

CITY of ALBUQUERQUE

TWENTY FIFTH COUNCIL

COUNCIL BILL NO. R-22-95 ENACTMENT NO. _____

SPONSORED BY: Klarissa Peña, Dan Lewis

1 RESOLUTION

2 APPROVING THE TRANSIT DEPARTMENT’S FARE EQUITY ANALYSIS OF THE
3 PROPOSAL (O-22-47) TO RESUME FARE COLLECTION AND PROVIDE LONG-
4 TERM FREE PASSES.

5 WHEREAS, pursuant to Title VI of the Civil Rights Act of 1964, 42 USC §2000d
6 et seq. (“the Act”) and 49 CFR Part 21, the U.S. Department of Transportation
7 and the Federal Transit Administration (FTA) prohibit discrimination on the
8 basis of race, color or national origin; and

9 WHEREAS, as a recipient of FTA funds, the Transit Department is required
10 to comply with the requirements of the Act and applicable implementing
11 regulations; and

12 WHEREAS, pursuant to FTA Circular 4702.1B, the Transit Department is
13 required to conduct a fare equity analysis for any changes to fares and to submit
14 that equity analysis to its governing entity for approval; and

15 WHEREAS, the City Council is considering a change to the City’s Transit
16 Fares (§ 7-2-1-1) that, at the conclusion of the limited-duration Zero Fares Pilot
17 Project (§ 7-2-1-2), would replace the current fare structure with a cash fare and
18 create free three-year pass available by application; and

19 WHEREAS, the Equity Analysis of the City of Albuquerque Council Proposal
20 to Resume Fare Collection and Provide Long-Term Free Passes (O-22-47)
21 concluded that there was no disparate impact on minorities as defined in the
22 Department’s 2020 Title VI Program; and

23 WHEREAS, the Equity Analysis concluded that there was a potential
24 disproportionate burden on low-income households as defined in the 2022 Title
25 VI Program; and

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1 WHEREAS, the proposed ordinance includes steps to avoid, minimize and
2 mitigate those burdens as described in the Equity Analysis; and

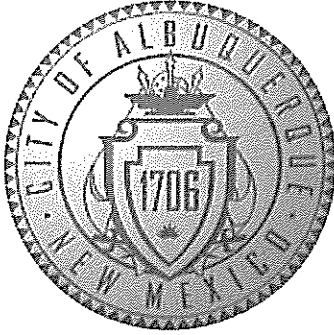
3 WHEREAS, the Council has considered and determined to approve the
4 Transit Department’s Equity Analysis of the City of Albuquerque Council
5 Proposal to Resume Fare Collection and Provide Long-Term Free Passes (O-22-
6 47).

7 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
8 ALBUQUERQUE:

9 Section 1 That the Equity Analysis as set forth in the attached Exhibit A
10 entitled “City of Albuquerque Council Proposal to Resume Fare Collection and
11 Provide Long-Term Free Passes (O-22-47) ABQ RIDE Equity Analysis” is
12 approved.

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Mayor Timothy M. Keller

CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

INTER-OFFICE MEMORANDUM

December 13, 2022

TO: Isaac Benton, President, City Council

FROM: Timothy M. Keller, Mayor 

SUBJECT: Resolution approving the Transit Department's Fare Equity Analysis of the Proposal (O-22-47) to Resume Fare Collection and Provide Long-Term Free Passes

Attached is a Resolution that would approve the Transit Department's Fare Equity Analysis of the City of Albuquerque Council Proposal to Resume Fare Collection and Provide Long-Term Free Passes (O-22-47). Federal Transit Administration (FTA) per their Circular 4702.1B implementing Title IV of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) requires recipients of FTA funding to conduct an equity analysis for any fare changes and for the recipient's governing body to review and approve that equity analysis.

Title VI of the Civil Rights Act of 1964 prohibits discrimination based on race, color or national origin in the provision of benefits from a program receiving Federal financial assistance, and FTA's implementation of that law includes a requirement for transit agencies to perform a fare equity analysis, approved by the City Council, whenever any fare changes are proposed. With the introduction and consideration of O-22-47, City Council is considering a change to the City's Transit Fares (§ 7-2-1-1) that, at the conclusion of the limited-duration Zero Fares Pilot Project (§ 7-2-1-2), would replace the current fare structure with a cash fare and create free three-year pass available by application. The Transit Department has conducted the required equity analysis of that proposal.

The fare equity analysis found that there is no "disparate impact" on minorities due to the service reallocation but did identify a potential "disproportionate burden" for low-income households. However, the equity analysis also found that the proposed ordinance includes steps to avoid, minimize and mitigate those burdens as required by FTA's Circular 4702.1B.

