/2020

From: Ruby Horta, Director of Planning, Marketing & Innovation **Reviewed by**: W.C.

SUBJECT: Clipper START and Youth Fare Proposals and Title VI Fare Equity Analysis

Background:

At the September 2020 meeting, the Board authorized staff to proceed with the public comment process and the Title VI Fare Equity Analysis for two proposed fare discount pilot programs. The Clipper START program would provide a 20% discount on the single-ride Clipper fare for eligible low-income adults, and the proposed youth fare would provide a similar discount to youth, ages 6-18, when using a Youth Clipper card. If approved, the programs would be implemented in early 2021, and the pilot period for both programs would be one year.

The Metropolitan Transportation Commission (MTC) will be providing funding during the one-year pilot to offset some of the fare revenue losses from the Clipper START program. Towards the end of the pilot period, County Connection will conduct an evaluation of both the Clipper START and youth fare discounts to determine whether they should be continued and if there is funding available to continue to offset revenue losses.

Table 1: Proposed Fare Discounts

Fare Type	Current Cash Fare	Current Clipper Fare	Proposed Clipper START & Youth Fare
Local route	$2.50	$2.00	$1.60
Express route	$2.50	$2.25	$1.80
BART transfer	N/A	$1.00	$0.80

Title VI Requirement:

As a federal grant recipient, County Connection is required to maintain and provide to the Federal Transit Administration (FTA) information on its compliance with Title VI of the Civil Rights Act of 1964 (Title VI), which prohibits discrimination on the basis of race, color, and national origin by recipients of federal financial assistance. The FTA further requires that recipients of FTA financial assistance conduct an analysis on all fare changes to assess the impacts of those changes on low-income and minority populations. As this program will reduce the fares for certain riders, implementation of the program is a fare change requiring an equity analysis under the FTA's Title VI regulations.

Analysis:

As a reduction in fare is a benefit, the relevant disparate impact analysis examines the allocation of benefits from the fare reduction among minority riders who qualify for the discount relative to their share of the ridership as a whole. Similarly, the relevant disproportionate burden analysis examines the allocation of benefits from the fare reduction among low-income riders relative to their share of the ridership as a whole.

The impact analyses were conducted using onboard passenger survey data for the proposed Clipper START program and Census data for the proposed youth fare. The use of Census data for the youth fare analysis was due to the lack of reliable onboard survey data among youth riders, who are less likely to complete these types of surveys and/or provide accurate information such as household income.

The attached Title VI Fare Equity Analysis did not find any disparate impact based on race or any disproportionate burden to low-income populations from either of the proposed fare discounts. For the Clipper START program, the analysis found that minority and low-income riders would be more likely to receive the discount by a margin of 5.2% and 37.6%, respectively. For the youth fare program, minority riders would also be more likely to receive the discount by a margin of 10.8%. Low-income riders would be slightly less likely to receive the discount by a margin of 0.5%. However, this is well within the 20% threshold set forth in County Connection’s disproportionate burden policy. Additionally, the proposed program furthers the purpose of increasing transit accessibility for youth.

Public Outreach:

Following Board authorization in September, staff began conducting outreach to solicit public feedback on the proposed fare discount programs. Due to the ongoing COVID-19 pandemic, in-person outreach was not feasible. Instead, staff conducted all public meetings via teleconference, which allows the public to participate using a computer or by phone. Staff conducted two public meetings on October 14, 2020 at 9:00 am and 5:00 pm. The public was also able to comment on the proposed program via phone, mail, email, and online through County Connection’s website. A public hearing has been scheduled for November 19, 2020 preceding the Board of Directors meeting.

As of November 2, 2020, a total of four (4) formal comments have been received, three (3) in favor of the proposed discounts and one (1) comment opposed to the discounts only being available on Clipper. The deadline for written comments is November 10, 2020. A summary of written comments received to date is included as Attachment 2. These comments, as well as any additional received prior to the written comment deadline and at the public hearing, will be included in the final Title VI report, which will be submitted to the FTA.

