

**Title VI Fare Equity Evaluation
Metropolitan Transportation Commission
Clipper START Discount Program**

Submitted by

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I. EXECUTIVE SUMMARY

On September 23, 2020 the AC Transit Board of Directors adopted Resolution 20-045 affirming the District's participation in the Clipper START Program and authorizing the General Manager or his designee to file and execute applications with the Metropolitan Transportation Commission (MTC) for said Program. On January 25, 2021, AC Transit began active participation in and promotion of the Clipper START Program to its rider population.

Board Policy 518, "Title VI and Environmental Justice Service Review and Compliance Report Policy," directs staff to undertake a fare equity analysis for all fare change proposals regardless of the amount of increase or decrease. The purpose of such an analysis is to determine prior to permanent implementation, or within six months of initiating a promotional or temporary fare program, whether the proposed changes would have a disparate impact on the basis of race, color, or national origin, or if low-income populations would bear a disproportionate burden of the changes. The analysis, contained in this report, found that the promotional Clipper START fare contained in Staff Report 20-293 and Resolution 20-045 do not carry any discriminatory effects on Title VI-protected populations.

AC Transit is also required to provide equitable opportunities to all persons to participate in planning and decision-making processes, such as fare change processes. Section VIII of this report provides a summary of public engagement process that was undertaken to meet this requirement, along with information about the comments provided by the public, particularly those addressing issues covered by Title VI and associated laws and regulations. Copies of the reviewed Fare Equity Analysis including public engagement efforts and public comments from other participating agencies are available upon request.

This report will provide details about the fare equity analysis, including a profile of riders affected by the proposals, methodology, data sources, how impacts on protected populations are determined, and findings. Per the Board Policy, this fare equity analysis must be presented to the Board of Directors for their consideration and approval within six months of implementation and before the promotional fare may be permanently adopted.

II. TITLE VI ACT

Title VI of the Civil Rights Act of 1964 states:

"No person in the United States shall, on the ground 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."

Executive Order 12898 extends some protections of Title VI to low-income populations, however while other demographic groups may be protected by other laws and regulations they are not covered by Title VI or this assessment.

In 2012, the Federal Transit Administration (FTA) issued guidance to help recipients of federal funding such as AC Transit to comply with civil rights laws and orders. Since then, Board policies and the District's Title VI Program have been regularly updated to provide staff with concrete direction and instructions to remain in compliance with those regulations.

III. BACKGROUND, METHODOLOGY, DATA SOURCES

The Federal Transit Administration (FTA) recommends that recipients of federal aid evaluate fare changes according to the following steps (adapted from FTA Circular C4702.1B, October 1, 2012):

1. Assess the effects of the proposed fare changes on people of color and low-income populations.
2. Engage the public in the decision-making process to develop the thresholds used to identify disproportionate impacts on protected populations.
3. Determine which, if any, of the proposals would result in a disparate impact on minority populations, and modify the proposed changes in order to avoid, minimize, or mitigate impacts.
4. Determine which, if any, of the proposals would place a disproportionate burden on low-income populations, and take steps to avoid, minimize, or mitigate impacts where practicable.

These analyses are based on how riders actually pay their fares (as self-reported in onboard surveys); they do not address riders' ability to pay or what fare would be best for any individual rider.

Background

The Metropolitan Transportation Commission (MTC) adopted Resolution No. 4320 in May 2018, establishing a 12-to-18-month promotional and pilot program (Clipper START) that participating transit agencies select to offer a 20 percent or 50 percent single-ride fare discount to eligible low-income adults.

The Clipper START Program followed a three-year study launched by MTC in 2015 to determine if a transit fare program based on household income would be feasible and effective. This Regional Means-Based Transit Fare Pricing Study included three main objectives:

- Make transit more affordable for low-income residents
- Move toward a more consistent regional standard for fare discounts
- Develop implementation options that are financially viable and administratively feasible

In August 2020, MTC opened the Clipper START program to a second round of agency applicants in which the Alameda-Contra Costa Transit District ("AC Transit" or "District") sought to participate. On September 23, 2020 the AC Transit Board of Directors adopted Resolution 20-045 affirming the District's participation in the Clipper START Program and authorizing the General Manager or his designee to file and execute applications with MTC. By participating in the program, the District will provide an approximately 20% discount on One-Way Adult Fares and One-Way Express Adult Fares for eligible low-income riders.