Legislation Title: APPROVING THE TRANSIT DEPARTMENT'S FARE EQUITY ANALYSIS OF THE PROPOSAL (O-22-47) TO RESUME FARE COLLECTION AND PROVIDE LONG-TERM FREE PASSES

Approved:



Lawrence Rael Date
Chief Administrative Officer

Approved as to Legal Form:

DocuSigned by:
Lauren Keefe
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12/15/2022 | 3:08 PM MST

Lauren Keefe Date
City Attorney

Recommended:

DocuSigned by:
Leslie Keener
421175C5F1AB404...

12/15/2022 | 8:06 AM MST

Leslie Keener, Director Date
Transit Department

Cover Analysis

1. What is it?

Request for approval of the Transit Department's "Fare Equity Analysis of the Proposal (O-22-47) to Resume Fare Collection and Provide Long-Term Free Passes" as required by the Federal Transit Administration (FTA) per their Circular 4702.1B implementing Title IV of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.).

2. What will this piece of legislation do?

This resolution will approve the Transit Department's "Fare Equity Analysis of the Proposal (O-22-47) to Resume Fare Collection and Provide Long-Term Free Passes."

3. Why is this project needed?

Per the authority above, FTA requires recipients of FTA funding to conduct an equity analysis for any fare changes and for the recipient's governing body to review and approve that equity analysis.

4. How much will it cost and what is the funding source?

There is no additional cost to the city resulting from the equity analysis.

5. Is there a revenue source associated with this Plan? If so, what level of income is projected?

None.

FISCAL IMPACT ANALYSIS

TITLE: APPROVING THE TRANSIT DEPARTMENT'S FARE EQUITY ANALYSIS OF THE R: O:
 PROPOSAL (O-22-47) TO RESUME FARE COLLECTION AND PROVIDE LONG- FUND: 663/661
 TERM FREE PASSES DEPT: Transit

- No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

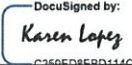
	2022	Fiscal Years		Total
		2023	2024	
Base Salary/Wages	-	-	-	-
Fringe Benefits at 47.93%	-	-	-	-
Subtotal Personnel	-	-	-	-
Operating Expenses	-	-	-	-
Property	-	-	-	-
Indirect Costs at 9.60%	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
<input checked="" type="checkbox"/> Estimated revenues not affected				
<input type="checkbox"/> Estimated revenue impact				
Revenue from program				
Amount of Grant				
City Cash Match				
City Inkind Match				
City IDOH				
Total Revenue	\$ -	\$ -	\$ -	\$ -


These estimates do not include any adjustment for inflation.
 * Range if not easily quantifiable.

Number of Positions created 0

COMMENTS: City Council is considering changes (O-22-47) to the Transit Fare Ordinance to replace the current fare structure, suspended for a specific limited time by the Zero Fares Pilot Program, with a new fare structure featuring a cash fare and a 3-year free pass available to anyone who applies with required contact and birthdate information. The proposed ordinance would also create a group of riders whose characteristics (e.g. age, student status, etc.) would qualify them to ride for free without a pass.

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:
 The fare equity analysis is required by the Federal Transit Administration (FTA) under Title VI of the Civil Rights Act of 1964 as a condition of receiving FTA grants. There is no monetary impact from the equity analysis itself, but it will keep the City in compliance with FTA rules so that the City can continue receiving FTA grant funding. This Fiscal Impact Analysis is for the resolution approving the equity analysis, not for the Council-initiated fare proposal (O-22-47) itself.

PREPARED BY:
 DocuSigned by:

 FISCAL ANALYST

APPROVED:
 DocuSigned by:
/15/2022 | 8:06 AM MST
 DIRECTOR (date)

REVIEWED BY:
 DocuSigned by:

 EXECUTIVE BUDGET ANALYST

DocuSigned by:
/15/2022 | 8:51 AM MST
 BUDGET OFFICER (date)

DocuSigned by:

 CITY ECONOMIST



Timothy M. Keller
Mayor



City of Albuquerque Council Proposal to Resume Fare Collection And Provide Long-Term Free Passes (O-22-47)

ABQ RIDE Equity Analysis

**City of Albuquerque
Transit Department**

December 13, 2022

Title VI Equity Analysis Overview & Conclusions

City of Albuquerque Council Proposal to Resume Fare Collection and Provide Long-Term Free Passes (O-22-47)

Albuquerque's Current Fares:

- Basic cash fare of \$1 per ride or \$2 per day pass or \$30 per month for full adult fares. Discounted fares of \$0.35 per ride or \$1 per day pass or as little as \$10 per month for various qualifications such as age, disability, student or veteran status.
- These fares are currently suspended for one year for the Zero Fares Pilot Project. After the year is over, the regular fares go back into effect.

