

Municipality of Anchorage | Public Transportation Department

Title VI Fare Equity Analysis



FTA Region:

Rick Krochalis, Region X

Congressional District:

At Large

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Executive Summary

Budget forecasts throughout the Municipality of Anchorage are projecting significant financial challenges for the calendar year (CY) 2013. The Administration recently directed all Departments, including the Public Transportation Department (People Mover & AnchorRIDES), to develop budget mandated cost saving and/or increased revenue scenarios. Furthermore, the Public Transportation Department requires more immediate action to address its current 2012 budget deficit.

The Department is proposing a systemwide fare increase to meet the needs of its daily operations. It is apparent the current fare structure can not keep pace with the rising cost of providing public transportation. The most recent systemwide fare increase took place in 2005. Since then, the Department's fuel budget has roughly doubled due to historically high fuel prices. While the fare increase alone will not completely cover the \$1 Million increase in fuel costs since 2005, the Department is making further adjustments to revenues streams that are not directly related to passenger contributions. In preparation of this proposal, the Department completed the following Fare Equity Analysis to ensure that no one segment of the community is treated disparately.

Regulatory Requirement

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. Specifically, Title VI provides that "no person in the United States shall, on the grounds 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." (42 U.S.C. Section 2000d)

This analysis was conducted in compliance with the reporting requirements contained in the Federal Transit Administration's (FTA) Circular 4702.1A, "Title VI and Title VI- Dependent Guidelines," which provides guidance to transit agencies serving large urbanized areas and requires that agencies "shall evaluate significant system-wide service and fare changes and proposed improvements at the planning and programming stages to determine whether these changes have a discriminatory impact" and to assess these impacts, if any, on minority and low-income populations. (Circular 4702.1A, Chapter V part 4).

Background

In 2012, the Public Transportation Department projects a \$250,000 shortfall in its operating budget. Additionally, due to increased operating expenses and stagnant revenue streams, the Department estimates a deficit ranging from \$400,000 to \$1,200,000 for CY2013. The expenditure growth is primarily due to historically high fuel prices, labor, and fringe costs associated with providing Public Transportation throughout the Municipality of Anchorage.

During the seven years since the last systemwide fare increase, the cost of doing business has dramatically increased. Since 2005, Anchorage's Consumer Price Index increased between 18-19%. For perspective Table 1 lists price comparisons of common items associated with the cost of living in the Municipality of Anchorage.

Table 1: Common Items Price Comparisons 2005-2012

Commodity	2005	2012
Gallon of gasoline	\$2.12	\$4.05
Gallon of diesel ¹	\$1.95	\$3.94
Food for a week ²	\$117.33	\$131.72
Rent 2 bedroom apartment ³	\$855	\$1,127
Single-family home ⁴	\$265,000	\$328,000
People Mover single ride	\$1.75	\$1.75

As the Department faces budget mandated actions, included in this Fare Equity Analysis are details of the proposed fare change and an analysis of any potential impacts on minority and/or low-income communities.

¹ People Mover Diesel prices 2006-2012

² Family of four with children 6-11yrs. Source: Alaska Department of Labor & Workforce, Alaska Economic Trends July 2005 & May 2011

³ Includes the cost of utilities. Source: Alaska Department of Labor & Workforce, Research & Analysis Section; Alaska Housing Finance Corporation, 2012 Rental Market Survey

⁴ Source: Alaska Department of Labor & Workforce, Alaska Economic Trends July 2005 & May 2011

Service

As the largest city in Alaska, Anchorage is home to almost 40% of the state's population. Located in southcentral Alaska, Anchorage is the hub of the state's communication, transportation, health care, finance, and trade industries. Anchorage is a modern city with a diverse population of 291,826 according to 2010 Census data. As of October 2011, 90 languages were spoken by students in the Anchorage School District. The Municipality of Anchorage spans from the Knik River to Girdwood encompassing 1,961 square miles. Figure 1 provides a base map of the Anchorage Bowl by 2010 Census Tract.

