ATTACHMENT 4

Zero Youth Fare Proposal Title VI Fare Equity Analysis

May 2022

King County

Contents

I. Introduction

Metro is proposing a fare change that would reduce transit fares for youth aged 6-18 to $0. This report documents King County Metro's Title VI equity analysis of this proposal, pursuant to Federal Transit Administration (FTA) guidance set forth in FTA's Title VI circular FTA C 4702.1B.

Requirements

FTA Circular 4702.1B, issued on October 1, 2012, identifies Title VI requirements and guidelines for recipients of federal grant funding from the FTA.[1] The following sections outline Title VI requirements that are applicable to the evaluation of proposed fare changes.

> 7. REQUIREMENT TO EVALUATE SERVICE AND FARE CHANGES. This requirement applies only to transit providers that operate 50 or more fixed route vehicles in peak service and are located in a UZA of 200,000 or more in population or that otherwise meet the threshold in the Introduction section of this chapter. These transit providers are required to prepare and submit service and fare equity analyses as described below. Transit providers not subject to this requirement are responsible for complying with the DOT Title VI regulations which prohibit disparate impact discrimination, and therefore should review their policies and practices to ensure their service and fare changes do not result in disparate impacts on the basis of race, color, or national origin. (Page IV-11)
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> Upon completion of a service or fare equity analysis, the transit provider shall brief its board of directors, top executive, or appropriate governing entity or official(s) responsible for policy decisions regarding the service and/or fare change(s) and the equity impacts of the service and/or fare change(s). The transit provider shall submit documentation such as a board resolution, copy of meeting minutes, or similar documentation with the Title VI Program as evidence of the board or governing entity or official's consideration, awareness, and approval of the analysis. (Page IV-12)
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> b. Fare Equity Analysis
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> (1) Fare Changes. The fare equity analysis requirement applies to all fare changes regardless of the amount of increase or decrease. As with the service equity analysis, FTA requires transit providers to evaluate the effects of fare changes on low-income populations in addition to Title VI-protected populations.
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> (2) Data 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 transit provider shall analyze any 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. (Page IV-19)

[1] Link to FTA Circular 4702.1 B

The sections below describe the proposed change, and fare equity analysis carried out per FTA requirements.

Context

King County Metro (Metro) is the Puget Sound region's largest public transportation agency, with over 123 million riders in 2019, before the COVID-19 pandemic. Fares represent an important source of revenue for Metro. Pursuant to the King County's Fund Management Policies for Public Transportation, Metro must recover at least 25 percent of passenger related operating costs from farebox revenues, comprising more than $164 million and accounting for more than 15 percent of Metro's total revenue in 2019.

In March 2022 the Washington State Legislature approved the Move Ahead Washington transportation investment program, which added a new section to chapter 47.66 RCW[2] establishing a transit support grant program for the purpose of providing financial support to transit agencies for operating and capital expenses. To be eligible to receive a grant, a transit agency is required to have adopted a zero-fare policy that allows passengers eighteen years of age and younger to ride free of charge on all modes.

Currently, children under the age of six ride free on all modes. Youth aged 6-18 are subject to a youth fare that varies by mode. Youth comprise around 11 percent of all Metro boardings. Reducing youth fares to $0 to become eligible for Move Ahead Washington grant funding would expand access to transit and allow Metro to address revenue needs within the transportation system. Consequently, Metro is proposing to reduce transit fares for youth aged 6-18 to $0.00 on all modes.

The table below shows 2019 annual boardings.

Table 1: Annual Boardings (2019)

Boarding type	Number of boardings*	% of total boardings
Youth boardings	13 million	11%
All other boardings	103 million	89%
Total boardings	116 million	100%

* Boarding figures include transfers.

Proposal

The table below shows current and proposed youth transit fares. The proposal would reduce general youth transit fares (charged for buses, trolleys, transit vans, dial-a-ride vehicles and streetcars), youth Access paratransit fares, and youth fares charged on Metro's two water taxi routes by 100 percent.

[2] Link to chapter 47.66 RCW

Table 2: Current and Proposed Youth Fares

Mode	Category	Current fare	Proposed fare	% Change
Bus, trolley, van, dial-a-ride, streetcar	Youth	$1.50	$0.00	-100%
Access Paratransit	Youth	$1.75	$0.00	-100%
Water Taxi W. Seattle Route	Youth	$3.75	$0.00	-100%
Water Taxi Vashon Route	Youth	$4.50	$0.00	-100%

II. Methodology

The FTA requires transit agencies to submit a Title VI Program Report every three years, which includes methodology and thresholds the agency will use to evaluate disparate impacts on minority riders[3] and disproportionate burdens on people with low incomes. When a triennial report is accepted by FTA, the methodology described in the report become the approach an agency must follow for the subsequent triennium. The 2019 King County Metro Transit Title VI Program Report[4] was approved by the King County Council via Motion 15491.[5] It was submitted to and accepted by the Federal Transit Administration.

Metro uses the methodology described in that report to conduct fare equity analyses includes the steps listed below.