Staff also conducted polls on the agency's Twitter and NextDoor accounts to solicit additional feedback from the public. The poll on Twitter was open for one week and received a total of 29 responses, 28 of which were in support of the proposed programs. The poll on NextDoor has received 201 responses to date, with 156 in favor, 24 in opposition, and 21 that were unsure.

Financial Implications:

Staff has estimated that approximately 16% of riders would be eligible for the youth fare, and about 44% of riders are low-income adults that would be eligible for the Clipper START discount. A conservative average discount rate of 24% was used to estimate financial impacts in order to account for riders who may be switching from paying the higher cash fare.

The estimated revenue loss from the proposed youth fare discount is $120,000, and the estimated revenue loss from the proposed Clipper START discount is $328,000. MTC is programmed to reimburse approximately $140,000 for the Clipper START program, though reimbursement will be based on actual usage. This would result in a net loss of $308,000 for both programs combined.

Recommendation:

Staff recommends that the A&F Committee forward the attached Title VI Fare Equity Analysis to the Board for review and approval. The analysis has been reviewed by legal counsel, and the public outreach section will be updated upon completion of the scheduled public hearing.

Action Requested:

Staff requests the A&F Committee forward this item to the Board for approval.

Attachments:

Attachment 1: Title VI Fare Equity Analysis
Attachment 2: Summary of Public Comments

County Connection

Title VI Fare Equity Analysis

Clipper START & Youth Fare

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
November 2020

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1 INTRODUCTION

As a federal grant recipient, the Central Contra Costa Transit Authority (County Connection) is required to maintain and provide to the Federal Transit Administration (FTA) information on its compliance with Title VI of the Civil Rights Act of 1964 (Title VI), which prohibits discrimination by recipients of federal financial assistance. The FTA further requires that recipients of FTA financial assistance conduct an analysis on all fare changes to assess the impacts of those changes on low-income and minority populations.

County Connection is proposing a one-year pilot program offering a 20% discount on single-ride Clipper fares for eligible low-income adults as part of the regional Clipper START program, and for youth ages 6-18. The Metropolitan Transportation Commission (MTC) will be providing funding during the one-year pilot to offset some of the fare revenue losses from the Clipper START program. Towards the end of the pilot period, County Connection will conduct an evaluation of both the Clipper START and youth fare discounts to determine whether they should be continued and if there is funding available to continue to offset revenue losses.

As this program will reduce the fares for certain riders, implementation of the program is a fare change requiring an equity analysis under the FTA's Title VI regulations. The following equity analysis indicates that there is no disparate impact based on race, and no disproportionate burden on low-income riders from either of the proposed fare discounts.

2 TITLE VI POLICIES

In October 2012, the FTA released Circular 4702.1B (Circular), which provides guidelines for compliance with Title VI. Under the Circular, transit operators are required to study proposed fare changes and “major service changes" before the changes are adopted to ensure that they do not have a discriminatory effect based on race, color, national origin or low-income status of affected populations. As a first step, public transit providers must adopt their own “Major Service Change," “Disparate Impact,” and “Disproportionate Burden,” policies. County Connection’s Board of Directors adopted these policies in June 2013. The adopted Disparate Impact and Disproportionate Burden policies, which apply to fare equity analyses, are described below.

2.1 Disparate Impact Policy

The Disparate Impact Policy establishes a threshold for determining whether proposed fare or major service changes have a disproportionately adverse effect on minority populations relative to non-minority populations on the basis of race, ethnicity or national origin.

The threshold is the difference between the burdens borne by, or benefits experienced by, minority populations compared to non-minority populations. Exceeding the threshold means either that a fare or major service change negatively impacts minority populations more than non-minority populations, or that the change benefits non-minority populations more than minority populations. A change with disparate impacts that exceed the threshold can only be adopted (a) if there is substantial legitimate justification for the change, and (b) if no other alternatives exist that would serve the same legitimate objectives with less disproportionate effects on the basis of race, color or national origin

County Connection establishes that a fare change, major service change or other policy has a disparate impact if minority populations will experience 20% more of the cumulative burden, or experience 20% less of the cumulative benefit, relative to non-minority populations, unless (a) there is substantial legitimate justification for the change, and (b) no other alternatives exist that would serve the same legitimate objectives with less disproportionate effects on the basis of race, color or national origin.