Figure 1: Anchorage Bowl by 2010 Census Tract

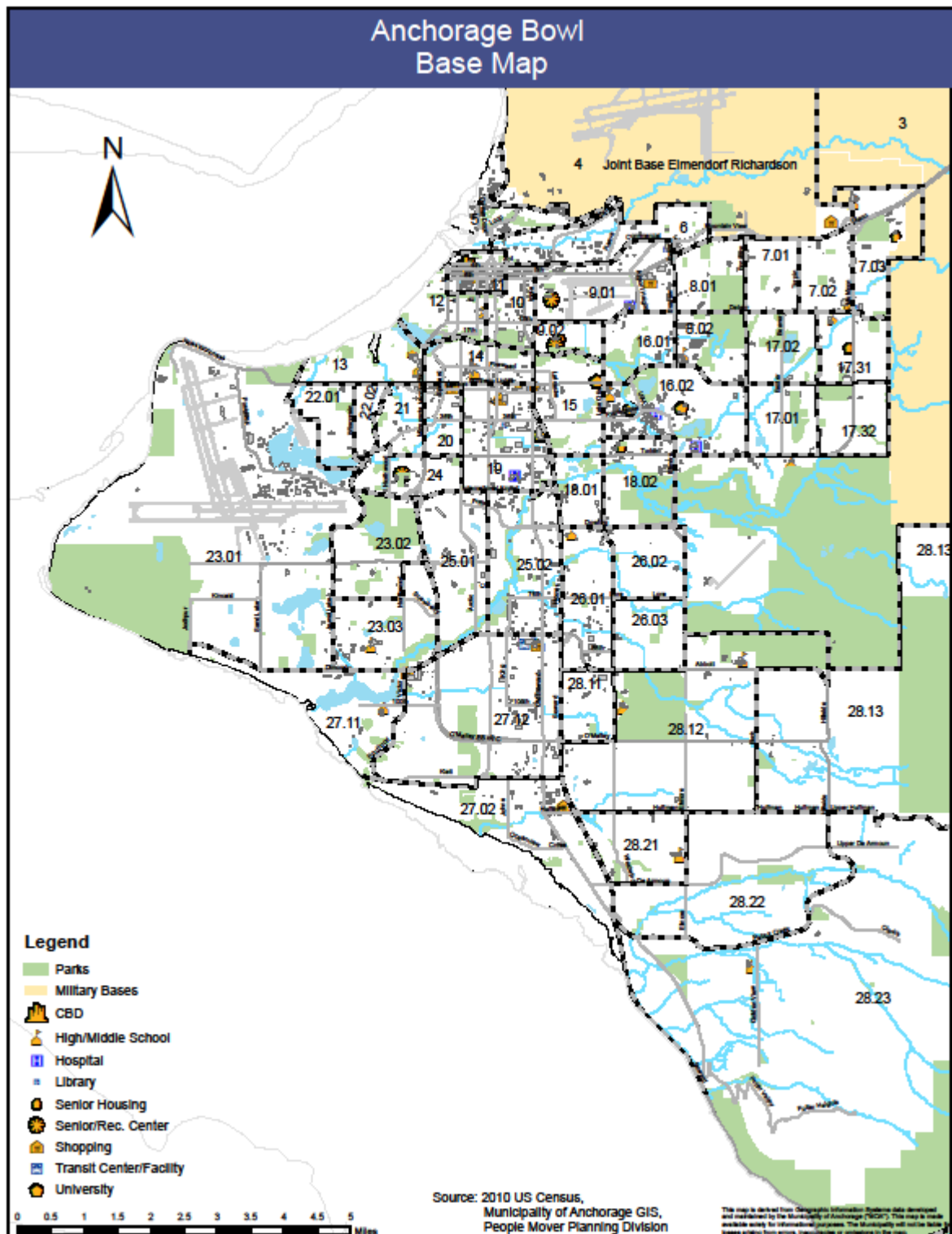
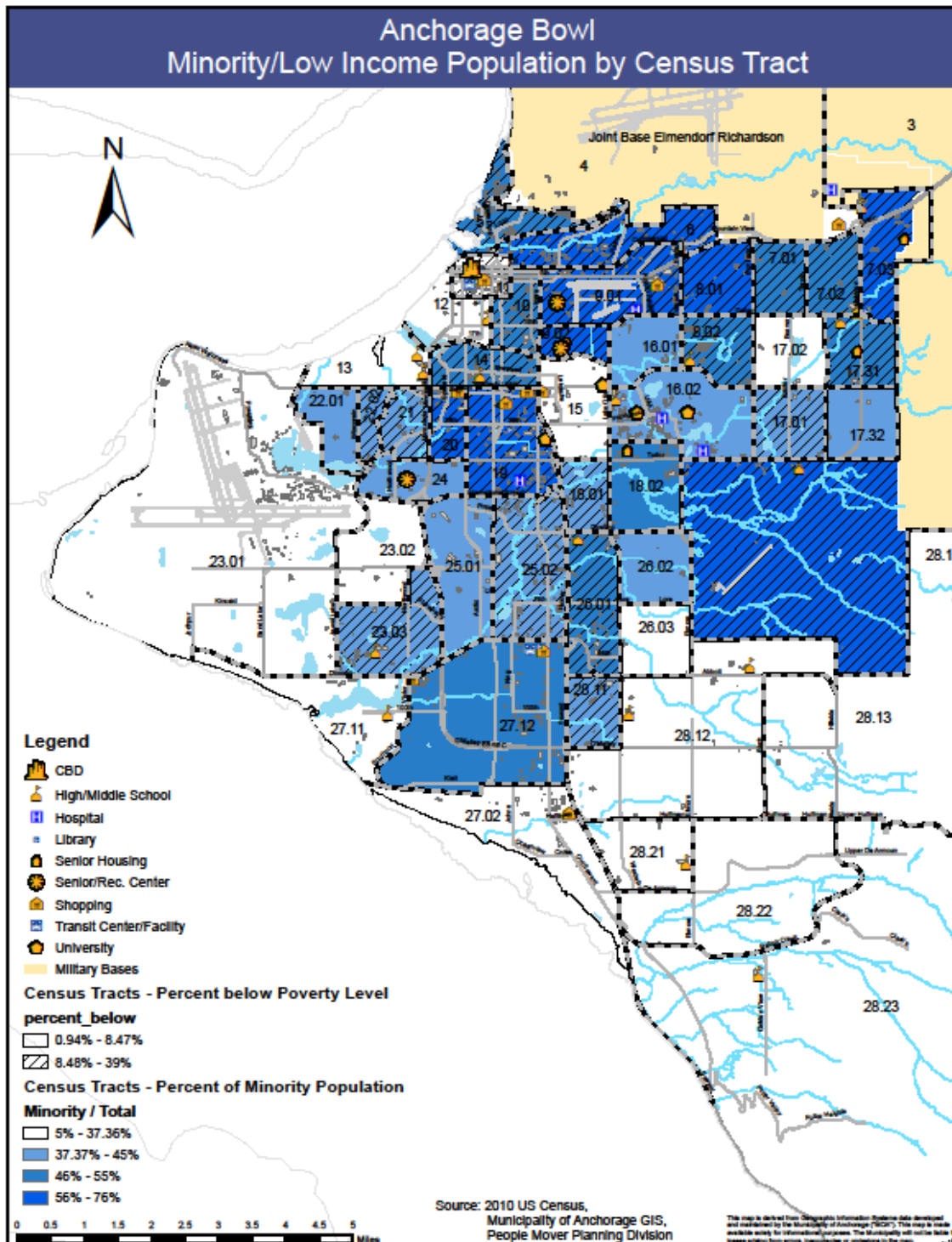


Figure 2 illustrates the households below poverty as a percent of total households during the 2010 Census. As illustrated, the highest percentages of households below poverty are located north of Dowling Road, with a small cluster along the Seward Highway between Dowling Road and O'Malley Road. Note, there are no high percentages of households below poverty located in Eagle River.

