

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

Action Information

MEAD Number:
200690

Resolution:
 Yes No

TITLE:

Adoption of FY15 Operating Budget and Fare Changes

PRESENTATION SUMMARY:

This presentation will provide information to the Board to inform its decision to adopt the General Manager/Chief Executive Officer's (GM/CEO) proposed \$1.8 billion FY2015 Operating budget (as modified since December 2013), including updates on investments in human capital and business proficiency, changes to revenue forecasts, and Board-requested modifications to the proposed fare adjustments for FY2015.

PURPOSE:

To present the Board with updated information on the proposed FY2015 Operating budget and FY2015 fare adjustments, including investments in human capital and business proficiency, changes to the operating revenue forecast, and the current and future philosophy behind the fare policy for MetroAccess.

DESCRIPTION:

Key Highlights:

- The FY2015 Budget advances the Momentum strategic plan and key actions established in the GM/CEO's CY2014-2016 Business Plan.
- The FY2015 subsidized operating budget totals \$1.75 billion to provide safer, better, and more service across all three transit modes.
- The FY2015 budget advances key business plan actions including:
 - Delivery of safer service by continuing to close NTSB recommendations, developing and implementing a fatigue management program, supporting employee close call reporting, and enhancing customer awareness of safety and security;
 - Implementation of a new comprehensive Customer Care program;
 - Operation of a full fiscal year of Silver Line Phase 1 service;
 - Initiation of new Metrobus Priority Corridor Network (PCN) and State of Good Operations (SOGO) improvements; and
- The FY2015 budget book will include, for the first time, a separate chapter highlighting Metro's investments in Human Capital, including employee compensation, benefits, recruiting, training and development, and pension and OPEB.
- The FY2015 fare changes are expected to generate net revenue of approximately \$28 million, and these fare changes pass the equity analysis required by Title VI of

the Civil Rights Act (ensuring that minority and low income populations are not disproportionately impacted by fare changes).

Background and History:

In April 2013 the Board approved Metro's \$2.7 billion FY2014 Budget and \$5.5 billion FY2014-2019 Capital Improvement Program. The April 2013 multi-year financial plan projected modest passenger fare increases to be implemented in July 2014 as well as additional jurisdictional investment to support the FY2015 budget.

New Collective Bargaining Agreements have been executed between Metro and three unions that represent a majority of Metro's employees covering wages, benefits, hours and working conditions for FY2013 through FY2016. Negotiated agreements have been executed with: Local 689 Amalgamated Transit Union which represents a majority of Metro's operating, maintenance, clerical, and administrative personnel; Local 2, Office and Professional Employees International Union, AFL-CIO, which represents professional, technical, administrative, and clerical personnel; and Local 922, International Brotherhood of Teamsters, the bargaining unit comprised of nearly 400 operating, maintenance, clerical and administrative personnel employed in the Landover Bus Division. The FY2015 Budget incorporates the fiscal impact of each of these new agreements.

In September 2013 the GM/CEO presented his CY 2014-2016 Business Plan, a multiyear plan that identifies tangible, near-term actions that are aligned with Momentum and the multiyear operating and capital budgets. The GM/CEO's business plan places an added focus on improving our service for customers by building on the Customer Service Action plan and putting an emphasis on the customer experience.

Discussion:

FY2015 Operating Budget

The FY2015 Operating Budget is linked to the Momentum strategic plan, the key actions established in the GM/CEO's CY2014-2016 Business Plan, and the multiyear operating and capital program investment plans. The FY2015 budget is focused on providing Metro's customers with Safer, Better and More service. The Proposed FY2015 Budget advances key actions and initiatives including:

Improving Safety for Customers and Employees and Keeping the System Secure

- Metro's highest priority is the safety of the system for customers and employees.
- Of 29 National Transportation Safety Board recommendations to Metro, 21 have been closed. The FY2015 budget includes the required investments to continue progress on the remaining 8 recommendations, including the replacement of the 1000 series railcars, improving exterior door handles, and replacing track circuits.
- Metro has also established a policy to provide a framework for the prevention and mitigation of fatigue and is promoting vigilance by developing and implementing a Fatigue Risk Management System (FRMS). The system will have a special focus on safety-sensitive and safety-critical Metro employees and contractors.

