



Title VI Fare Equity Analysis

DART Reduced Fare Program

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**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



Background

In 2019, a survey sponsored by the United Way of Central Iowa found that transit fares can be a barrier to meeting the transportation needs of local residents. This information led DART to examine its fare structure to see how reduced fare programs might be modified to lower barriers for income-constrained customers and encourage ridership on DART. Staff found that existing programs could be improved by streamlining application and administrative processes and expanding choice and access for customers.

One existing program that benefits many central Iowans is DART's Half Fare Program. Qualifying individuals ride DART for about half the cost of regular bus fare. Once eligibility is determined, customers are issued a Half Fare identification card, which they can use to purchase any DART fare media at a half fare rate. Adults 65 and over, people with disabilities, refugees, and students all qualify for the Half Fare program.

DART also offers the Opportunities Through Transit (OTT) program. OTT allows income-eligible customers to purchase a discounted monthly pass for \$18, which is less than half the price of a \$48 regular monthly pass. The program focuses on assisting those who rely on DART for getting to work, looking for a job or traveling to adult educational and training programs.

Proposed Changes

DART proposes a pilot project to expand eligibility to its Half Fare Program to include low-income and job-seeking residents, which will reduce costs for many qualified customers. This change would enable the population currently served by the existing OTT program to purchase any fare media at a half-fare price, rather than just a monthly bus pass. Additionally, the application and approval process for low-income residents to participate in the Half Fare program would be simplified to allow for third party verification of income, such as proof of eligibility for food assistance, proof of unemployment, or proof of participation in a job training program. Qualifying customers with all the necessary materials could be instantly approved, as opposed to the current OTT process which requires multiple trips, forms, and up to two weeks to review and confirm eligibility.

While the proposed expanded Half Fare Program is intended to benefit qualified individuals, one potential hardship that has been identified is that the current price for a monthly pass for OTT participants is \$18, and if the same individuals became qualified for the Half Fare program their monthly pass would cost \$24. DART hopes to mitigate this potential negative impact through program design features discussed in a later section.

The pilot project only affects individuals who qualify for the OTT program. Base fares, fare structure, and fare medias are not changing as part of this pilot program.



Public Outreach

The impetus for these proposed changes was a recent survey of more than 600 Polk County residents that was conducted as part of a Central Iowa Transportation Gaps Analysis and which found that for nearly 40 percent of respondents, the cost of riding DART was identified as a barrier to meeting their transportation needs. Many of the respondents were asset limited, income-constrained, employed (ALICE) population, which is the group that the proposed changes aim to help increase the access and affordability of transit.

Given the community need that was identified through a robust survey, DART staff conducted interviews with various stakeholder groups that work with the ALICE population in our region. When staff spoke with representatives of groups that provide housing, job training and employment placing assistance in Central Iowa, they pointed out that while the OTT program is popular, the cumbersome application process likely limits the number of residents that can participate. Groups interviewed include Central Iowa Works, Goodwill of Central Iowa, Central Iowa Shelter & Services (CISS), Iowa Workforce Development, and Project Iowa.

DART customer service staff also shared their experience administering the program to identify gaps and challenges.

If the proposed changes are approved by the DART Commission, DART staff will undertake a robust external communications strategy consistent with DART's Public Participation Plan. The aim will be to ensure the more than 200 community partner organizations that DART works with are educated on how eligible populations can participate in the pilot program and benefit from expanded access to its Half-fare Program. DART will also target outreach to eligible populations through local human service agency partners, on-board and electronic distribution of rider communications, as well as formal announcement via DART's media contacts.

Relevant Policies

Title VI of the Civil Rights Act of 1964 states that 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. The Federal Transit Administration (FTA) has several requirements to ensure that transit agencies comply with Title VI, among them the requirement to analyze changes to transit service or fares to determine whether changes are being applied equitably to minority and low-income communities.

All changes to fare cost and payment methods are subject to this analysis and reporting, excluding temporary or promotional fares lasting 12 months or less.