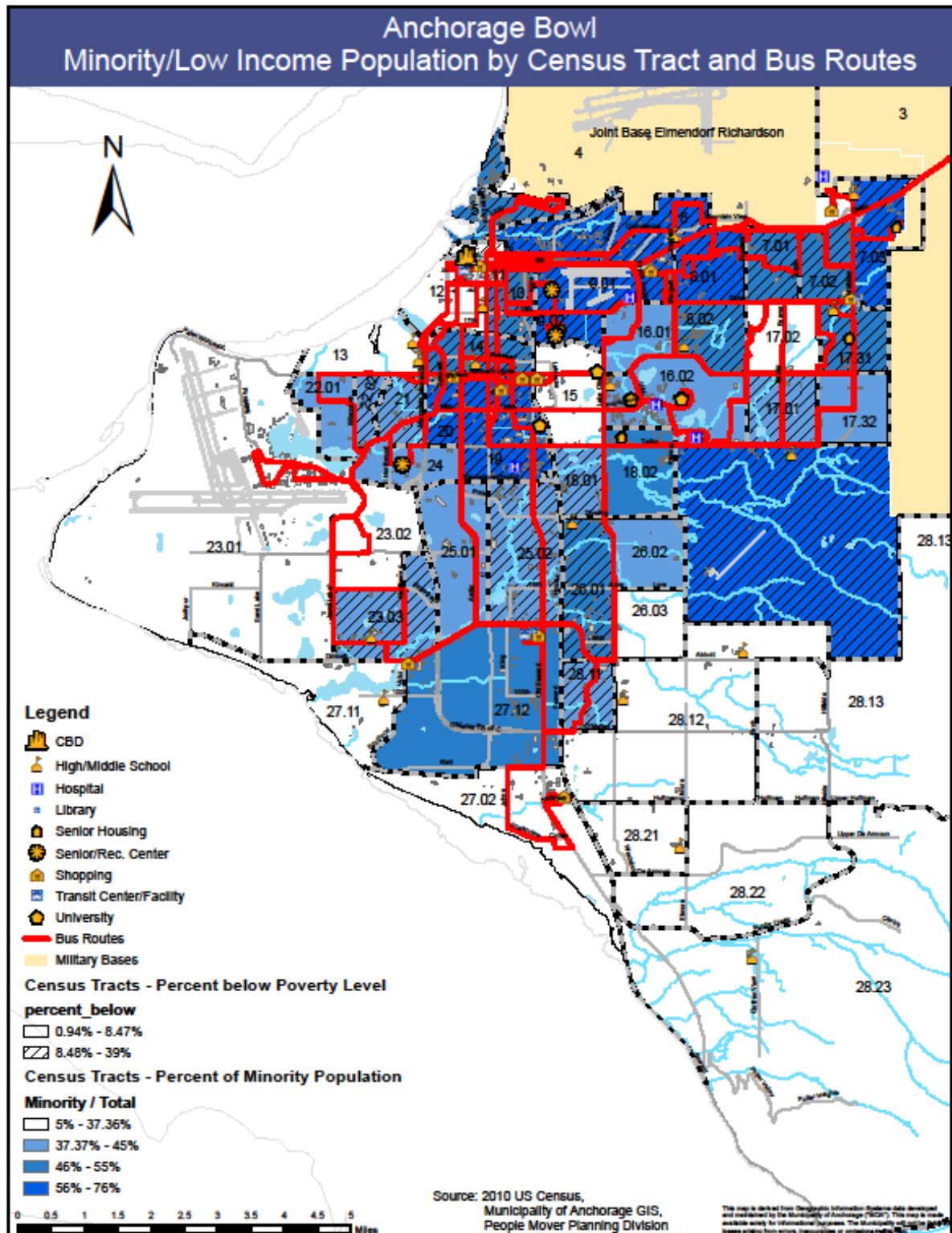
Figure 2: Minority & Low Income Populations by 2010 Census Tract



People Mover maintains a fleet of 52 fully accessible, ADA compliant buses that travel over two million miles a year. People Mover operates 14 regular routes centered around the Downtown Transit Center and three satellite hubs.

Based on 2010 Census data, Figure 3 demonstrates the disbursement of minority and low income populations by census tract with the fixed routes highlighted in red. Anchorage's minority and low income distributions are based on the 2010 Census. Minority census tracts are identified as those with a minority population greater than 37.36% (the average minority population percentage for the entire Municipality based on the 2010 Census). Low Income census tracts are identified as those with a population below the poverty level greater than 8.47%. Of the 55 Census tracts in the Municipality of Anchorage 23 are high in minority and low income populations.

Figure 3: Minority & Low Income Population by 2010 Census Tract & Fixed Routes



People Mover routes generally have 30 and 60 minute headways. Table 2 demonstrates People Mover routes and frequency by 2010 Census Tracts.

Table 2: Fixed Route Headways by 2010 Census Tract

Route	Frequency (Minutes)	Census Tract
1	60	7.02, 7.03, 15, 16.02, 17.01, 17.02, 17.03, 17.31, 18.01, 18.02, 25.02, 26.01, 26.02, 26.03, 27.12, 28.11
2	60 (30 during pm peak)	10, 11, 12, 14, 15, 16.02, 18.01, 19, 25.02, 26.01, 26.02, 27.12, 28.11, 28.12
3	30	7.01, 7.02, 7.03, 8.02, 11, 12, 13, 14, 15, 16.01, 16.02, 17.01, 17.02, 17.31, 19, 20
7	30	11, 12, 13, 14, 20, 21, 22.01, 22.02, 23.01, 23.02, 23.03, 24, 25.01, 25.02, 27.11, 27.12
8	60	7.01, 7.03, 8.01, 9.01, 10, 11
9	30	11, 14, 19, 20, 24, 25.01, 25.02, 27.12
13	60	7.02, 7.03, 9.01, 9.02, 10, 11, 15, 16.01, 16.02, 17.01, 17.02, 17.31, 17.32, 18.02
14	60	5, 11
15	30	7.01, 7.02, 7.03, 8.01, 8.02, 9.01, 9.02, 10, 11, 17.02
36	60	11, 12, 13, 14, 15, 16.02, 19, 20, 21, 22.01, 22.02, 24,
45	30	6, 8.01, 8.02, 9.01, 10, 11, 16.01, 16.02, 18.02,
60	60	11, 12, 14, 19, 25.02, 27.02, 27.12
75	60 (30 during pm peak)	7.03, 10, 11, 12, 14, 15, 16.02, 17.01, 17.31, 17.32, 18.01, 18.02, 19
102	Commuter service	1.01, 1.02, 2.01, 2.02, 2.03, 2.04, 8.01, 9.01, 10, 11, 12, 14, 15, 16.02, 18.02, 19