Proposed Fares As of December 5th Floor Substitute (O-22-47)

- \$1 per ride or \$2 per day pass for full fares
- Free pass with a 3-year duration for any rider providing name, birth date, and contact information (including a social service agency if a rider lacks other contacts).
- Zero fares (without a pass) for various qualifications such as age, showing a valid government-issued photo ID, student status, or veteran / active military status.

Equity Analysis Per Federal Transit Administration Rules

- The purpose of the equity analysis is to ensure that fare changes do not impose a greater impact on minority or low-income riders than other riders.
- It compares the proposal to the current, permanent fare structure.
- It uses the most recent on-board survey data to compare what fare types each population uses and how those fare types would change in cost and/or means of payment.
 - Only on-board survey data is useful since no other data (like Census data) provides information about transit fares used by riders.
 - It compares the use of long-term passes versus short-term cash fares as an indication of the likelihood that different categories of riders would access a long-term free pass.
- The analysis finds that there would not be a disparate impact on minority riders.
- It finds that there could be a disproportionate burden on low-income riders, but the proposal includes sufficient steps to avoid, minimize and mitigate that burden:
 - It makes the passes long-term, free, and available with minimal personal information;
 - It makes passes available through various outlets including on-line; this distribution is similar to the current method for sales of reduced-price passes but eliminates the need for any cash payment by riders or social service agencies;
 - It preserves the current fare structure's \$2 day pass for anyone who does not have a free pass rather than the initial proposal to charge \$1 every time a rider boards a bus.

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1 Executive Summary

An ordinance under consideration by the City of Albuquerque Twenty-Fifth Council (O-22-47) is proposing to revise Albuquerque's fare ordinance (§ 7-2-1) by adding a free long-term pass for all ABQ RIDE bus routes and for Sun Van (paratransit) service and resuming fare collection, at modified values, for other riders except those in certain categories who would not be required to pay a fare even without a pass. In summary, the free pass, valid for 36 months, would be provided to anyone who fills out an application including a few items of personal identification and contact information. No reductions in service would accompany or result from this fare change.

Because ABQ RIDE receives federal funds, it is required under Federal Transit Administration (FTA) regulations to prepare a "Fare Equity Analysis" whenever changes in its fare structure are proposed. The purpose of this analysis is to identify whether the proposed fare change will have a disparate impact on minorities or will have a disproportionate burden on low-income riders. Transit agencies are required to avoid, minimize or mitigate such impacts.

Based on analysis of the most recent available data for fare products used by demographic groups, this equity analysis finds that the proposal would not have a disparate impact on minority riders but could have a disproportionate burden on low-income riders. The equity analysis describes steps that have been incorporated into the proposal to avoid, minimize and mitigate that potential disproportionate burden.

2 Scope of This Equity Analysis

This equity analysis follows the requirements of the Federal Transit Administration's Circular C 4702.1B "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," specifically the requirements laid out for "Fare Equity Analysis" on pages IV-19 – IV-21. Per those requirements, it is focused on the effects of the proposed permanent fare change on minority and low-income riders, relative to non-minority and non-low-income riders, compared to the fare structure that was temporarily suspended during the Zero Fares Pilot Project. This analysis does not assess the validity of policy arguments for or against the proposed ordinance beyond quantifying equity impacts. Rather, it analyzes demographic data of riders by fare type to determine whether the proposed fare structure will have disparate impacts on minorities (the term used in Circular 4702.1B) or disproportionate burdens on low-income riders. It discusses any alternatives considered and/or mitigations developed to address either of those conditions if identified.

3 Background

In the fall of 2021, the City of Albuquerque initiated a “Zero Fares Pilot Project” through funding resolutions and, through O-21-67, a change to the City’s fare ordinance. Through those steps, the City suspended fares designated in its fare ordinance “...during the implementation of a twelve calendar month ‘Zero Fare’ Pilot...to commence no later than January 1st 2022.” (§7-2-1-2) Accordingly, the Transit Department (“ABQ RIDE”) stopped collecting any fares beginning January 1st of 2022 and distributed advertising that explained that no fares would be collected for calendar year 2022. Communications to the public about the program are clear that it was a limited-duration pilot project that would end at the end of 2022. In the Fiscal Year 2023 budget, funding was added to extend the pilot through June 2023, but the fare ordinance was not updated.

In preparation for the pilot project, ABQ RIDE began compiling information deemed pertinent to assessing the impacts of the pilot project. Monthly and quarterly reports tracking this data have been posted online (<https://www.cabq.gov/transit/our-department/reports>). While having fare collection suspended has been popular among many riders, concerns that pre-date the Pilot Project about safety on buses and at bus stops have grown, and some people hold the opinion that, in addition to providing positive impacts, the Pilot Project has contributed to these safety concerns.