2.2 Disproportionate Burden Policy

The Disproportionate Burden Policy establishes a threshold for determining whether proposed fare or major service changes have a disproportionately adverse effect on low-income populations relative to non-low-income populations.

The threshold is the difference between the burdens borne by, and benefits experienced by, low-income populations compared to non-low income populations. Exceeding the threshold means either that a fare or service change negatively impacts low-income populations more than non-low-income populations, or that the change benefits non-low-income populations more than low-income populations. If the threshold is exceeded, County Connection must avoid, minimize or mitigate impacts where practicable.

County Connection establishes that a fare change, major service change or other policy has a disproportionate burden if low-income populations will experience 20% more of the cumulative burden, or experience 20% less of the cumulative benefit, relative to non-low-income populations, unless avoiding, minimizing, or mitigating the disproportionate effects is impracticable.

2.3 Public Outreach

In developing these policies, County Connection staff conducted public outreach (detailed below), including three public meetings with language services available, to provide information and get feedback on the draft policies. Staff incorporated public input gathered through this outreach into the policies proposed for Board approval.

March 28, 2013 – Monument Corridor Transportation Action Team

Comments: Include an annual review to ensure that major service change threshold has not been crossed

April 15, 2013 – Public Meeting at the San Ramon Community Center

Comments: Consistent with prior comment to include an annual review for major service changes

May 14, 2013 - Public Meeting at the Walnut Creek Library

Comments: None

April 1st – June 1st, 2013 – Policies available for comments on County Connection Website

June 20, 2013 – Public Hearing and Proposed Adoption at the County Connection Board of Directors Meeting

Comments: None

3 PROPOSAL DESCRIPTION

In May 2018, MTC approved implementation of a pilot Regional Means-Based Fare Program (later named Clipper START) to provide discounted fares for low-income adults. The initial 18-month pilot, which launched in July 2020, was limited to four of the larger transit systems in the Bay Area: BART, Caltrain, Golden Gate, and Muni. Adults (ages 19-64) with incomes at or below 200% of the federal poverty level are eligible for the discount, which is provided using a specially encoded Clipper card. MTC is providing funding to partially offset the cost of the program.

Due to the COVID-19 pandemic, MTC has elected to use funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to expand the Clipper START program to other transit operators in the region, including County Connection.

County Connection is proposing to join the Clipper START program and offer a discount of 20% off the regular, single ride Clipper fares for qualifying individuals on local routes, express routes, and BART transfers. Since the program is limited to adults and County Connection does not offer a discounted fare for youth, staff is also proposing the implementation of a 20% discount off the regular, single ride Clipper fare for youth riders (ages 6-18) when using a Youth Clipper card. Table 1 below summarizes the proposed discounts.

All cash fares, as well as passes on Clipper, will remain the same. Fares would also remain unchanged for low-income riders who elect not to apply for the Clipper START discount, as well as youth who choose not to use a Youth Clipper card. Seniors (ages 65+) and people with disabilities would continue to receive a 50% discount, and children under 6 will continue to ride free.

Table 1: Proposed Fare Discounts

Fare Type	Current Clipper Fare	Proposed Clipper START & Youth Fare
Local route	$2.00	$1.60
Express route	$2.25	$1.80
BART transfer	$1.00	$0.80

If approved, County Connection would begin offering the Clipper START and youth fare discounts as a one-year pilot starting in January 2021. The program will be evaluated in partnership with MTC and the other participating operators to determine the feasibility and potential funding sources for continuing the program beyond December 2021. Due to current uncertainty around schools reopening and ridership demand among youth, the pilot period for the youth fare discount may need to be adjusted in order to ensure adequate usage data is available for evaluation.