Table 3 outlines which People Mover route(s) provide service to the corresponding 2010 Census Tract that have percentages of minority and low income populations lower than the municipal average. In summary, of the 55 Census Tracts within the Municipality of Anchorage:

- 42% (23 Tracts) are identified as minority and below poverty
- 31% (17 Tracts) are not identified as minority and/or below poverty
- 13% (7 Tracts) do not have fixed route service
- 11% (6 Tracts) are identified as minority
- 1% (2 Tracts) are identified as below poverty

Table 3: Fixed Route Service by 2010 Census Tract

Census Tract	Routes	Note
1.01	102	Eagle River
1.02	102	Eagle River
2.01	102	Eagle River
2.02	102	Eagle River
2.03	102	Eagle River
2.04	102	Eagle River
3	N/A	Joint Base Elmendorf Richardson
4	N/A	Joint Base Elmendorf Richardson
5	14	Minority/Below Poverty
6	45	Minority/Below Poverty
7.01	3, 8, 15	Minority/Below Poverty

Census Tract	Routes	Note
7.02	1, 3, 8, 13, 15	Minority/Below Poverty
7.03	1, 3, 8, 13, 15, 75	Minority/Below Poverty
8.01	8, 15, 45, 102	Minority/Below Poverty
8.02	3, 15, 45	Minority/Below Poverty
9.01	8, 13, 15, 45, 102	Minority/Below Poverty
9.02	13, 15	Minority/Below Poverty
10	2, 8, 13, 15, 45, 75, 102	Minority/Below Poverty
11	All except 1	Minority/Below Poverty
12	2, 3, 7, 9, 36, 60, 75, 102	
13	3, 7, 36	
14	2, 3, 7, 9, 36, 60, 75, 102	Minority/Below Poverty
15	1, 2, 3, 13, 36, 75, 102	
16.01	3, 13, 45	Minority
16.02	1, 2, 3, 13, 36, 45, 75, 102	Minority/Below Poverty
17.01	1, 3, 13, 75	Below Poverty
17.02	1, 3, 13, 15	
17.31	1, 3, 13, 15, 75	Minority/Low-Income
17.32	13, 75	Minority
18.01	1, 2, 75	Minority/Below Poverty
18.02	1, 2, 13, 45, 75, 102	Minority/Below Poverty
19	2, 3, 9, 36, 60, 75, 102	Minority/Below Poverty
20	3, 7, 9, 36	Minority/Below Poverty
21	7, 36	Minority/Below Poverty
22.01	7, 36	Minority
22.02	7, 36	Minority
23.01	7	
23.02	7	
23.03	7	Minority/Below Poverty
24	7, 9, 36	Below Poverty
25.01	7, 9	
25.02	1, 2, 7, 9, 60	Minority/Below Poverty
26.01	1, 2	Minority/Below Poverty
26.02	1, 2	Minority
26.03	1, 2	
27.02	60	
27.11	7	
27.12	1, 2, 7, 9, 60	Minority
28.11	1, 2	Minority/Below Poverty
28.12	2	
28.13	N/A	Indian/Bird/Girdwood
28.21	N/A	Indian/Bird/Girdwood
28.22	N/A	Indian/Bird/Girdwood
28.23	N/A	Indian/Bird/Girdwood
29	N/A	Indian/Bird/Girdwood

Minority/Below Poverty Tracts

Minority Tracts

Below Poverty Tracts

Minority Census Tract > 37.36 % &
Below Poverty Level Census Tract >
8.47 %

Minority Census Tract > 37.36 %
Below Poverty Level Census Tract
>8.47 %

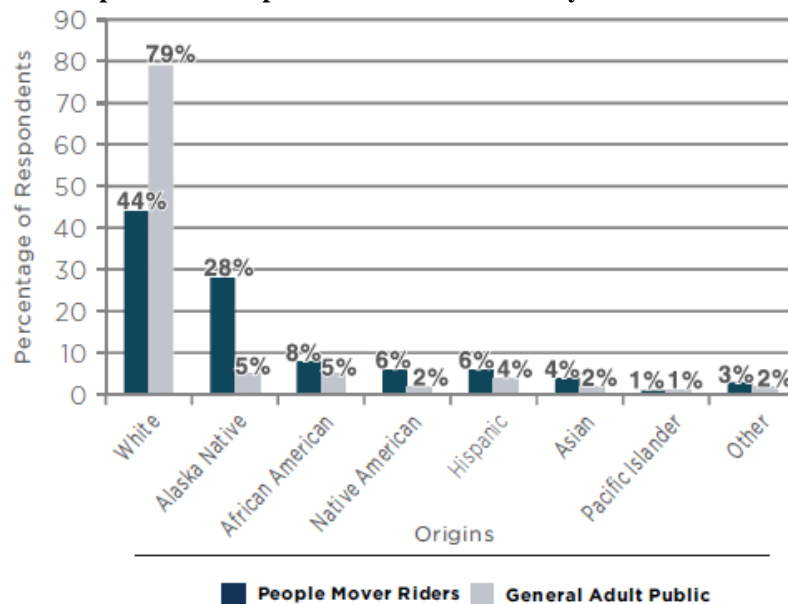
Ridership

People Mover provides 4.1 million trips annually, with an average of 14,027 passenger boardings per weekday. Ridership on the fixed route and paratransit service has been steadily increasing over the past decade. In 2008, fixed route ridership spiked at the same time gas prices were highest during the same time period. People Mover surveyed its ridership in 2001 as part of “The People Mover Blueprint: A Plan to Restructure the Anchorage Transit System.” Among the information collected, the survey included basic demographic and income data of the general adult population compared to People Mover riders. Additionally, in 2005 Craciun & Associates conducted an on board survey which asked riders about the performance of the system, trip purposes, ethnicity and income. The information from the Craciun survey provides data specific to the fixed route ridership.

Without more recent survey data, the Department suggests ridership demographics, trip purposes and frequency of use of the People Mover system has remained relatively similar since the last survey. When comparing 2000 to 2010 Census data, there was only one tract (25.01) added to the list of minority/low income tracts. The Department is confident that any variations in results of a more current survey would not substantially redirect the findings of this analysis.