Two City Councilors have proposed to change the fare ordinance (O-22-47), as described above, to try to address safety concerns by requiring riders to pay a cash fare or use a free long-term pass obtained by providing some identifying contact information. The preamble to the ordinance includes information and opinions that the sponsors believe support the rationale for the ordinance.

3.1 Changes to the Fares Proposed in O-22-47 During This Analysis

The sponsors of the proposed fare ordinance changes in O-22-47 have made several changes to the proposal by floor substitutes accepted for consideration by the full Council during the period of this analysis. The analysis has been updated to reflect the most recent version (substitute accepted at the 12/5/2022 Council meeting). The major changes have been:

- adding several categories of “automatic free fare riders” including children under age 10 (raised from the original proposal of children under age 5), anyone with valid

government-issued photo identification (ID), students with a current photo ID, active military or veterans with proof of status, and Medicare card holders with photo ID.

- removing the requirement for a photo ID to receive a free pass and substituting providing name, birth date, and contact information.
- adding a day pass for \$2 for those paying cash.

Several of these changes addressed concerns identified in the preparation of this equity analysis.

4 Current and Proposed Fares Overview and Basis for Analysis

For almost 20 years, little changed in the City of Albuquerque’s transit fare structure until the City began the Zero Fares Pilot Project in 2022 to test the idea of not charging fares at all. The Pilot Project suspended all fare collection for both fixed routes and paratransit for one year. Based on the current fare ordinance, on January 1, 2023 the regular fare structure preceding the Zero Fares Pilot Project will go back into effect, but under that fare structure (at §7-2-1-1 (GG) *Promotional Fares and Passes*) ABQ RIDE’s Director may implement free or special reduced fares for up to 180 days, and funding has been allocated for that purpose.

The baseline for this equity analysis is the fare structure that will go back into effect after the expiration of the Zero Fares Pilot Project. The analysis will use data from the 2017 onboard passenger survey (responses gathered from approximately 1,150 riders) which yielded information about what types of fares were used by different demographic rider groups. The more recent 2022 onboard survey provided updated information about race/ethnicity and income, but it did not provide updated information about fare categories since it was conducted during the Zero Fares Pilot Project when no riders were paying fares. In both cases, data was collected through onboard, in-person interviews by contracted surveyors using a statistical sampling method to collect a representative sample of riders across the fixed-route bus network.

4.1 Current Fare Structure

ABQ RIDE’s underlying fare structure, suspended by the Zero Fares Pilot, includes a large number of fare products that vary widely in duration and discounts (Table 1). Although the official fare structure break out many specific categories, the fares generally fall into two main groups: full fares for adults who do not qualify for a variety of discounts, and discounted fares for various qualifying individual. Discounted passes in some cases are only available through participating social service agencies. Qualifications for a person to receive discounts include household income under 150% of the Federal poverty rate, having a disability, being a student, being 62 years or older, or receiving Medicare for reasons other than age. (In the spring of 2021 the Department began a promotional program to allow seniors 60 years and older and students 25 years and younger to ride for free.) Discounts are also available to City employees and employees at organizations signed up through ABQ RIDE’s “transportation management” marketing program.

Single-ride fares for ABQ RIDE were one dollar for full fare and thirty-five cents at the discounted rate. Longer-term passes ranged from two dollars for a full-fare one-day pass for unlimited rides (one dollar at the discounted rate) to \$225 for an annual pass (\$90 at the discounted rate), with intermediate terms from two- and three-day passes to one-month, three-month, and six-month passes.

By Federal law, Sun Van fares for paratransit service cannot exceed twice the full bus fare, so Sun Van fares are \$2 per trip. A multi-trip discount is offered through a 10-ride book of coupons for \$18.

4.2 ABQ RIDE Funding Arrangements with Educational Institutions

Prior to the Zero Fares Pilot Project, ABQ RIDE had funding agreements with the University of New Mexico (UNM) and the Central New Mexico Community College (CNM). In FY 2021, UNM provided \$100,000 to ABQ RIDE to fund a program that allows students, faculty, and staff to use transit services for free. The funding arrangement with CNM