4 EQUITY ANALYSIS

A reduction in fare is a fare change pursuant to the Circular. Accordingly, the equity analysis requirement applies. As a reduction in fare is a benefit, the relevant disparate impact analysis examines the allocation of benefits from the fare reduction among minority riders who qualify for the discount relative to their share of the ridership as a whole. Similarly, the relevant disproportionate burden analysis examines the allocation of benefits from the fare reduction among low-income riders relative to their share of the ridership as a whole.

4.1 Data and Methodology

Methodology

The Circular requires County Connection to conduct a fare equity analysis for all fare changes, regardless of the amount of increase or decrease, to evaluate the effects of fare changes on low-income populations in addition to Title VI-protected populations, with a few enumerated exceptions. The exceptions are:

> (i) "Spare the air days" or other instances when a local municipality or transit agency has declared that all passengers ride free.
>
> (ii) Temporary fare reductions that are mitigating measures for other actions.
>
> (iii) Promotional fare reductions. If a promotional or temporary fare reduction lasts longer than six months, then FTA considers the fare reduction permanent and the transit provider must conduct a fare equity analysis.

For proposed changes that would increase or decrease fares on the entire system, or on certain transit modes, or by fare payment type or fare media, the fare equity analysis must analyze available information generated from ridership surveys indicating 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.

Both the disparate impact policy and the disproportionate burden policy examine the cumulative impacts of a fare change. As a result, this analysis determines potential impacts of the proposed program by comparing the percentages of low-income and minority riders who would qualify for each discount based on relative ridership against the percentages of low-income and minority riders who use the system as a whole. These metrics will identify whether low-income and/or minority riders would experience a disproportionately lower benefit due to the fare discount program.

Definitions

Minority – FTA defines a minority person as anyone who is American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, or Native Hawaiian or other Pacific Islander.

Low-Income – FTA defines a low-income person as a person whose household income is at or below the U.S. Department of Health and Human Services (HHS) poverty guidelines. However, FTA encourages the use of any locally developed threshold provided that the threshold is at least as inclusive as the HHS poverty guidelines. This analysis defines low-income as 200% of the federal poverty level, which is the same threshold that will be used to determine eligibility for the proposed Clipper START discount.

Data Sources

Onboard Passenger Survey

An onboard passenger survey was conducted on County Connection buses in October 2019 and a total of 1,188 responses were collected. The survey was conducted on both weekdays and weekends using handheld tablet personal computers on which the online survey was administered. A sampling plan was developed to ensure that the distribution of completed surveys mirrored the actual distribution of passengers using the system. The plan included completion goals that were set by route and time period based on ridership.

The survey data provides demographic information on County Connection's riders, including race and income. Respondents who declined to answer questions about income or ethnicity are excluded from the analysis. In order to protect privacy, survey respondents were asked to report their income bracket as opposed to their specific income. Because of this, the analysis uses the midpoint of the selected income bracket to compare against the federal poverty level. Table 2 below shows how low-income status—defined in this analysis as 200% of the 2020 federal poverty guidelines—is determined based on household size and income bracket. Using these thresholds, each individual survey response was categorized as either low-income or non-low income based on responses to the questions about household size and income.

Table 2: Low-Income Thresholds by Household Size

Household Size	Low-Income Threshold
1	Under $25,000
2	Under $35,000
3-5	Under $50,000
6-7	Under $75,000
8-10	Under $100,000

American Community Survey

While County Connection's onboard passenger survey provides a representative sample of adult riders, these types of surveys generally underrepresent youth riders, as they are less likely to complete the survey and/or be able to provide accurate information such as household income. Due to this absence of reliable demographic data on County Connection's youth riders, data from the American Community Survey (ACS) was used for analyzing the proposed youth fare discount. More specifically, the analysis uses data from the 2018 ACS 5-year estimates for all Census tracts within County Connection's service area. Staff had also evaluated using school data from the California Department of Education but concluded that the available data would be incomplete, as it would exclude private schools.

4.2 Impact Assessment

Since different data sources had to be used, the analyses of the Clipper START and youth fare discounts were conducted separately.