The Clipper START program is open to 19-to-64-year-old adults who live in the San Francisco Bay Area and whose annual earnings are up to 200 percent of the federal poverty level. This threshold was established to account for the Bay Area's high cost of living relative to nationally defined poverty thresholds.

The Program requires riders to use Clipper for fare payment. Clipper is a reloadable, contactless smart card used for electronic transit fare payment in the San Francisco Bay Area. Riders can apply for the free Clipper START card online or submit a paper application. Applicants need to provide proof of identity and proof of income, and those approved will receive a personalized Clipper START card that can be used for single-ride discounts on the participating transit agencies' systems. The Clipper START card calculates fare discounts automatically for single-ride trips paid with-cash.

Seniors, disabled, and youth populations currently receive transit fare discounts at most transit agencies in the San Francisco Bay Area, that in most cases are greater than 20 percent and therefore, are not eligible for the Pilot Program. The Pilot Program is centrally administered by MTC on behalf of all participating transit operators; and is subject to revision based on financial sustainability, efficiency and effectiveness. Should MTC discontinue the Clipper START program, it would no longer be available to qualified, low-income AC Transit riders.

Methodology

The purpose of an equity analysis is to apply quantitative data methods to evaluate the fairness of proposed fare changes. AC Transit fare equity analyses do this by comparing impacts of the proposed change borne by protected populations to impacts borne by non-protected populations. Board Policy 518 directs staff to conduct a fare equity analysis by comparing existing fares to proposed fares for both protected and non-protected populations and calculating the absolute change as well as the percent change.

Data sources

District staff used data derived from the 2017-18 Onboard Rider Survey, the most current data that the District has regarding AC Transit passengers. The onset of the Coronavirus Pandemic prevented AC Transit from conducting more recent ridership surveys. However, this rich data set includes records from more than 12,000 in-depth surveys of weekday local riders and allowed staff to obtain very detailed information through cross-tabulation. Each record in the survey contains information about the individual on the day they were surveyed: how they paid, how many transportation services they took in order to complete their one-way trip, their race or ethnicity, and their household income.

IV. DESCRIPTION OF FARE PROPOSALS

The Clipper START pilot program is solely administered by MTC, and participating transit agencies select to offer a 20 percent or 50 percent single-ride fare discount to eligible low-income adults. MTC

reimburses participating agencies up to 50 percent of the cost of the selected discount program. On September 23, 2020, the AC Transit Board of Directors approved participation in the program and to offer qualified, low-income AC Transit riders a 20 percent fare discount.

Interested AC Transit riders must apply through MTC and qualify for the program. Once approved, eligible participants will receive a special Clipper START card that must be utilized to receive the adopted 20 percent discount on AC Transit service. Riders that transfer to other Clipper START participating agencies may receive those discounts after transferring and any transfer discount is applied. The Clipper START program card functions similar to the regular Clipper Card where cash value and other discounted passes may be added to the Clipper START card. However, under the Clipper START program, eligible AC Transit riders will only receive the adopted discounted fare on Adult Single Rides and Adult Day Pass while using the Clipper START card. AC Transit riders that qualified for the Clipper START program but choose to pay a cash fare will not receive the discount.

Fare Proposals

Add the Means Based Fare discount at a twenty percent for eligible low-income riders on Adult One Way Fares and Adult Day Pass Fares. With the Board approval in September 2020, AC Transit began participating in the Means Based Fare Pilot Program in January 2021. This promotional pilot fare will not be added to the AC Transit fare schedule.

V. RIDERSHIP PROFILE

The following is a synopsis of findings from the 2017-18 Onboard Survey, the most currently available rider data, and provides demographic data about all riders that participated in the survey.

