

# Business Item

Transportation Committee



Committee Meeting Date: July 10, 2023

For the Metropolitan Council: July 26, 2023

## Business Item: 2023-150

Approve Title VI Fare Equity Analysis for the Transit Fare Elimination Pilot Program

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	OEE0 6-1 Title VI Major Service Change Policy; OEE0 6-2 Title VI Disparate Impact and Disproportionate Burden Policy
<b>Staff Prepared/Presented:</b>	Lesley Kandaras, Interim General Manager, 612-349-7513 Edwin Petrie, Director Finance (612) 349-7624 Dennis Dworshak Sr Manager, Revenue Operations (612) 349-7364 Guthrie Byard, ADA & Title VI Administrator (612) 349-7762 Andrea Kiepe, TAP Coordinator (612) 349-7747
<b>Division/Department:</b>	Transportation, Metro Transit

### Proposed Action

That the Metropolitan Council approve the Title VI Fare Equity Analysis for free fares on routes #62 and #32 to be used for the Transit Fare Elimination Pilot Program from July 1, 2023 through December 31, 2024.

### Background

The Transportation Finance Omnibus Bill enacted during the 2023 legislative session requires the Council to implement a transit fare elimination pilot program ("Pilot Program") from July 1, 2023, to December 31, 2024. Transit service under the Pilot Program must be provided free of charge or at a reduced fare on two regular routes. Free or reduced fare service must be implemented on the entirety of each selected route during both peak and nonpeak service hours.

Staff identified Route #32 and #62 as the best routes for this Pilot Program. Both routes serve people who depend on transit, people of color, and people with low incomes. These routes also serve the east metro and west metro and include a mix of core local and supporting local service. Selecting these areas for the pilot program will help the Council evaluate how different routes and market areas respond to free transit services.

Staff concluded free fares (rather than reduced fares) provide the best incentive to increase ridership, meets the intent of the legislation, is the easiest to implement by the Legislature's July 1, 2023 deadline, and provides for faster boarding with a simple clear transfer policy. Transfers will not be provided on the free routes.

At the Metropolitan Council meeting on June 28, 2023 the Council approved the following with Business Item 2023-129SW:

1. Implement the legislatively mandated transit fare elimination pilot program on Metro Transit Route #32 and #62 from July 1, 2023, to December 31, 2024;

2. From July 1, 2023, to December 31, 2024, provide all regular route service free of charge to individuals who are certified as disabled under the Americans with Disability Act requirements of the Federal Transit Administration or certified as eligible for special transportation service under Minnesota Statutes section 473.386, subdivision 2a; and
3. Direct staff to submit the required legislative report on the pilot program by February 15, 2025.

Staff informed the Council a title VI fare equity analysis was being completed for routes #32 and #62 and would be provided to the Council once the equity analysis was completed.

FTA Circular 4702.1B states a Title VI fare equity analysis requirement applies to all fare changes regardless of the amount of increase or decrease. As with the service equity analysis, the Federal Transit Administration (“FTA”) requires transit providers to evaluate the effects of fare changes on low-income populations in addition to Title VI-protected populations. This analysis has been completed prior to the July 1, 2023 implementation of the Transit Fare Elimination Pilot Program.

Per FTA Circular 4702.1B, 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.

### **Rationale**

The 2023 Transportation Omnibus legislation requires the Council to establish a Transit Fare Elimination Pilot Program by July 1, 2023 which was approved by the Council on June 28, 2023 with Business Item 2023-129SW.

FTA Circular 4702.1B requires FTA transit providers to evaluate the effects of any fare change based on income, race, color, and national origin. A fare equity analysis is needed in these cases and is a requirement regardless of a fare increase or decrease.

### **Thrive Lens Analysis**

This Pilot Program advances *Thrive MSP 2040* regional outcomes by examining the impacts of providing riders with transit rides at no direct cost to them. Increasing transit ridership and reducing barriers for people to ride transit would help contribute to regional stewardship, prosperity, livability, equity, and sustainability using a data driven approach to measure the effectiveness of the Council’s efforts.

### **Funding**

The Pilot Project will be fully funded with local funding included in the Transportation Operating Budgets.

### **Small Business Inclusion**

This request is for Council Approval of completed Title VI Analysis and will not require small business inclusion.