Table 1

Fare Type	Current Fare
Adult Fare - one trip	\$1.00
Student Fare - one trip	\$0.35
Honored Citizen Fare - one trip	\$0.35
Honored Citizen One-Day Pass	\$1.00
Adult Gold 1-Month Pass	\$30.00
Adult Gold 3-Month Pass	\$75.00
Adult Gold 6-Month Pass	\$125.00
Adult Gold 12-Month Pass	\$225.00
Student & Honored Citizen Silver 1-Month Pass	\$12.00
Student & Honored Citizen Silver 3-Month Pass	\$30.00
Student & Honored Citizen Silver 6-Month Pass	\$50.00
Student & Honored Citizen Silver 12-Month Pass	\$90.00
College Vocational 1-Month Pass	\$12.00
College Vocational 3-Month Pass	\$30.00
College Vocational 6-Month Pass	\$50.00
College Vocational 12-Month Pass	\$90.00
One-Day Pass - unlimited trips	\$2.00
Two-Day Pass - unlimited trips	\$4.00
Three-Day Pass - unlimited trips	\$6.00
City Employee 1-Month Pass	\$14.00
Transportation Management (TMA) Pass	\$20.00
Indigent Assistance Pass (1 month)	\$10.00
Adult One-Day Pass	\$2.00
Indigent One-Day Pass	\$1.00
Student One-Day Pass	\$1.00
Sun Van Para-Transit One Way	\$2.00
Sun Van Para-Transit 10 Coupon Book	\$18.00

allowed students to use transit services for free for an annual payment of \$90,000. During the Zero Fares Pilot Project, ABQ RIDE and these entities agreed not to continue these funding arrangements.

4.3 Proposed Free Pass Program and Cash Fares

City Council members have proposed a permanent new fare structure to replace the Zero Fares Pilot Project with a long-term (36-month) free pass system and a resumption of a basic, flat cash fare (\$1 per ride) for those without a pass and not qualifying for automatic free fares. As described in the proposed ordinance, the change is intended to address security concerns by adding a greater sense of accountability by requiring identity and contact information in order to get a free pass.

The proposed ordinance provides several avenues to apply for and receive a free pass. In addition to providing passes to riders who apply in person with ABQ RIDE, the ordinance would require that ABQ RIDE establish an online application process, resulting in temporary 1-month passes immediately available to print while the long-term passes are mailed directly to the applicants. The ordinance also would direct ABQ RIDE to develop an electronic version of the free passes so that applicants can use smartphones or similar devices to apply for, receive, store and display their passes. The proposal also would authorize ABQ RIDE to establish authorized distributors such as any willing social service agencies, similar to the existing “Indigent Pass” program.

Several categories of riders would be able to ride for free without a pass (“automatic free fare riders”). These consist of children under 10 years old, students with a school photo identification card, seniors (62+ years old), active military service members and veterans with proof of military or veteran status, and Medicare card holders with photo identification. The ordinance provides the transit department the ability to migrate automatic free fare riders to the free pass system as technology and resources allow.

5 Federal Transit Administration Fare Equity Analysis

Based on Title VI of the Civil Rights Act of 1964, the FTA requires any transit agency receiving FTA funds and having a service area of more than 200,000 residents to conduct a fare equity analysis for any magnitude of fare increase or decrease. The purpose of the fare analysis is to determine if the proposed fare changes will have a disparate impact on minority riders or a disproportionate burden on low-income riders. If a disparate impact on minority riders will occur, the transit agency is required to consider alternatives and must use the alternative with the least impact that still accomplish the agency’s legitimate program goals. If the analysis finds a disproportionate burden on low-income riders, the agency should take steps to avoid, minimize or mitigate burdens where practicable.

5.1 Demographics of ABQ RIDE Ridership and Service Area Population

FTA's Title VI requirements define "minorities" and provide guidance for agencies to define "low-income." Essentially, the regulations define "minorities" as anyone who identifies themselves as non-white or who identifies themselves as white Hispanic. FTA encourages agencies to define a locally developed "low-income" threshold that is at least as inclusive as the Department of Health and Human Services poverty guidelines.

Information about the minority status of the population within ABQ RIDE's service area is available from the 2014-2018 5-year American Community Survey (ACS) estimates for Census block groups. Minorities numbered 418,368 or 60.2% of the total. The white, non-Hispanic population was 276,926, comprising less than half of the population at 39.8%. ABQ RIDE's ridership has a somewhat higher proportion of minorities than the population of the service area. Based on the 2017 on-board survey of riders, 67.2% of riders identified themselves as minorities, and 32.8% identified themselves as white, non-Hispanic. In the 2022 on-board survey, a slightly larger percentage of riders identified as white non-Hispanic at 36.6%, with 63.4% identified as minorities.

As part of its 2020 Title VI Program, ABQ RIDE defines "low-income" to be households with income less than \$35,000 per year. This is comparable to the income requirements of 165% of the poverty level for a three-person household to qualify for the State of New Mexico Supplemental Nutrition Assistance Program (SNAP). Based on 2014-2018 5-year ACS estimates for Census block groups, low-income households make up 35.7% (96,926) of the total households (271,207) in the service area. According to the 2017 on-board survey, 84.1% of ABQ RIDE respondents lived in households with less than \$35,000 annual income, a much higher percentage than the service area. In the 2022 on-board survey, an even larger percentage (88.3%) of riders lived in such households.