Clipper START

Based on the onboard survey data, 56.1% of all County Connection riders identify as minority, and 62.4% are considered low-income. Of the riders who would qualify for the Clipper START program, 61.3% identify as minority, and all are low-income.

There is no disparate impact on minority riders from the implementation of the Clipper START discount. Of the low-income riders who would qualify for the program, 61.3% are minority, which is higher than the system as a whole (56.1%) by a margin of +5.2%. Thus, minority riders would be more likely to receive the discount.

There is also no disproportionate burden on low-income riders from the implementation of the Clipper START discount. All users (100%) of the Clipper START discount would be low-income given that this is the eligibility criteria for the program. When compared to the system as a whole, this is a differential of +37.6%.

Table 3: Clipper START Impact Analysis Results

	% Minority	% Low-Income
Eligible for Clipper START	**61.3%**	**100.0%**
Systemwide	56.1%	62.4%
Difference from Systemwide	**+5.2%**	**+37.6%**
Results	*No Disparate Impact*	*No Disproportionate Burden*

Youth Fare

Based on ACS data, 40.9% of all residents within County Connection's service area identify as minority, and 14.2% are considered low-income. Of all residents that would qualify for the youth fare discount, 51.7% are minority, and 13.7% are considered low-income.

There is no disparate impact on minority riders from the implementation of the youth fare discount. The percentage of youth that are minority in County Connection's service area is higher than the overall population by a margin of +10.8%.

There is also no disproportionate burden on low-income riders from the implementation of the youth fare discount. The percentage of youth that are low-income is lower than the service area as a whole by a margin of -0.5%, which means that low-income residents would be slightly less likely to receive the discount. However, the differential of 0.5% is well within the 20% threshold set forth in the disproportionate burden policy. Additionally, the youth discount furthers the purpose of increasing transit accessibility for youth. County Connection is engaging in other fare-based programs that will benefit low-income riders, including the Clipper START program.

Table 4: Youth Fare Impact Analysis Results

	% Minority	% Low-Income
Eligible for Youth Fare	**51.7%**	**13.7%**
Service Area	40.9%	14.2%
Difference from Service Area	**+10.8%**	**-0.5%**
Results	*No Disparate Impact*	*No Disproportionate Burden*

5 PUBLIC OUTREACH

In September 2020, staff began conducting outreach to solicit feedback from the public on the proposed Clipper START and youth fare discount program. Due to the ongoing COVID-19 pandemic, in-person outreach was not feasible. Instead, staff conducted all public meetings via teleconference, which allows the public to participate using a computer or by phone. This included two public meetings on October 14, 2020 at 9:00 am and 5:00 pm, and a public hearing on November 19, 2020. The public was able to comment on the proposed program during these three meetings, as well as via mail, email, and online through County Connection's website.

Notices for the public meetings and public hearing were placed on all buses, as well as in the East Bay Times. Information about the proposed program was available on County Connection's website and announced through several social media posts on Twitter, Facebook, Instagram, and NextDoor. Staff also reached out to various community partners who helped to further disseminate information to their constituents.

5.1 Public Comment

[Placeholder for summary of public comment]

Attachment 2:

Summary of Public Comments

As of November 2, 2020

All comments are presented as submitted, no revisions were made.

1	This seems like a great idea
2	If you start people at young ages with this incentive they are probably more likely to use it as an adult. For low income people this would be very welcome.
3	Thank you for proposing this. As a senior (a few years away from turning 65), this would encourage me to ride the bus more. I have cut back my bus trips significantly due to COVID. I am on a fixed income & would benefit from this.
4	County Connection bus fare is still too expensive for people who are low income to no income. Especially during this pandemic. Forcing people to have a clipper card and if not them charging more money for busfare if one does not have a clipper card is also wrong. Having to load a clipper card without a car is difficult. Not everyone has the means to have an electronic account in order to load clipper cards. This system of county connection makes riding this bus more than stressful than the usual stress of bus riding. When buses become too expensive for people with little income which is what it is now, to me is very disheartening.