Figures 4 and 5 illustrate the results of the 2001 survey compared to the 2005 – 2009 American Community Survey (ACS) data. According to the ACS, approximately 2.5% of the minority population in the Municipality of Anchorage ride the bus to work compared to only 1% of the non-minority population. There is also a substantial difference in the ethnic composition of People Mover riders and the general adult public. Only 44% of People Mover riders self-identify as “white” while 79% of the adult public identifies itself as “white.” Additionally, 28% of the riders surveyed identify themselves as “Alaska Native” while only 5% of the general adult public population identifies itself as “Alaska Native” (Figure 4). Similarly, all other minority groups in the general population form a somewhat greater proportion of People Mover’s ridership.

Figure 4: Comparison of People Mover Riders’ Ethnicity to the General Adult Public



The majority of persons using transit to travel to work are low-income with over 66% of People Mover ridership making less than \$25,000 per year compared to 16% of the general population (2005 – 2009 ACS). According to the 2001 telephone survey, there is a wide difference between the household

incomes of People Mover riders and the general adult public. Although only 3% of the general adult public reported income of less than \$10,000, 28% of People Mover riders reported incomes at that level (Figure 5).

Figure 5: Comparison of People Mover Riders' Income to the General Adult Public

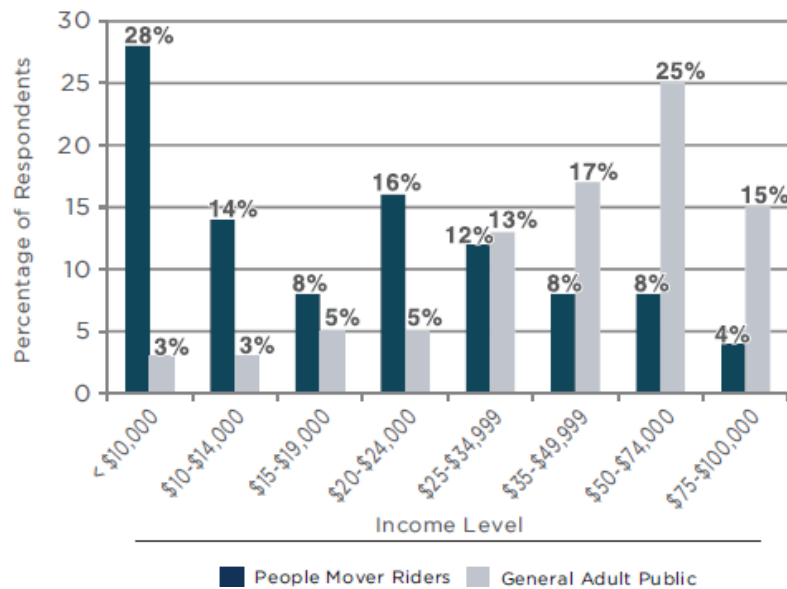


Table 4 illustrates fixed route boardings from 2005 to 2010. This data shows a small decrease in full fare adult ridership and a corresponding small increase in reduced fare boardings; while minor service adjustments occurred.

Table 4: Fixed Route Boardings 2005-2010

	2005	2006	2007	2008	2009	2010
Total Ridership	3,975,074	3,948,228	3,989,137	4,220,677	4,184,141	4,143,885
Adult	2,672,698	2,584,439	2,747,522	2,444,560	2,620,784	2,634,333
Youth	421,117	472,714	467,557	516,488	505,760	441,627
Senior / Disabled	688,794	703,236	729,595	809,670	880,628	847,467
Child >5/Free	125,241	137,545	156,492	180,527	222,948	220,458
Percent of Total	2005	2006	2007	2008	2009	2010
Adult	67%	65%	69%	58%	63%	64%
Youth	11%	12%	12%	12%	12%	11%
Reduced	17%	17.8%	18.3%	19.2%	21.0%	20.5%
Free	3%	3%	4%	4%	5%	5%

The Tables 5-9 reflect data captured in the 2005 Craciun on board survey. Table 5 describes trip purpose by ethnicity. Sixty-three percent of those surveyed were Alaskan Native, African American or Other and stated their trip purpose were for work (33.7%); for shopping (24.7%); for visit/entertainment (20.2%); for a doctor or hospital trip (11%) and ; 7.7% for school/ college. These percentages of trip purposes are very similar to those who described their ethnicity as White.

Table 5: Origin and Destination by Ethnicity

	Ethnicity:				Total
	White	Alaskan Native	African American	Other & mixed	
Origin, destination:					
Home *.....	77.0%	71.4%	71.4%	74.5%	74.0%
Work.....	39.2%	22.0%	47.7%	31.4%	32.9%
Shopping, errands *.....	23.4%	27.7%	17.5%	29.0%	25.3%
Visit, entertainment....	16.0%	27.4%	12.0%	21.1%	20.3%
Doctor, hospital.....	7.5%	16.7%	8.5%	7.4%	10.7%
School, college.....	10.7%	3.7%	7.4%	12.1%	8.2%
Number.....	411	374	123	208	1116

Table 6 illustrates trip purpose by income. Of those surveyed, about 70% had an income of less than \$10,000 and originated their trip from home with destination for work (25%); to shopping or errands (25.5%), to visit and /or entertainment (26.5%); and a little more than 20% of trips were to a doctor, hospital, school, or college.

Table 6: Origin and Destination by Income

	Income:				Total
	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$34,999	More	
Origin, destination:					
Home.....	69.8%	71.4%	85.3%	73.7%	73.7%
Work.....	25.0%	36.3%	38.4%	46.9%	34.0%
Shopping, errands *.....	25.5%	24.4%	19.8%	24.4%	24.0%
Visit, entertainment....	26.5%	18.6%	14.1%	20.5%	21.0%
Doctor, hospital *.....	13.6%	10.0%	10.0%	5.8%	10.7%
School, college *.....	6.8%	6.2%	8.1%	10.9%	7.5%
Number.....	400	317	198	157	1072

The 2005 Craciun survey included a question regarding the availability of private vehicles. Zero-vehicle occupied housing unit status is another indicator of demand for public transportation. Tables 7 and 8 indicate the frequency of use and availability of private vehicles by ethnicity and income.