5.2 ABQ RIDE Demographics by Fare Category

The results from the 2017 ABQ RIDE on-board survey, conducted on buses, showed the percentage of riders by income and minority categories according to the type of bus fare or pass purchased. (As noted previously, the 2022 on-board survey was unable to collect this information since the Zero Fares Pilot Project was in effect.) Table 2 summarizes the data. Further analysis of this data reveals some differences between the types of fares used by minorities and low-income riders versus others. In general, differences between fares used by minorities and non-minorities were small, but minorities were slightly more likely to pay full fares (particularly short-term, i.e. less than monthly duration), slightly more likely to use discounted (or free for UNM/CNM) educational fares, and less likely to use other reduced fares, particularly honored citizen discounts. Low-income riders were more likely to use a short-term fare (less than one-month duration) and more likely to pay full fare (especially short-term); they were less likely to use UNM/CNM free passes, and they were less likely to use other reduced fares, primarily due to a lower likelihood of using free passes for veterans.

Table 2

Fare Type by Demographic Category	% of Low-Income	% of Non-Low-Income	% of Minorities	% of Non-Minorities
Full Fare - Pass	31%	30%	28%	30%
Full Fare - Short-Term	41%	28%	41%	35%
Student/Educational Fare - Pass	10%	14%	14%	10%
Student/Educational Fare - Short-Term	3%	3%	3%	3%
Reduced Fare - Pass	12%	21%	11%	17%
Reduced Fare - Short-Term	3%	5%	2%	5%
Total – All Passes	53%	65%	53%	58%
Total – All Short-Term Fares	47%	35%	47%	42%

Note: rounding affects some summations.

* “Student/Educational Fare – Pass” includes Student Passes, College Passes, and UNM/CNM passes provided through agreements with those institutions: “Student Passes” were sold to students age 10 through high school; “College Passes” were sold to individuals attending college and vocational schools, excluding University of New Mexico and Central New Mexico Community College. “Reduced Fare – Pass” includes “Honored Citizen Passes” sold to individuals who are 62 years of age and older, mobility impaired or those with Medicare cards. Also included in “Reduced Fare – Passes” are passes provided through social service agencies and free fares for veterans with Veterans Administration medical cards. “Pass” is any pass with a duration of one month or longer, and “short-term” is any single-ride fare or one-, two-, or three-day pass.

In total, minorities and non-minorities were similarly likely to use passes, which were available for longer terms but in most cases required action on the riders’ part to obtain. However, low-income riders were significantly less likely to use long-term passes (53%) compared to non-low-income riders (65%).

5.3 Service Impacts of the Fare Change

ABQ RIDE is proposing no service reductions to off-set the cost for the proposed free pass program. Like the current Zero Fares Pilot Project, the free pass program could eventually result in Sun Van ridership requiring service that exceeds budgeted levels. If that occurs, the City will need to assess whether it can increase the budget for Sun Van service or if it needs to reduce service for Sun Van or ABQ RIDE in a way that continues to comply with the Americans with Disabilities Act. ABQ RIDE will perform a service equity analysis as appropriate at that time.

5.4 Analysis of Equity Impacts

ABQ RIDE’s 2020 Title VI Program established a threshold for determining when adverse effects of a fare change are different enough between demographic groups of riders to rise to the level of a disparate impact on minorities or disproportionate burden on low-income riders. The threshold for significance was established as a difference of 10% or more between minorities and non-minorities and 10% or more between low-income riders and non-low-income riders.

For this analysis, the use of long-term passes in 2017 is relevant since, in most cases, riders were required to take some action to take advantage of the savings offered by those passes. Similarly, the proposed long-term free pass proposal will require riders to fill out an application (online or in person). Pass applications would be made available in person at the Alvarado Transportation Center and in person at any social service agencies who agree to become authorized distributors. All public libraries provide access to computers and would therefore provide access to on-line application forms. The pass would not involve any direct monetary cost, so any former direct financial barrier would be eliminated.

As shown in Table 2, the difference between the use of long-term passes by minority and non-minority riders was 5% (53% and 58% respectively), less than the 10% threshold for a disparate impact. Therefore, no disparate impact based on minority status is identified.

However, the difference in use of long-term passes between low-income and non-low-income riders was 12% (53% and 65% respectively) which is greater than the 10% threshold for a disproportionate burden. Based on this data, the best available at this time, this difference indicates that low-income riders are less likely than non-low-income riders to access longer-term fare products that are cheaper than paying short-term cash fares. Therefore, before consideration of mitigations, a disproportionate burden is identified.