Race and Ethnicity

It is important to understand how race and income categories are determined for the purpose of Title VI analyses, and how that influences language used in this report. The FTA requires recipients of federal funds to evaluate fare changes to determine whether those changes have a discriminatory impact on “minority” populations. However, people that traditionally have been called “minority” make up the majority of the population in the AC Transit service area and also the large majority of AC Transit riders, so in this report, “people of color” is used to refer to people protected by the Title VI ban against discrimination on the basis of race, color, or national origin. Because Latino/a populations are protected by Title VI, only a person who identifies as white and also *not* Latino/a is part of the non-protected class in this analysis.

Table 1 shows that People of Color are less likely than non-Latino White riders to use Clipper Cards - People of Color: 51% and non-Latino White: 65%.

Table 1: Race & Ethnicity

	No. of Riders	Percent	Clipper Usage	
People of Color	9,515	75%	4,911	51%
(non-Latino) White	3,196	25%	2,079	65%
Total	12,711	100%	6,990	55%

Income

The FTA also requires recipients of federal funds to evaluate fare changes to determine whether they would have a discriminatory impact on low-income populations. According to AC Transit policy, a person is considered low-income if they have household income of less than two times the federal poverty rate; the 2019 federal poverty rate for a family of four is \$25,750, so a person is considered low-income for Title VI purposes if they had household income of under \$50,000.

Table 2 shows that low-income riders are less likely than non-low-income riders to use Clipper Cards – Low Income: 51% and non-Low Income: 69%.

Table 2: Household Income

	No. of Riders	Percent	Clipper Usage	
Low-Income	6,150	62%	3,155	51%
Non-Low-Income	3,791	38%	2,606	69%
Total	9,941	100%	5,761	58%

The following analysis relies on how a person self-reported their household income in the Onboard Survey to determine whether they are low-income or not. It is difficult to get complete income samples in surveys, since many people view income as a private matter, so staff used a data imputation method (in cooperation with the consultants hired to conduct the survey) to ensure a robust sample.

VI. ANALYSIS**Determining Impacts of Fare Proposals**

In order to determine the impacts of the Clipper START fare proposals, staff first calculated the fare changes contained in the proposals. The proposed change is generated based on the adopted Board resolution and the twenty percent fare discount agreement between AC Transit and MTC. The fare discount is applied to the already discounted Clipper Card fare and is valid for Adult Local Single Ride and Adult Day Pass. As directed by Board Policy 518, staff looked at the absolute and the percentage changes generated by the fare discount.

Analysis

Table 3: Clipper Card Usage									
	People of Color	Percent	(non-Latino) White	Delta		Low Income	Percent	Non-Low Income	Delta
Adult Clipper Card	4,911	70%	2,079	-5%		3,155	55%	2,606	-7%
All System Riders	9,515	75%	25%			6,150	62%	38%	

Disparate Impact

If a fare change is found to have a disparate impact on populations protected against discrimination on the basis of race, color, or national origin, FTA Title VI regulations and AC Transit Board Policy 518 require the District to attempt to avoid the impact, find alternatives with a lesser impact, or implement actions to mitigate the impact. According to Board Policy 518, when the proportions of people of color populations or riders adversely affected by the proposals is 15% (or more) than the proportions of non-people of color populations or riders adversely affected, such changes will be considered to have a disparate impact.

Based on the Clipper Card user demographics above, providing Clipper START at a twenty percent discount would benefit people of color more than their counterparts. As the delta is less than the fifteen percent policy threshold, the discount fare program will not have a disparate impact on people of color. In fact, the negative five percent difference indicates that because the population segment is smaller, the benefit impact of the fare program will be greater.

Disproportionate Burden

Low-income populations do not have the same protections as people of color under Title VI. Following FTA regulations, Board Policy 518 states that if a fare proposal results in a disproportionate burden on low-income riders, the District is required to identify alternative to avoid, minimize, or mitigate impacts where practicable. In accordance with Board Policy 518, when the proportion of low-income populations or riders adversely affected by the proposals is 15% (or more) than the proportion of non-low-income populations or riders adversely affected, such changes will be considered to have a disproportionate burden.

The benefits of Clipper START are available to all low-income riders. The above analysis shows there is no disproportionate burden as the delta is less than the fifteen percent policy threshold. The negative seven percent difference indicates that the impact would benefit this population more than their counterparts. All eligible low-income riders may apply for the discounted Clipper START card should they choose to do so.