Table 7: Frequency of Use and Availability of Private Vehicles by Ethnicity

	Ethnicity:				Total
	White	Alaskan Native	African American	Other & mixed	
Usually ride bus: *					
Seven days a week.....	34.7%	40.7%	29.7%	37.0%	36.6%
Five or six days.....	37.9%	27.9%	40.9%	36.7%	34.7%
Three or four days.....	17.6%	21.4%	20.0%	13.8%	18.4%
Once, twice or monthly...	9.8%	10.0%	9.4%	12.6%	10.3%
Number.....	406	370	122	213	1111
Vehicles available:*					
None.....	65.3%	60.2%	57.7%	57.9%	61.4%
One.....	21.7%	27.7%	30.0%	25.4%	25.3%
Two.....	9.3%	10.0%	6.6%	11.5%	9.7%
Three.....	2.0%	1.3%	4.0%	2.7%	2.1%
Four or more.....	1.7%	.8%	1.7%	2.5%	1.6%
Number.....	410	367	123	209	1109
Licensed drivers in household:					
None.....	33.7%	44.7%	19.3%	28.4%	34.8%
One.....	39.4%	31.4%	51.0%	31.3%	36.4%
Two.....	17.7%	17.5%	20.2%	27.7%	19.8%
Three.....	7.3%	3.3%	6.0%	7.0%	5.8%
Four or more.....	2.0%	3.1%	3.6%	5.6%	3.2%
Number.....	412	374	120	209	1115

Table 8: Frequency of Use and Availability of Private Vehicles by Income

	Income:				Total
	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$34,999	More	
Usually ride bus: *					
Seven days a week.....	40.4%	37.5%	33.8%	35.8%	37.7%
Five or six days.....	31.3%	37.2%	41.6%	30.8%	34.9%
Three or four days.....	17.3%	17.4%	15.7%	20.2%	17.4%
Once, twice or monthly...	11.1%	7.9%	8.9%	13.2%	10.0%
Number.....	397	324	192	152	1065
Vehicles available:					
None.....	76.4%	66.7%	47.0%	37.5%	62.3%
One.....	14.6%	25.3%	36.3%	36.6%	25.1%
Two.....	7.5%	4.9%	13.4%	18.2%	9.4%
Three.....	.5%	2.3%	1.2%	4.5%	1.8%
Four or more.....	1.1%	.8%	2.1%	3.1%	1.5%
Number.....	389	320	196	157	1062
Licensed drivers in household:					
None.....	51.7%	34.2%	25.0%	12.4%	35.8%
One.....	31.5%	39.9%	41.2%	31.8%	35.9%
Two.....	12.2%	16.0%	24.7%	35.1%	18.9%
Three.....	2.5%	7.1%	5.4%	13.8%	6.1%
Four or more.....	2.1%	2.8%	3.7%	6.9%	3.3%
Number.....	395	324	196	156	1070

An analysis of the total ridership in Table 9 shows that routes 45 (76.4%), 9 (65.6%), and 8 (65.2%) have the highest minority ridership. Routes 45 (54.4%), 14 (42.9%), and 75 (38.5%) have the highest number of riders making less than \$10,000 annually. Furthermore, commuter route 102 serving Eagle River has the lowest percentage of minority and low income ridership.

Table 9: Demographics by Route

	Route:																Total
	1	2	3	7	8	9	13	14	15	36	45	60	75	77	102		
Gender:																	
Male.....	57.1%	60.5%	53.7%	56.8%	37.4%	57.4%	50.0%	43.8%	77.4%	57.5%	62.0%	61.2%	57.4%	69.2%	43.2%	57.4%	
Female.....	42.9%	39.5%	46.3%	43.2%	62.6%	42.6%	50.0%	56.3%	22.6%	42.5%	38.0%	38.8%	42.6%	30.8%	56.8%	42.6%	
Number.....	53	87	129	143	62	73	79	12	52	55	227	74	94	24	25	1188	
Age:																	
Under 24.....	40.5%	25.4%	25.9%	18.9%	41.1%	16.9%	17.1%	20.0%	20.0%	22.2%	17.9%	18.5%	16.7%	32.0%	5.9%	21.9%	
25 to 34.....	17.6%	12.3%	9.9%	18.0%	18.9%	23.6%	7.1%	26.7%	10.0%	25.0%	12.2%	10.9%	18.8%	24.0%	5.9%	14.8%	
35 to 44.....	18.9%	28.1%	21.0%	22.5%	18.9%	23.6%	27.1%	20.0%	36.0%	29.2%	30.1%	21.7%	25.0%	8.0%	32.4%	25.1%	
45 to 54.....	17.6%	22.8%	25.9%	25.2%	8.9%	20.2%	21.4%	26.7%	22.0%	18.1%	25.2%	28.3%	22.9%	20.0%	32.4%	22.9%	
55 to 84.....	5.4%	11.4%	17.3%	15.3%	12.2%	15.7%	27.1%	6.7%	12.0%	5.6%	14.6%	20.7%	16.7%	16.0%	23.5%	15.2%	
Number.....	51	83	127	135	62	69	75	12	49	55	217	70	89	23	23	1137	
Ethnicity:																	
White.....	44.4%	41.4%	34.6%	43.0%	34.8%	34.5%	38.0%	57.1%	35.8%	45.6%	22.8%	37.6%	38.5%	58.3%	54.3%	36.6%	
Alaskan Native....	20.8%	21.6%	35.9%	27.2%	41.6%	42.9%	28.2%	28.6%	35.8%	22.1%	48.0%	22.6%	33.3%	20.8%	20.0%	33.4%	
African American..	12.5%	12.9%	12.8%	13.2%	5.6%	4.8%	14.1%	7.1%	7.5%	14.7%	9.4%	11.8%	14.6%		8.6%	11.0%	
Other & mixed.....	22.2%	24.1%	16.7%	16.7%	18.0%	17.9%	19.7%	7.1%	20.8%	17.6%	19.7%	28.0%	13.5%	20.8%	17.1%	19.1%	
Number.....	50	85	123	138	61	65	76	11	52	52	224	70	89	22	23	1139	
Income:																	
Less than \$10,000.	24.3%	31.2%	29.9%	37.7%	31.6%	29.4%	35.8%	42.9%	36.2%	30.3%	54.4%	34.4%	38.5%	22.7%	28.6%	37.3%	
\$10,000 to \$19,999	40.0%	34.9%	37.7%	32.1%	22.8%	32.9%	29.9%	35.7%	36.2%	27.3%	24.0%	31.1%	28.6%	18.2%	5.7%	29.9%	
\$20,000 to \$34,999	21.4%	15.6%	23.4%	17.0%	22.8%	20.0%	19.4%	7.1%	14.9%	27.3%	15.2%	21.1%	12.1%	27.3%	14.3%	18.4%	
More.....	14.3%	18.3%	9.1%	13.2%	22.8%	17.6%	14.9%	14.3%	12.8%	15.2%	6.4%	13.3%	20.9%	31.8%	51.4%	14.5%	
Number.....	48	80	121	128	54	66	71	11	46	50	220	68	84	20	23	1091	

*Note route 77 is no longer in service.