As noted in FTA Circular 4702.1B, low-income populations are not explicitly a protected class under Title VI but are included in the Circular’s requirements based on the following rationale.

Low-income populations are not a protected class under Title VI. However, recognizing the inherent overlap of environmental justice principles in this area, and because it is important to evaluate the impacts of service and fare changes on passengers who are transit-dependent, FTA requires transit providers to evaluate proposed service and fare changes to determine whether low-income populations will bear a disproportionate burden of the changes. (FTA C 4702.1B Chap. IV-11)

Further, the Circular states that, if a disproportionate burden is identified, the agency, “...should take steps to avoid, minimize or mitigate impacts where practicable.” (p. IV-21).

5.5 Alternatives Considered and Mitigations Developed

The current proposed ordinance includes several steps to avoid, minimize and mitigate impacts to low-income riders.

Long-Term Free Pass

Fundamental to the proposal is a long-term pass that is free. Passes offered under the current fare structure, while designed to mitigate impacts to low-income riders (for example, substantially reduced-price monthly passes for low-income riders), do require payment up front. Based on the 2017 on-board survey data, either the requirement to have those funds to pay up front, or the time required to access those passes at distribution outlets, or some other obstacle resulted in many low-income

riders not accessing those cheaper passes. At its core, this proposal has a substantial mitigation for low-income riders by offering a free, long-term (3-year) pass that minimizes the burden for riders by requiring no cash payment, only minimal information, and infrequent renewals. Relative to the current fare structure (and compared to fare structures at most similar transit agencies around the country), these are significant mitigations.

Multiple Ways to Apply for a Free Pass

The proposed ordinance provides several avenues to apply for and receive a free pass. In addition to providing passes to riders who apply in person at ABQ RIDE (most likely the customer service office at the Alvarado Transportation Center, accessible from most bus routes with no transfers or only one transfer between routes), the ordinance would require that ABQ RIDE establish an online application process, resulting in temporary 1-month passes immediately available to print while the long-term passes are mailed directly to the applicants. The ordinance also would direct ABQ RIDE to develop an electronic version of the free passes so that applicants could use smartphones or similar devices to apply for, receive, store and display their passes. Finally, the ordinance would authorize ABQ RIDE to establish authorized distributors; this would allow ABQ RIDE to develop procedures so willing social service agencies could become distributors so clients could receive passes without having to go to ABQ RIDE's offices. The multiple avenues to access free passes would mitigate the requirement to have a pass in order to ride for free.

Removing a requirement to present a photo ID to get a free pass

The draft ordinance initially introduced in City Council required a photo identification (ID) to obtain a free 36-month pass. However, responses to ABQ RIDE's 2022 on-board rider survey showed that about 61% of weekday riders do not have a valid driver's license. While other forms of photo ID would have been acceptable, about half of those without driver's licenses also did not report that they were employed or in school and therefore would lack any photo ID from those sources. Furthermore, having a driver's license correlated closely with income level, with 65% of low-income riders lacking a driver's license versus only 28% of non-low-income riders. (No similar disparity occurred by minority status, with minority riders slightly more likely to have a driver's license than non-minorities.)

While other forms of photo ID are possible, possession of a driver's license is the best proxy for possession of any photo ID for which ABQ RIDE has data, and that data strongly suggests that requiring a photo ID to get a free pass would present a disproportionate burden on low-income riders. Identification of that burden resulted in floor substitute proposed ordinance in which the photo ID requirement was removed and replaced with name, date of birth, and means of contact (including via a social service agency if a rider lacks their own permanent contact method).

Change to Re-Establish a Day Pass

The ordinance originally proposed a flat \$1 per ride fare for anyone without a free pass who does not meet various "automatic" free categories. Significantly, this proposal did

not include the \$2 day pass that is present in the current fare structure. Any rider who needs to ride more than two buses in a day (e.g. a commute that involves a transfer in each direction, therefore requiring riding four buses per day) would have paid more under this fare structure – at any point when they do not have a free pass – than in the current fare structure. Because low-income riders were more likely in the past to pay short-term cash fares, this would have also presented a disproportionate burden. Therefore, ABQ RIDE requested that the proposed ordinance be amended to include a day pass costing \$2 like the current fare structure or less. That suggestion has been included in the most recent floor substitute proposed and accepted for consideration by the City Council.