- Metro is also investing to improve the security of the system, with new police officers for bus patrols and for the Silver Line, and in a new District II Substation and Range and a new Security Operations Control Center.

Caring for Customers

- In order to consistently focus on the customer, Metro is establishing a first ever, system-wide customer care program and is completing customer service action plan items including quarterly customer satisfaction surveys, training for front line employees, and improved communications tools and equipment.
- Metro is also investing in improved lighting in underground stations, station cooling upgrades, and station rehabilitation projects.
- Through the Metro 2025 program, Metro plans to advance significant investments over the next ten years in Next Generation Communications infrastructure and equipment in order to provide meaningful, timely, and accurate information to customers.

Connecting Communities with New Rail and Bus Service

- The FY2015 operating budget includes the operation of the full fiscal year of Silver Line Phase 1 service which extends the Metrorail system through Tysons Corner to Wiehle Avenue-Reston East.
- The FY2015 operating budget also includes operating support for the implementation of additional Priority Corridor Network (PCN) improvements to better connect communities.

Delivering Quality Service

- The FY2015 operating budget advances additional Metrobus State of Good Operations and Priority Corridor Network improvements to meet or exceed on-time performance targets and better connect communities.
- Metro will also continue the comprehensive rehabilitation and replacement of track and rail structures to improve reliability and to achieve a steady state of maintenance of the Metrorail system.
- As a direct result of capital investments and improved preventive maintenance on escalators, Metro recently achieved 92 percent escalator availability, the highest level of availability in five years. Metro will continue the reinvestment in these important assets in FY2015 and beyond.

Efficiency, Effectiveness, and Sustainability

Metro is advancing several key initiatives to improve effectiveness, achieve cost

savings, and avoid future costs by streamlining business support and administrative processes and redeploying resources. Metro is also taking action to realign key areas of the operating budget to present a budget plan more consistent with experience and expectations, including salaries and wages, overtime, parts and materials and energy. Key efficiency and effectiveness initiatives include:

- Finance workforce planning and business process streamlining
- Non-revenue fleet improvements
- Sustainability and energy saving initiatives
- Administration of pension, healthcare, and Other Post Employment Benefit programs
- Inventory parts demand and procurement improvement

Investing in Employees

In FY2015 Metro will continue the implementation of employee engagement improvement initiatives, recruitment strategies, and succession planning strategies, and Metro is preparing to implement the MetroConnect state-of-the-art workforce management system.

Metro will also be introducing a set of business proficiency initiatives in FY2015 that will integrate enterprise risk management into Metro's business planning. The initiatives will include enhanced contracting expertise (through hiring of legal contracts staff), leadership development, and "best practices" business process training in areas such as procurement and grants management.

Human Capital

Human capital is a way of defining and categorizing people's skills and abilities and how they are used to accomplish the goals and objectives of the organization. At Metro, the management of human capital involves workforce planning and investment, and is aligned with the strategic plan and integrated with the core mission of operating and maintaining a safe, reliable, and effective transit system.

Human capital is not just the number of people employed, but the investments associated with such employment — often referred to as personnel costs. Metro's personnel costs fall into one of two major categories, labor or fringe benefit costs.

Labor costs make up approximately 68 percent of personnel costs. Labor costs include regular wage and overtime pay for operations employees, as well as salary expense for management, professional, and administrative personnel. The proposed FY2015 labor budget for operating and capital is \$1.04 billion.

Fringe benefit costs at Metro comprise the personnel-related expenses incurred by an employer that are above and beyond the cost of employee pay. Metro's fringe benefits are comprised of health insurance and pension plans required by collective bargaining agreements to retain a professional workforce. Fringe benefits also include government mandated costs such as unemployment insurance and payroll taxes. The proposed FY2015 fringe benefits budget is \$490 million.

The proposed staffing requirement for FY2015 is 12,876, consisting of 11,517 operating positions, 1,279 capital positions and 80 positions funded by reimbursable projects. Metro's FY2015 proposed budget includes a 1.5 percent increase over Metro's approved headcount for fiscal year 2014, primarily due to resources required for maintenance of the rail system and Bus service improvements.