Current Fares

Between 1983- 2005, the base fare was adjusted on average every 2.5 years. Table 10 compares fixed route and paratransit fares from 2005 and 2012 to the national average.

Table 10: Fixed Route and Paratransit Fares Compared to US Average

FARE	2005	Current	US Average
Single Ride			
Adult	\$1.75	\$1.75	\$1.68
Youth	\$1.00	\$1.00	\$.95
Under 4 yrs	\$0.00	\$0.00	n/a
Senior & Disabled	\$0.50	\$0.50	\$0.73
Tokens			
Adult 20 Tokens	\$35.00	\$35.00	n/a
Youth 20 Tokens	\$20.00	\$20.00	n/a
Day Pass			
Adult Day Pass	\$4.00	\$5.00	\$4.20
Youth Day Pass	\$4.00	\$5.00	\$4.20
Reduced Day Pass	\$1.25	\$1.50	\$1.95
Monthly Pass			
Adult Monthly Pass	\$50.00	\$55.00	\$57.10
Youth Monthly Pass	\$25.00	\$25.00	\$27.73
Reduced Monthly Pass	\$15.00	\$19.25	\$24.16
Annual Pass			
Annual Adult	\$540.00	\$594.00	n/a
Annual Youth	\$270.00	\$270.00	n/a
Annual Reduced	\$162.00	\$208.00	n/a
Misc. Passes			
Class Pass	\$50.00	\$50.00	n/a
College Pass	UPass	UPass	n/a
Paratransit			
AnchorRIDES	\$3.00	\$3.00	n/a
AnchorRIDES Premium	\$4.50	\$4.50	n/a

The Department's fixed route and paratransit systems are experiencing marked ridership growth and increased demand for expanded service. However, as revenue streams remain stagnant and costs continue to rise; the Department is faced with three choices- implementing efficiencies, increasing revenue, or reducing service.

Implementing Efficiencies

During the last seven years the Department has taken steps to increase efficiency by eliminating poorly performing service and routes, however, budget challenges still remain. When facing constrained budgets in the past, the Department has continually reduced administrative support staff in an effort to maintain viable service levels. Other efficiencies include technology upgrades. In June 2012 the Department successfully replaced its 20 yr old farebox system to allow for faster passenger boarding and expanded fare media options. The Department also employs real time electronic messaging boards for fixed route schedules; maintains agreements with other agencies to reduce cost of infrastructure and the operations of buses. These efficiencies have allowed the Department to focus on keeping service on the street while growing ridership and improving its on-time performance.

Proposed Fare Increase

The proposed fare increase is presented with the intent of increasing passenger supported revenue; simplifying the fare structure; and creating a half fare category while preserving existing fixed route and paratransit service. If the proposed fare increase becomes effective September 2012 the Department estimates approximately \$250,000 in revenue for the remaining calendar year and an estimated \$750,000 annually. Projected revenue increases consider a small (one-half of 1%) reduction in ridership as a result of increased fares and assume no reduction in current fixed route and paratransit service. At a time when transit agencies nationwide are cutting service and/or increasing fares to respond to rapidly increasing cost, Table 11 illustrates the Department's proposed fare structure to increase revenue during these challenging financial times.

Table 11: Proposed Fare Structure and Increase

FARE	Proposed
People Mover Single Ride ticket	
Adult	\$2.00
Half fare(Youth, Senior, Disabled, Veteran & Medicare)	\$1.00
People Mover 20 Ride Ticket	
Adult	\$40.00
Half fare(Youth, Senior, Disabled, Veteran & Medicare)	\$20.00
People Mover Day Pass	
Adult	\$5.00
Half fare(Youth, Senior, Disabled, Veteran & Medicare)	\$2.50
People Mover 30 Day Pass	
Adult	\$60.00
Half fare(Youth, Senior, Disabled, Veteran & Medicare)	\$30.00
People Mover Annual Pass	
Adult	\$660.00
Half fare(Youth, Senior, Disabled, Veteran & Medicare)	\$330.00
People Mover Miscellaneous	
Class Pass	\$60.00
Photo ID	\$5.00
Paratransit	
Senior & Disabled AnchorRIDES	\$4.00
Senior & Disabled AnchorRIDES Premium	\$4.50

Fare Change Highlights:

Adult Fare

- Single ride increase by a quarter (\$1.75 to \$2.00)
- Day Pass, no change (remains \$5.00)
- 30-day pass, replaces the monthly pass, increase by \$5 (\$55.00 to \$60.00)
- Annual Pass increase by \$66 (\$594 to \$660)

New Half Fare

The Department's current reduced fare program goes beyond the requirements of the FTA Half Fare program. The reduced fare rate is subject to approval by the Anchorage Assembly and has been set at considerably less than 50% of the adult fare. The Department is proposing to eliminate the reduced fare and implement a fare structure that complies with the FTA Half Fare Program. A Half Fare is equal to 50% of the full fare as approved by the Anchorage Assembly. Additionally, the Department would include Youth and Veterans in the Half Fare program, again exceeding FTA requirements.

Potential Service Reductions

If the proposed fare increase is not adopted and assuming no additional property taxes are available to support operations; the Department is prepared to consider a combination of budget mandated service reductions which could include:

- Elimination of Sunday Service
- Elimination of Holiday Service
- Elimination of early morning/late night service
- Elimination of entire routes and/or portions of routes

Table 12 outlines examples of fixed route and paratransit service reductions that could be examined as part of the FTA required “Service Equity Analysis” in order to bridge the Department’s budget gap. The table illustrates the estimated number of rides reduced, cost savings, and whether minority and/or low-income populations would be impacted by a service reduction. It is important to note, any reduction in service has real consequences affecting the entire community. Early morning, late evening, and weekend public transportation service is crucial to continued economic development. People Mover and AnchorRIDES play vital roles in moving the workforce and patrons by providing affordable, safe, reliable transportation options.