VII. OTHER CONSIDERATIONS

The analysis contained in this report does not follow the typical fare equity analysis template, in part because the District is not proposing a fare change but participating in a regional means-based fare discount program. The District had the option of participating at a 20 percent or 50 percent discount given MTCs commitment to reimburse the District up to 50 percent of the cost incurred to provide the discount to AC Transit riders. Therefore, the District took a cost burden or revenue loss analysis approach when deciding which level of fare discount to provide to its riders.

Additionally, as MTC solely administers the program and it is open to all of the District's low-income riders, MTC also solely approves rider eligibility. Therefore, it is feasible that some riders that have indicated they are low-income as part of the Onboard survey may not be deemed eligible for the Clipper START program. Lastly, if in the future MTC chooses to discontinue the program, the discount would no longer be available to AC Transit riders.

VIII. PUBLIC ENGAGEMENT

Under District policy and the Title VI Program, AC Transit is required to provide equitable opportunities to all persons to participate in planning and decision-making processes related to fare changes. This section provides an overview of the various elements of public engagement along with information about the input provided by members of the public, particularly concerning issues impacting populations protected by Title VI and associated laws and regulations.

Public Engagement and Comments

Transit within the Greater Bay Area is an interconnected and interdependent service. Riders must often utilize more than one transit service to reach their final destinations. With an approximate 364 square mile service area, AC Transit buses connect with sixteen other public and private bus systems, 23 BART stations, six Amtrak stations, and three ferry terminals. This includes sixty-nine local lines within the East Bay and thirty-three Transbay lines that serve San Francisco and the Peninsula.

MTC's means-based fare pilot program, branded Clipper START, officially began in July 2020 with transit providers offering either a 20 percent or 50 percent discount. Initially, only five Bay Area transit agencies participated: BART, SF Muni, Caltrain, Golden Gate Transit, and Golden Gate Ferry. In January 2021, twenty-one transit agencies including AC Transit had agreed to participate in the Clipper START program. As of May 2021, Clipper START has issued more than 1,874 cards and more than fourteen percent (256) were used on AC Transit at least once. Greater than nine percent were utilized on AC Transit multiple times.

The District's 2017-18 Onboard Survey indicates that more than fifteen percent of AC Transit riders transfer to or from another service including BART, WestCAT, VTA, SamTrans, Caltrain, Greyhound, Golden Gate Transit, and many more.

Many of these agencies, including VTA, BART, Golden Gate Transit, and SamTrans, have already conducted fare equity analysis for Clipper START program. Therefore, foregoing an AC Transit specific public hearing on the ongoing Clipper START program, District staff reviewed the adopted Title VI Fare Equity Analyses of the above existing Clipper START participating agencies. The following is of note and in line with the requirements of Board Policy 518.

- All public hearing notifications were conducted in English, Spanish, and Chinese. According to AC Transit's Title VI Program, the District is required to provide translation and/or interpretation for Spanish and Chinese, which are the top two LEP languages in the District.
- Notifications were posted on agency websites, transit shelters, and provided to various community-based organizations.
- Four of the six agencies reviewed published ads of their public hearings in the East Bay Times, which is the likely the most significant publication for the District.
- Public hearings were conducted in 2018, 2019, and 2020.
- Excluding BART, only Forty-Five public comments were received. Only two were critical of the Clipper START program, but only that the program should also provide discounts to cash paying customer.
- BART utilized a combination of in-person and an online survey for public participation and comments. They received a total of 3,708 comments (online: 3,633, in-person: 75).
 - Question No. 5 of the survey was specific to the Clipper START program.
 - 2,119 (or 57%) responded to this question.
 - 87% supported BART's participation in the program
 - 13% did not support BART's participation in the program
 - Majority of comments from those that did not support BART's participation were regarding BART focusing on other priority items or spending money on other areas of providing/improving service instead of low-income discounts.

Public comment received

All public comments received by the reviewed agencies are included in their respective fare equity analysis and is available upon request.

IX. CONCLUSION

Considering together the data and the information reviewed from partnering transit providers, this Title VI fare equity analysis finds that the Clipper START program and the District's participation in the program do not carry any discriminatory effects on Title VI-protected populations.