1. **Determine whether a fare equity analysis is required**
   In depth analysis is required when a fare change would result in a differential percentage change of 10 percent or more by customer fare category or fare payment type.

   The FTA requires Metro to conduct an equity analysis using the methodology described in the 2019 King County Metro Title VI Program Report anytime a fare change is proposed. The Title VI Program Report requires Metro to compare differential percentage changes proposed across customer fare categories and payment types to determine whether further analysis is needed.

   Any proposal that would result in a differential percentage change of less than 10 percent by customer fare category or fare payment type falls below Metro's threshold for causing disparate impacts or disproportionate burdens and requires no further analysis. Proposals that would result in a differential percentage change of 10 percent or more by customer fare category or fare payment

[3] Per the Federal Transit Administration (Link to FTA Circular 4702.1 B) minority persons are persons with any of the following origins: American Indian and Alaska Native, Asian, Black or African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander. Where the word minority appears in this report, it refers to this federal definition.
[4] Link to 2019 King County Metro Transit Title VI Program Report
[5] Link to Motion 15491

type must undergo further analysis to determine whether they would result in disparate impacts or disproportionate burdens.

For example, a proposal to increase transit fares by 5 percent if paid by card, and 8 percent if paid by cash would involve a 3 percent differential percentage change and thus require no further analysis. A proposal to increase transit fares by 5 percent if paid by card, and 25 percent if paid by cash would involve a 20 percent differential percentage change and therefore require further analysis.

2. **Evaluate whether the proposal would cause disparate adverse impacts on minority riders**
   A disparate impact is present when the minority share of the affected rider group exceeds the minority share of all riders by 10 percentage points or more. An adverse impact occurs when the result would have a negative impact on affected riders.

   Metro uses rider data to conduct this analysis. To evaluate, Metro subtracts the minority percentage of all riders from the minority percentage of affected riders. If the difference exceeds a 10 percent threshold established in Metro's 2019 Title VI Program Report, then minority riders would experience disparate impacts from a proposed change.

   Metro then examines whether impacts of the proposed change would be adverse or favorable to those affected. For example, a change resulting in a fare increase would have an adverse impact on affected riders by making it more expensive to ride, while a fare elimination or reduction would have a favorable impact on affected riders by making it less expensive to ride.

   If a proposal would both disproportionately affect minority riders, and have an adverse impact on those affected, then the proposal would result in disparate adverse impacts on minority riders.

3. **Evaluate whether the proposal would impose a disproportionate burden on low-income riders**
   A disproportionate burden is present when both the low-income share of the affected rider group exceeds the low-income share of all riders by 10 percentage points or more, and when the proposal would be experienced as a burden by affected riders. For the purposes of Title VI analyses, household incomes below 200 percent of the federal poverty level are considered low-income.

   Metro uses rider data to complete this analysis. To evaluate, Metro subtracts the percentage of all riders who are low-income from the percentage of affected riders who are low-income. If the difference exceeds the 10 percent threshold established in Metro's 2019 Title VI Program Report, low-income riders would be disproportionately affected by the proposed change.

   Metro then evaluates whether the impact of the proposed change would benefit or burden those affected. For example, a fare increase would burden affected riders by making it more expensive to ride, whereas a fare elimination or reduction would benefit affected riders by making it less expensive to ride.

   If a proposal would both disproportionately affect low-income riders, and would burden affected riders, then the proposal would be found to impose disproportionate burdens on low-income riders.

4. Determine whether modification or mitigation is needed

If a disparate adverse impact on minority riders, or a disproportionate burden on low-income riders is identified, the FTA requires consideration of alternative approaches, modification of the proposal and/or development of mitigation strategies to reduce the negative impacts.

III. Analysis

Step 1: Is Metro required to complete a fare equity analysis for this proposal?

In depth analysis is required when a proposal would result in a differential percentage change of 10 percent or more by customer fare category or fare payment type.

All fare categories are listed in the table below, along with current fare levels, proposed fare levels, and the percent change from current to proposed. Under the proposal, youth fares would be eliminated and thus reduced by 100 percent, while fares for all other fare categories would remain the same.

If adopted, the differential percentage change by fare category would exceed the 10 percent threshold established in Metro's 2019 Title VI Program Report. Therefore, Metro concluded that further analysis to determine whether the proposal would have disparate adverse impacts on minority riders or place a disproportionate burden on low-income riders is required.

