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## **FARE EQUITY POLICY**

### **A. PURPOSE OF THE POLICY**

The purpose of the Fare Equity Policy is to define a threshold for determining whether potential changes to existing transit fare by transit mode and/or fare media will have a discriminatory impact based on race, color or national origin, or whether a potential fare adjustment will have a disproportionately high or adverse impact on minority and/or low-income populations.

Where the availability of/access to fare media may be impacted such as by the addition or removal of sales channels, availability of/access to fare media will be evaluated under the provisions of the Major Service Change and Service Equity Policy. Any changes involving the pricing of fare media will be evaluated per the sections below.

### **B. BASIS FOR POLICY STANDARDS**

Federal law requires the City of Phoenix and Valley Metro to evaluate all fare changes regardless of the amount of increases or decreases, as outlined in FTA Circular 4702.1B, effective October 1, 2012. To comply with 49 CFR Section 21.5(b)(a), 49 CFR Section 21.5(b)(7) and Appendix C to 49 CFR Part 21, recipients are required to develop procedures for analyzing all fare changes to determine whether the proposed fare change(s) will have a discriminatory impact. The analysis of all fare adjustment(s) shall be done prior to implementation of these changes. The purpose for conducting fare change analyses prior to their implementation is to determine whether a proposed change will have a disparate impact to minority users and/or a disproportionate burden on low-income riders. The standard method for measuring disparate and disproportionate impacts is the comparison between the proportion of persons who are considered minority and/or low-income populations to the overall users that are affected by the proposed fare adjustment(s). Although low-income populations are not a protected class, the FTA requires that transit providers to evaluate proposed fare changes to determine whether they will bear a disproportionate burden of the changes.

To analyze the proposed fare changes, FTA Circular 4702.1B requires that Valley Metro and the City of Phoenix develop a disparate impact policy and a disproportionate burden policy for measuring disparate impacts and disproportionate burdens from the proposed fare adjustment(s). Valley Metro and the City of Phoenix have coordinated on the development of these two policies pursuant to FTA Circular 4702.1B.

The following section identifies the data that will be used to conduct an analysis.

### **C. DATA ANALYSIS**

All proposed increase(s) or decrease(s) in fares for the entire system or certain transit modes (local bus service, circulator service, Express and RAPID bus service, light rail service and streetcar service) or changes to fare media (single pass, all-day pass, 31-day



pass or other multiday pass, mobile fares) are required to be analyzed. Information generated from ridership surveys (O&D survey) shall be used to identify ridership by transit mode and fare media to determine whether minority and/or low-income riders would be disproportionately impacted by the proposed fare and/or fare media change. Census data are not to be used because these data do not indicate what payment type/media people are using. The following process shall be used to conduct an analysis:

- *Determine the numbers and percentage of riders for each fare media and for each transit mode being changed;*
- *Review all the fares before and after the proposed change;*
- *Compare the differences for each particular fare media between minority riders and non-minority riders and low-income riders and non-low-income riders; and*
- *Compare the differences for each particular fare media between local and express service and between minority riders and non-minority riders and low-income riders and non-low-income riders.*

#### **D. DISPARATE IMPACT POLICY (FARE EQUITY ANALYSIS)**

When there is any fare adjustment, Valley Metro and the City of Phoenix will compare the percentage change between minority riders and non-minority riders. A fare adjustment is considered a disparate impact when the absolute difference results in minority riders bearing a rate change that is equal to or greater than five percent as compared to non-minority riders.

##### **Finding a Disparate Impact**

Should Valley Metro or City of Phoenix find that minority riders experience disparate impact(s) from the proposed fare adjustments, steps will be taken to avoid, minimize, or mitigate the disparate impact(s). It is possible that fare adjustments can be revised to avoid disparate impacts. Once the fare(s) have been revised another analysis must be conducted to determine if the revision has actually removed the disparate impact.

If Valley Metro or the City of Phoenix chooses to not alter the proposed fare adjustments despite the disparate impact, or if Valley Metro or the City of Phoenix finds, even after the revisions, that minority riders will continue to bear a disproportionate share of the proposed fare change, pursuant to FTA Circular 4702.1B Valley Metro or the City of Phoenix may implement the proposed fare change only if:

- *A substantial legitimate justification for the proposed fare change(s) exists, and*
- *There are no alternative(s) serving the same legitimate objectives that would have less disproportionate impact on minority populations or riders.*

Note that to make this showing, Valley Metro or the City of Phoenix must consider and analyze alternatives to determine whether the alternatives would have less of a disparate impact on minority users and then implement the least discriminatory alternative.