6 Consideration of Public Comments on Proposed Fare Ordinance

Two City Council sponsors introduced the proposed ordinance instituting these fare changes at City Council on October 3, 2022. Council considered the proposal at its November 7th meeting. During that meeting, the sponsors introduced a substitute bill, accepted by the Council, and the full Council received public comments. The Council postponed further action on the proposal until December 5th. Based on the substitute bill, ABQ RIDE advertised the changes on its website on November 14th and solicited public comment. The website can be translated into many languages with Google Translate; specific translations in Spanish, Chinese and Vietnamese were added as links. Posters in English and Spanish were installed on all buses and Sun Vans on November 20th. In order to receive comments to consider any additional impacts for this equity analysis to be considered by City Council on December 5th, ABQ RIDE requested that the public send comments by November 29th but also provided notice of the Council's expected December 5th meeting to further consider the proposed ordinance so that members of the public could comment at that meeting. At the December 5th meeting, City Council accepted a floor substitute of the bill and postponed further action until January 4th. ABQ RIDE correspondingly extended its public comment deadline to December 13th.

Comments gathered so far, through ABQ RIDE's efforts and at the November 7th and December 5th Council meetings, almost universally advocate for a continuation of zero fares. Many commenters believe that requiring a pass is a burden to low-income riders or that continuing zero fares is preferable based on benefits to those low-income riders. A few commenters noted that on-board surveys by ABQ RIDE have asked, among other options, whether riders would like zero fares to continue, and that option was selected more times than any other option. Some commenters identified particular groups of riders who might be hurt by requiring a pass or paying a fare, including low-income riders, working people in general, elderly, students, refugees, new-comers to the city, and people with disabilities. A few commenters called the proposal racist or discriminatory. Several commenters disagreed that zero fares has contributed to safety issues or that the proposal would be effective in addressing safety issues. A few commenters thought the proposal would be costly or burdensome to the City to implement. A few noted issues previously with fareboxes on the buses and time required to collect fares or check passes. One

commenter suggested allowing people with bikes to ride for free without having to get a free pass. Others more generally advocated that public transit should be free without any barriers to riders using the buses, and others pointed out the convenience for riders of not having to have passes or cash for fares.

While all of these comments are important for decision-makers to consider, for the purposes of this equity analysis the most relevant are the comments suggesting disparate impacts on minorities (e.g. that the proposal is racist or discriminatory) or disproportionate burdens on low-income riders. Most comments focused on comparing the proposed fare structure to the Zero Fares Pilot Project rather than to the current fare structure that was only temporarily suspended for that Pilot Project. As detailed above, the analysis did not identify a disparate impact for minorities but did find a potential disproportionate burden for low-income riders. Steps to address that burden were described in the previous section. The proposed ordinance has addressed some of these comments inherently, such as allowing students and elderly people to ride for free without getting a pass.

ABQ RIDE's on-board surveys do not contain sufficient data to identify refugees as a specific group, but people who spoke English less than very well were not significantly more likely to use short-term fares than other riders. The analysis of burden on low-income riders is likely to apply to refugees as well.

The Office of Equity and Inclusion has noted that the agency that assists refugees with resettlement is overburdened and does not have an on-going relationship with those new residents after the first six months of resettlement services. Therefore, they may not be able to assist with distributing free passes. Likewise, they have noted that refugees might not access any other services through other social service agencies after resettlement. While these are indications that establishing other means of providing assistance to refugees may be beneficial, they are not changes from the methods of sales or distribution of pass products through the current fare structure except that the current proposal makes passes free and much longer in duration.

The City's Office of Equity and Inclusion has recommended providing additional time and outreach to potentially impacted communities to allow more time for public input. This recommendation was communicated to the City Council. At their December 5th meeting, Council postponed further action until January 4th.

7 Conclusion

As required by FTA rules, this equity analysis focused on the use of current fare products by minority and low-income riders in comparison to non-minority and non-low-income riders to identify significant differences and assess whether the proposed ordinance would, relative to that fare structure, create disparate impacts for minority riders or disproportionate burdens for low-income riders. Beyond that assessment, this focused

analysis is not intended as an assessment of any overall benefits or problems with the proposed ordinance.

The analysis concludes that the proposed ordinance does not create a disparate impact on minority riders but could present a disproportionate burden on low-income riders. The analysis identifies that the ordinance includes steps to avoid, minimize, and mitigate that burden. First, the proposed ordinance would provide a free pass with minimal information required, no cash payment required at all, and a long term resulting in a very infrequent need to renew the pass. Second, multiple avenues would be established to access these passes including both in-person and electronic means of access with the possibility of social service agencies assisting in distribution. Third, an initial review of data in preparation for this equity analysis identified a requirement for a photo ID as a disproportionate burden for low-income riders, and that requirement was removed. Finally, the analysis indicates that continuing a day pass for \$2 or less would help to address the burden of cash fares for low-income individuals at times when they do not have a free pass, and the proposed ordinance has been revised to include a day pass for \$2, mirroring the current fare structure. These steps meet FTA's Title VI instructions to avoid, minimize and mitigate the potential disproportionate burden on low-income riders.