Table 12: Examples of Fixed Route and Paratransit Service Reductions

Examples of Fixed Route & Paratransit Service Reduction(s) Examined	Est. # of Rides Reduced	Est. Cost Savings	Est. Minority Population Impact	Est. Low Income Population Impact	Est. Remaining Population Impact
Reductions to fixed route weekday service (High ridership) for RT 3, 7, 8, 9, 14, 45, & 60 mornings (6-7a) and evenings (9:15-10p).	500,000	\$300,000	High	High	Medium
Eliminate Sunday service on fixed route and paratransit service	205,000	\$700,000	Medium	High	Low
Reduce Saturday fixed route and paratransit service to current Sunday service levels	133,000	\$455,000	Medium	High	Low-Medium
Eliminate fixed route and paratransit holiday service on Dr Martin Luther King Day, Presidents Day, Veterans Day, and the Day after Thanksgiving	41,000	\$200,000	Medium	High	Low
Reductions to fixed route weekday service (Low ridership <10 passenger per trip) for RT 1, 2, 13, 15, & 36 mornings (6-7a) and evenings (9:15-10p).	26,500	\$200,000	Medium	High	Medium

Outreach

Pursuant to Title VI of the Civil Rights Act of 1964 and its implementing regulations, the Department takes steps to ensure meaningful access to the benefits, services, information, and other important portions programs and activities for low-income, minority, and Limited-English Proficient individuals and regardless of race, color or national origin.

It is the policy of the Public Transportation Department that an adequate process is in place to solicit and consider public comments before raising fares or implementing a major reduction or changes to People Mover or AnchorRIDES service. Additionally, the Department seeks Assembly approval for changes in People Mover and AnchorRIDES fares. The Municipal Assembly approves all fare changes according to procedures outlined in Anchorage Municipal Code 1.25.010, Section A.

Alternatives for Impacted Customers

Transit is by far one of the least expensive modes of transportation within the Municipality of Anchorage. Potentially less expensive alternatives are bicycling and walking. However, walking and bicycling are not always viable alternatives during Alaska's winter months (October-April) with extreme temperatures, accumulation of snow and ice and limited daylight hours.

By comparison, driving is a more expensive alternative due to the costs of purchasing a vehicle, maintaining it in working order and additional expenses such as fuel, insurance, and parking.

Since this fare increase is based on fare type and not based on fare increases to particular routes (ex: 7A or 102) or modes (ex: bike/bus), no transit alternatives are relevant to this analysis. For frequent riders of People Mover, monthly and annual passes will still remain the most economical choice, even with the proposed fare increases. Further, there are additional options and resources available when traveling throughout the Municipality of Anchorage:

- Seniors Ride Free Wednesdays (Year round)
- Youth Ride Free Thursdays (May-August)
- UPASS (contracted agreement, current students, staff & faculty ride free with a valid ID)
- Human Service Agencies (provide bus passes, shuttle service & taxi vouchers)
- Employer Sponsored Pass
- Vanpooling
- Carpooling
- Carsharing

Disparate Impacts/Mitigation Measures

For the purpose of this analysis a disproportionately high and adverse effect is one that (1) is predominately borne by a minority population and/or a low-income population, or (2) will be suffered by the minority population and/or low-income population and is appreciably more severe or greater in magnitude than the adverse effect that will be suffered by the non-minority population and/or non-low-income population. In making determinations regarding disproportionately high and adverse effects on minority and low-income populations, mitigation and enhancements measures that will be taken and all offsetting benefits to the affected minority and low-income populations may be taken into account.

In general, the Department makes a concerted effort to minimize the negative impact of any fare changes to minority/low-income riders. However, by its very nature, a fare increase will have a greater impact on low-income customers as the increase represents a larger portion of their fixed income than higher-income customers. Alternatively, a service reduction will have a greater impact on these populations as it will reduce or eliminate the riders' ability to obtain transportation at any cost.

The Department will offer a half fare category (single ride, 20 ride, day pass, 30 day, and annual pass) which is available to seniors (60 yrs +), youth (5-18 yrs), disabled and Medicaid-eligible, and veteran (DD214 or VIC card) customers to purchase fare media at 50% of the adult fare. For minority/low-income patrons who fall into those groups, this category is priced under the amount allowable by the FTA, which requires that "elderly persons and persons with disabilities, or an individual presenting a Medicare card will be charged, during *non-peak hours* for transportation using or involving a facility or equipment of a project financed under Section 5307, not more than 50 percent of the *peak hour fare*." (49 U.S. Code Chapter 53)

People Mover provides its eligible reduce fare passengers the same fare during peak and non-peak travel times. The existing single ride, reduced fare is \$0.50, which is 33% of the existing single ride-adult fare of \$1.75.

Conclusion

From a review of 2010 Census data, 2005-2009 ACS data, and locally gathered survey information, it appears that low-income and minority populations are disproportionately dependent on People Mover. This analysis recognizes the proposed fare increase does not fully meet the Department's budgetary challenges. In order to completely close the budget gap the Department would require an additional 25% increase beyond the fare increase outlined in this analysis. At this time, any increase beyond the proposed fare increase is not recommended.

FTA C 4702.1A "Title VI Program Guidelines for Federal Transit Administration Recipients" states, "Recipients can implement a fare increase or major service reduction that would have disproportionately high and adverse effects provided that the recipient demonstrates that the action meets a substantial need that is in the public interest and that alternatives would have more severe adverse effects than the preferred alternative."

After considering a variety of budget mandated actions to reduce operating costs and increase revenues; the Department believes a systemwide fare increase is the appropriate action as opposed to a reduction of fixed route and paratransit service. During these challenging financial times the Department looks to increase passenger supported revenue; simplify the fare structure; create a half fare category; and preserve existing fixed route and paratransit service. At a time when ridership and the demand for expanded service are increasing, significant reductions in service would have an adverse effect on the ridership. However, it is possible the final outcome would be some combination the Department will of increased revenues and service adjustments following public review and local decision making.