



**TITLE:** DISPARATE IMPACT POLICY  
DISPROPORTIONATE BURDEN POLICY:  
**FARE CHANGES**

**ORIGINATING UNIT:** Planning and Development

**EFFECTIVE DATE:** **REVISION: 0**

As a recipient of federal financial assistance, Metrolink is required to comply with Title VI of the Civil Rights Act of 1964 and Executive Order 12898 on Environmental Justice. Title VI and Environmental Justice require that federal recipients administer all of their programs and initiatives without regard to race, color, national origin, and low-income status. The purpose of this policy is to establish specific measures to avoid, minimize and mitigate disproportionate impacts that may be experienced by minority and low-income populations associated with changes to the Metrolink fare structure, fare media or fare prices.

This policy establishes a threshold for determining whether a fare change proposal would result in a fair distribution of positive and negative effects on minority and low-income populations or would result in a disparate impact<sup>1</sup> on minority populations or a disproportionate burden<sup>2</sup> on low-income populations, as defined by FTA Circular 4702.1B.<sup>3</sup>

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<sup>1</sup> Disparate impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin where the recipient’s policy or practice lacks a substantial legitimate justification and where there exist one or more alternatives that would serve the same legitimate objectives but with less disproportionate effect on the basis of race, color, or national origin

<sup>2</sup> Disproportionate Burden refers to a facially neutral policy or practice that disproportionately affects low-income populations more than non-low-income populations. A finding of Disproportionate Burden requires the recipient to evaluate alternatives and mitigate burdens where practicable.

<sup>3</sup> Per FTA Circular 4702.1B, “The...threshold defines statistically significant disparity and may be presented as a statistical percentage of impacts borne by minority [and low income] populations compared to impacts borne by non-minority [and non-low income] populations. The...threshold must be applied uniformly...and cannot be altered until the next Title VI Program submission.

### Disparate Impact:

The measure of Disparate Impact involves a comparison of impacts borne by minority populations compared to impacts borne by non-minority populations.

- Fare change proposals are determined to have a *Disparate Impact* on minority populations if, when viewed as a whole, the average percentage change experienced by minority riders is at least 5% higher than the average percentage change experienced by non-minority riders.
- Additionally, if benefits associated with the fare change accrued to non-minority riders are greater than 5% when compared to minority riders, then that change will be determined to have a *Disparate Impact*.

### Disproportionate Burden:

The measure of Disproportionate Burden involves a comparison of impacts borne by low-income populations compared to impacts borne by non-low-income populations.

- Fare change proposals are determined to have a *Disproportionate Burden* on low-income populations if, when viewed as a whole, the average percentage change experienced by low-income riders is at least 5% higher than the average percentage change experienced by non-low-income riders.
- Additionally, if benefits associated with the fare change accrued to non-low-income riders is greater than 5% when compared to low-income riders, then that change will be determined to have a *Disproportionate Burden*.

## Definitions:

**Adverse Impacts:** Negative impacts experienced as a result of the contemplated change. For fare related changes this includes but is not limited to: changes in fare prices, changes in discounts, elimination of fare media types, changes in fare structure (e.g. transition from mileage-based to zone-based fare structure), reduction in access to fare media, or new fare payment methods.

**Fare Change:** Any increase or decrease in a transit provider's fare, regardless of the magnitude. All fare changes must be the subject of a Fare Equity Analysis other than those falling within the following exceptions identified under C4702.1B.

- "Spare the Air Days" or other instances when a local municipality or agency has declared that all passengers ride free
- Temporary fare reductions that are mitigating measures for other actions
- Promotional fare reductions that last less than 6 months. (If promotional fare reductions last longer than 6 months, then the agency must conduct a fare equity analysis)

**Low Income Populations:** Following FTA's guidance to use locally developed and inclusive definitions of low-income status, specifically in regions with a high cost of living, Metrolink defines low income as falling at or below 200% of the Federal Poverty Guideline (FPG) as defined by the U.S. Department of Health and Human Services. This definition was selected after a comparison of thresholds used by other large rail operators in California: Coaster (150% FPG), Caltrain (200% FPG), BART (200% FPG), VTA (200% FPG). LACMTA uses the HUD income limits for *Very Low Income* for Los Angeles County for its Low-Income Fare Program (corresponding to 210% FPG).

**Minority Populations:** Any person that self identifies as non-white under the U.S. Census guidelines. This includes American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, and Native Hawaiian or other Pacific Islander.

## Fare Equity Analysis Procedures:

- Fare Equity Analyses will be conducted for any and all fare changes contemplated by the agency other than those excluded from the requirement as noted in Definitions.
- Fare Equity Analyses will be prepared in accordance with Appendix K of Federal Circular 4702.1B and will include a comparison of the absolute and percentage change experienced by minority riders (and low-income riders) compared to the absolute and percentage change of non-minority riders (and non-low-income riders) for each of the fare changes proposed. If there are changes to multiple fare types, an average fare analysis will be conducted to evaluate the impact of the fare changes cumulatively.
- Fare Equity Analyses will be conducted for the fare change at full build out.
- If a change is part of the New Starts or Small Starts program, a Fare Equity Analysis will be prepared in conjunction with a Service Equity Analysis six months prior to commencement of revenue service.
- Fare Equity Analyses will use the most recent and complete on-board survey data that is valid for fare payment, fare category, ethnicity and income status as well as other data points used in the analysis, such as boarding/alighting stations or reason for riding the train.
- The results of each Fare Equity Analysis will be presented to the Board of Directors in advance of the approval of the proposed change.
- In the event that Fare Equity Analyses result in disparate impacts or a disproportionate burden, the agency will examine ways to minimize or mitigate the impacts of the proposal. If mitigations fail to eliminate disparate impacts or a disproportionate burden, the equity analysis must demonstrate that the fare change proposal is the least discriminatory option and that there is a substantial legitimate justification for the fare change.
- All Fare Equity Analyses will be included in the triennial Title VI program update, including the action taken by the board on the fare change proposal.