DART's Disparate Impact Policy provides a threshold which identifies when adverse effects of a fare change are borne disproportionately by minority populations. DART will consider a proposed fare rate or media change to have a disparate impact if the proportion of minority customers likely to be negatively affected is more than 5 percentage points greater than the overall proportion of DART customers likely to be affected.

DART's Disproportionate Burden Policy provides a threshold which identifies when adverse effects of a fare change are borne disproportionately by low-income populations. DART will consider a proposed fare rate or media change to have a disproportionate burden if the proportion of low-income customers likely to be negatively affected is more than 5 percentage points greater than the overall proportion of DART customers likely to be affected.



Impact Analysis

In order to test whether the proposed changes would result in a disproportionate negative burden on minority or low-income population, DART staff collected available demographic information to compare the affected population to the regional population, as well as information about the proposed fare change. For this analysis, staff used the race and income information collected from participants in the Opportunities Through Transit (OTT) program. Staff compared OTT participants to residents of the region as a whole using available Census data. Details on this analysis can be found in the Appendix.

OTT Participation

The following analysis compares the demographic make-up of OTT participants compared to all DART customers and DART's service area as a whole.

	Low Income	Minority
OTT Participants	100%	38%
All DART Customers	52%	39%
DART Service Area	19%	30%

Fare Change Analysis

The following analysis focuses on the impacts of the proposed fare change on individuals who qualify for OTT, and who would be eligible for the expanded Half Fare Program as a result of the proposed changes. Demographic data is collected from each OTT applicant. The monthly pass is the only subsidized fare option in the OTT program. Therefore, we assume that all participants, upon purchasing a subsidized monthly pass, do not purchase any other fare products while they are in the program. Under the expanded Half Fare proposal, the same universe of OTT qualified individuals would be able to purchase any DART fare product at the half fare price.

The proposed changes would only impact low-income, job seeking individuals who would qualify for the OTT program. Existing Half Fare program participants (such as seniors and people with disabilities), and general customers who do not meet the OTT qualifications will not experience any fare change.

Fare Type	Cost		Change		Demographics by Fare Type		
	Existing	Proposed	Absolute	Percentage	Low-income (OTT)	Minority (OTT)	Overall (OTT)
Monthly Pass	\$18	\$24	\$6	33%	100%	38%	100%
Weekly Pass	\$16	\$7	(\$9)	-56%	0%	0%	0%
Day pass	\$4	\$2	(\$2)	-50%	0%	0%	0%
Single Ride	\$1.75	\$0.75	(\$1)	-57%	0%	0%	0%



Findings

This analysis indicates that the proposed changes would not have a disproportionate impact on minority customers. 38% of OTT participants are in racial minority groups, and 39% of all DART customers are in racial minority groups. Since there is not a 5% or greater difference between the proportion of minority customers in the OTT program compared to DART customers as a whole, the proposed change would not constitute a disparate impact on minority individuals.

This analysis also shows that while qualifying individuals would experience a decrease in fares in most payment categories, the cost of a monthly pass would increase from \$18 to \$24 for participating individuals. Since 100% of OTT participants are low-income, compared to 52% of all DART customers, the differential of greater than 5% indicates that the proposed change would result in a disproportionate burden on low income customers who choose to purchase a monthly pass. Low income customers that qualify for the program who choose any other fare category will not experience a disproportionate burden because they would receive a fare decrease in every other fare category.

Given the finding that low-income residents who choose to purchase a monthly pass would be disproportionately negatively impacted, DART should take steps to avoid, minimize or mitigate impacts where practicable.

Justification and Mitigation Measures

DART staff believe that despite the disproportionate burden on some customers, the proposed changes would be a net benefit for all affected customers for the following reasons:

- ▶ By streamlining the application process, more people should be able to prove eligibility for the expanded Half Fare program relative to the OTT program. Participants will also experience much shorter wait times since the Half Fare program has instant verification.
- ▶ By expanding eligibility for the Half Fare program, qualifying customers would be able to purchase any DART fare media at a discounted rate, as opposed to just being able to purchase a monthly pass through OTT. Qualifying customers will get a fare reduction on most fare media and categories. It is only the monthly pass that will cost more through the half fare program when compared to OTT.