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## E. DISPROPORTIONATE BURDEN POLICY (FARE EQUITY ANALYSIS)

When there is any fare adjustment, Valley Metro and the City of Phoenix will compare the percent change for each fare adjustment between low-income riders and non-low-income riders. A fare change is considered a disproportionate burden when the absolute difference results in low-income riders bearing a rate change that is equal to or greater than five percent compared to non-low-income riders.

### Finding a Disproportionate Burden Impact

Should Valley Metro or City of Phoenix find that low-income riders experience disproportionate burden from the proposed fare adjustment(s), pursuant to FTA Circular 4701.1B, Valley Metro or City of Phoenix should take steps to avoid, minimize, or mitigate impacts where practicable. Valley Metro or City of Phoenix will describe alternatives available to low-income riders affected by the proposed fare adjustment(s).

## F. EXEMPTIONS

- Fares charged for demand-response service
- Temporary or promotional fares lasting 6 or fewer months

## G. DEFINITIONS

Disparate Impact – A facially neutral policy or practice that has a disproportionately adverse effect on minority riders or population of the service area.

Disparate Treatment – An action that results in a circumstance in which minority riders or populations are treated differently than others because of their race, color, or national origin.

Disproportionate Burden – A facially neutral policy or practice that has a disproportionately adverse effect on low-income riders or population of the service area.

Express Transit Service – Includes Valley Metro designated express bus and City of Phoenix RAPID bus services.

Fare Media – The type(s) of fare media that Valley Metro and the City of Phoenix offer or plan to offer transit passengers (single ride fare, all-day fare, multi-day fare, mobile fare, Express and RAPID bus fare).

High-Capacity Transit (HCT) – A transit facility or service that operates at a consistent, high frequency of service.

Local Transit Service – Includes light rail transit, streetcar, and local fixed-route bus, local limited stop bus, and circulator/shuttle bus services.

Low-income Person - A person whose median household income is at or below 150 percent of the U.S. Department of Health and Human Services poverty line.

Low-income Areas – A census tract or other geographic bound area that has a higher percentage of low-income persons (defined above) than the overall average percentage of low-income persons in the route-service area.



Minority Person – A person who is American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, as defined in the FTA Title VI Circular.

Minority Populations – A readily identifiable group of minority person who live in geographic proximity – residential land use areas within Census tracts where the percentage of minority persons is higher than the Valley Metro service area average.

Minority Route – A route that has at least 1/3 of its total revenue miles in a census block or block group, or traffic analysis zone(s) with a percentage of minority population that exceeds the percentage of minority population in the transit service area, as defined in the FTA Title VI Circular. A recipient may supplement this service area data with route-specific ridership data in cases where ridership does not reflect the characteristics of the census block, block group, or traffic analysis zone.

Route-Level – Reference to the geographic level of analysis at the route alignment level by which the performance of a transit route is measured for equity.

Route-Service Area – A three-quarter mile radial buffer on either side of a transit route's alignment.

Service Level – Reference to the span of service (hours of operation), days of operation, trips, and headways (service frequencies) for a transit route or the regional transit system.

Service Span – The span of hours over which service is operated (e.g., 6 a.m. to 10 p.m.). The service span may vary by weekday, Saturday, or Sunday.

System-wide – Refers to the geographic level of analysis by which the performance of the entire transit system is measured for equity.

Transit Mode – The type of transit service being operated (local bus, circulators, Express and RAPID, light rail and streetcar).

Transit Service Area – Valley Metro's service area for local bus service is considered to be three quarter mile buffer around our transit system and for express/RAPID service it is a three-mile buffer around the park-and-ride and transit facilities.

Transit System – A coordinated urban network of public passenger modes including fixed-route local and express buses, light rail transit, bus rapid transit, and circulator bus services that provide mobility for people from one place to another.

## **Public Participatory Procedures**

For all proposed service changes, Valley Metro and/or City of Phoenix will conduct public outreach as outlined in the Public Participation Plan.