Table 3: Current and Proposed Fares Across All Categories and Modes

Fares for bus, trolley, transit van, dial-a-ride, and streetcar			
Category	**Current fare**	**Proposed fare**	**Percent change**
Regular	$2.75	$2.75	0%
Child	No charge	No charge	0%
Youth	$1.50	$0.00	-100%
Seniors and persons with disabilities	$1.00	$1.00	0%
Low-income	$1.50	$1.50	0%
Fares for Access Paratransit			
Category	**Current fare**	**Proposed fare**	**Percent change**
Adult			
Child	No charge	No charge	0%
Youth	$1.75	$0.00	-100%
Personal care attendant	No charge	No charge	0%
Service animal	No charge	No charge	0%
Fares for Water Taxi – West Seattle Route			
Category	**Current fare**	**Proposed fare**	**Percent change**
Cash	$5.75	$5.75	0%
Regular prepaid	$5.00	$5.00	0%
Child fare	No charge	No charge	0%
Youth fare	$3.75	$0.00	-100%
Senior and persons with disabilities	$2.50	$2.50	0%
Low-income	$3.75	$3.75	0%
Fares for Water Taxi – Vashon Route			
Category	**Current fare**	**Proposed fare**	**Percent change**
Cash	$6.75	$6.75	0%
Regular prepaid	$5.75	$5.75	0%
Child fare	No charge	No charge	0%
Youth fare	$4.50	$0.00	-100%
Seniors and persons with disabilities	$3.00	$3.00	0%
Low-income	$4.50	$4.50	0%

Step 2: Would the proposal impose disproportionate adverse impacts on minority riders?

A disproportionate impact would occur when the minority share of the affected rider group exceeds the minority share of all riders by 10 percentage points or more. Disproportionate *adverse* impact occurs when the result would have a negative impact on affected riders.

To evaluate impacts on minority riders, Metro analyzed local data on transit riders. Youth sample sizes were too small to evaluate using Metro's Rider/Non-Rider survey data, so to evaluate impacts on

minority youth transit riders Metro used the Puget Sound Regional Council (PSRC) 2017 and 2019 Household Travel Surveys[6] to complete this analysis. The table below compares the minority percentage of affected riders (youth ages 6-18) with the minority percentage of all riders. The table also defines what type of impact affected riders would experience as a result of the proposal.

Under the proposal, the minority share of youth riders would be smaller than the minority share of all riders. The negative 10.5 percent difference falls below the positive 10 percent threshold for disproportionate impacts established in Metro's 2019 Title VI Program Report, meaning that minority riders are not disproportionately impacted by the proposed change.

The proposed fare change would reduce transit fares to $0 for youth. This reduction in the cost to ride transit would have a favorable, rather than an adverse impact, on affected riders.

The proposed change would not disproportionately affect minority riders and would have a favorable impact on affected riders. Therefore, this proposal would not impose a disparate adverse impact on minority riders.

Table 4: Percent Minority and Proposal Impact Type

Group	% Minority
Riders 6-18	25.2%
Riders 19 and older	35.7%
Affected riders % minority – All riders % minority	-10.5%
Impact Type	
Type of impact riders would experience:	☐ Adverse impact ☒ Favorable impact

Step 3: Would the proposal impose disparate burdens on low-income riders?

A disparate burden occurs when the low-income share of a negatively affected rider group exceeds the low-income share of all riders by 10 percentage points or more.

To evaluate impacts on low-income riders, Metro analyzed local data on transit riders. Youth sample sizes were too small to compare household income using Metro's Rider/Non-Rider survey data, so to evaluate impacts on low-income youth transit riders, Metro used the Puget Sound Regional Council (PSRC) 2017 and 2019 Household Travel Surveys[7] to complete this analysis. The table below compares

[7] Link to Puget Sound Regional Council Household Travel Surveys

the percentage of affected riders (youth) with low household incomes, with the percentage of all riders with low household incomes. For the purposes of this analysis, Metro defines low-income as households with incomes at or below 200 percent of the federal poverty level. The table also defines what type of impact riders would experience as a result of this proposal.

Table 5: Percent Low-Income and Impact Type

Group	% Low-Income
Affected riders (youth)	5.7%
All riders	13.9%
Affected riders % low-income – All riders % low-income	-8.2%
Impact Type	
Type of impact riders would experience:	☐ Burden ☒ Benefit

Under the proposal, the low-income share of affected riders would be smaller than the low-income share of all riders. The negative 8.2 percent difference is less than the positive 10 percent threshold for disparate burdens.

The proposed fare change would reduce transit fares to $0 for youth. This reduction in the cost to ride transit would be experienced as a benefit, rather than a burden, by affected riders.

The proposed change would not disproportionately affect low-income riders and would be experienced as a benefit by affected riders. Therefore, this proposal would not impose a disproportionate burden on low-income riders.

Step 4: Does the analysis indicate a need for modification or mitigations?

Modification and mitigation are not required because neither a disparate adverse impact on minority riders nor a disproportionate burden on low-income riders would result from implementation of the proposed fare change.

IV. Conclusion

Because the proposed reduction of youth fares to $0 would involve a change to fare structure and would have a differential impact of more than 10 percent by fare category, Metro was required to complete a fare equity analysis. Metro has determined that the proposal would not result in disproportionate adverse impacts on minority riders. Similarly, the percentage of affected riders who

are low-income is less than the percentage of all riders who are low income and affected riders will also experience the result as a benefit (i.e., reduced transit fare) rather than a burden.

Metro has identified no disparate adverse impacts on minority riders, and no disproportionate burdens on low-income riders as a consequence of the proposed fare change.