The following mitigation measures have been put in place to control for potential adverse impacts to customers:

- ▶ The program will be a 6-month pilot. A formal evaluation will document the effectiveness and customer satisfaction of the program.
- ▶ Existing OTT customers will have the option to continue to purchase a monthly pass at the existing rate of \$18 during the pilot period. Therefore, only new participants or current participants who wish to purchase other fare categories and media would be affected.
- ▶ DART will explain the changes and rationale to impacted customers through local human service agency partners, on-board and electronic distribution of rider communications, as well as formal announcement via DART's media contacts.



Conclusions

The intent of expanding access to DART's Half Fare Program to low-income and job seeking individuals, as well as those undergoing job training, is to reduce barriers to transit for income-constrained customers. The proposed changes would simplify the administrative and customer burden, encourage ridership by streamlining access, and reduce costs for many customers. The change in policy will have a disproportionate burden on low-income individuals, however, DART has demonstrated that these impacts will be mitigated through program design.



Appendix

Title VI Analysis Data Sources and Definitions

Data from the American Community Survey (ACS), DART ridership reporting, and customer surveys were used to perform the Title VI analysis.

2017 ACS five-year estimates provided block-group-level population data for the existing network demographic analysis. For purposes of this analysis, the following origin by race categories were defined as minority:

- ▶ Black or African American alone
- ▶ American Indian or Alaska Native alone
- ▶ Asian alone
- ▶ Native Hawaiian or Other Pacific Islander alone
- ▶ Hispanic or Latino alone
- ▶ "Other" race alone
- ▶ Two or more races

Individuals who reported in the ACS that their income over the previous 12 months fell below the federal poverty line were defined as low-income for the geographic analysis.

For purposes of this analysis, the following origin by race categories were defined as minority as indicated on OTT application:

- | | |
|--|--|
| ▶ African American | ▶ Black/ African American & Caucasian |
| ▶ American Indian/ Alaskan Native | ▶ Black/ African American & Hispanic/ Latino |
| ▶ American Indian/ Alaskan Native & Black African American | ▶ Hispanic |
| ▶ American Indian/ Alaskan Native & Caucasian | ▶ Native American |
| ▶ Asian | ▶ Native American/ Other Pacific Islander |
| ▶ Asian & Caucasian | ▶ Other |
| ▶ Black/ African American | ▶ Other Multi-Racial |
| | ▶ White Hispanic/ Latino |

Results from the 2018 DART Customer Satisfaction on-board survey informed the Title VI evaluation of whether proposed service changes created a potential for a disparate impact or disproportionate burden. Survey respondents were asked to identify their race or ethnicity from the following categories and could select all that applied:

- ▶ Caucasian/White
- ▶ African American/Black



- ▶ Hispanic/Latino
- ▶ Native American
- ▶ Asian/Pacific Islander
- ▶ Middle Eastern/North African
- ▶ Other

Respondents who selected any combination of answers other than only Caucasian/White were considered minority riders.

The customer satisfaction survey also asked respondents to provide their household income before taxes among the following income brackets:

- ▶ Less than \$10,000
- ▶ \$10,00 - \$14,999
- ▶ \$15,000 – \$24,999
- ▶ \$25,000 - \$34,999
- ▶ \$35,000 - \$49,999
- ▶ \$50,000 - \$74,999
- ▶ \$75,000 or More

DART utilizes the federal poverty guideline updated each year by the U.S. Department of Health and Human Services to define low-income populations. The survey data did not include information on respondents' household sizes. Assuming an average household size of four people, incomes under \$25,750 fall below the poverty guideline. Thus, all DART survey respondents who selected "Less than \$10,000," "\$10,000 - \$14,999," and "\$15,000 - \$24,999" were considered low- income for purposes of this analysis.

Table 1: 2019 Poverty Guideline for Determining Low-Income Status

HHS Poverty Guideline for 2019	
Household Size	Income
1	\$12,490
2	\$16,910
3	\$21,330
4	\$25,750
5	\$30,170
6	\$34,590
7	\$39,010
8	\$43,430

Source: U.S. Department of Health and Human Services, 2019.