Updated Revenue and Subsidy Forecasts

Metro's total operating revenue forecast in the FY2015 budget is \$946 million, a reduction of approximately \$7 million from the proposed budget in December. At the end of 2013, as a result of inaction by Congress, the federal transit subsidy reverted to a lower level of \$125 per month (from a higher value of \$245) and is no longer at parity with the federal parking subsidy, which remains at the higher level. As a result, the previous forecast of one percent growth in Metrorail ridership in FY2015 has been reduced to zero. This will reduce forecasted revenues for FY2015 by approximately \$6 million. Additional minor changes to revenue totaling a net reduction of \$1 million include lower parking revenues, lower Access revenues, higher net bus revenues (more revenue from DHS-supported service offset by lower DC school subsidy projections) and higher advertising revenues.

However, the proposed use of the FY2013 operating surplus has also changed from December. The GM/CEO is recommending that Metro reserve \$10 million of the \$30 million FY2013 surplus to address revenue contingencies in FY2014, including the delayed opening of the Silver Line, the bad winter weather, and the government shutdown in October. This will allow \$20 million of the surplus to be used to offset FY2015 jurisdictional contributions, up from an assumed value of \$15 million in the December proposed budget.

Thus, after incorporating all the changes to both revenue and the use of the prior year surplus, the total required local subsidy (including debt service, preventive maintenance, and the application of prior year surplus funds) remains at \$779 million, the same value as in the December proposal. This total figure is an increase of \$44 million or 6 percent over the approved FY2014 subsidy.

FY2015 Fare Changes

The GM/CEO proposed a set of fare changes in the December budget proposal, and the Board then adopted a fare docket for the public hearings in January and February that expanded on the original proposal, in order to give the Board more flexibility in considering fare changes.

The final FY2015 fare changes are broadly similar to what was proposed by the GM/CEO in December, with a 3 percent increase for Metrorail fares, an increase in the base Metrobus fare to \$1.75, and the elimination of the cash surcharge on Metrobus. However, there are a few notable changes from the original proposal:

- The maximum fare or "cap" on MetroAccess fares will be reduced from \$7.00 to \$6.50. This was one of the proposals offered by the Access Advisory Committee (AAC) following the public hearings.
- The base parking fee increase will be only \$0.10, rather than \$0.25 as originally proposed.

- An additional parking surcharge of \$0.50 will be imposed at Metro daily parking facilities in Prince George’s County (with the exception of Landover, Addison Road, and Prince George’s Plaza)
- A “convention pass” will be offered, which will be a discounted 1-day unlimited rail pass offered exclusively through WMATA bulk sales

Altogether, these fare changes are expected to generate net revenue of approximately \$28 million, and this combination of fare changes passes the equity analysis required by Title VI of the Civil Rights Act (ensuring that minority and low income populations are not disproportionately impacted by fare changes). A summary of the equity analysis, as well as a staff report on the public hearings and other Title VI-required public outreach efforts, are included with the Board resolution.

Jurisdictional Subsidy

Total jurisdictional subsidy in the proposed FY2015 budget increases by 6 percent over FY2014, from \$735 million to \$779 million. The allocation of Metrorail and MetroAccess subsidy is unchanged from the December proposal, while the allocation of Metrobus subsidy has changed slightly as a result of updating the allocation with the most recent route-level data on miles and hours of service in each jurisdiction.

Total debt service for FY2015 is now \$21.3 million, an increase of \$0.1 million from the December proposal. As a result of the government shutdown in October 2013, the Internal Revenue Service (IRS) informed Metro of a reduction in the refundable credits associated with the 2009B Build America Bonds of \$0.1 million. This added cost will be included in the jurisdictional billings in FY2015.

FUNDING IMPACT:

Budget:	Operating Budget, Fiscal 2015
Project/Account:	Insert full account name from budget line item.
Project Manager:	Insert manager`s name
Project Department/Office:	Insert department/office name from budget line item
This Action:	Amount requested for approval
Remarks:	The FY2015 subsidized operating budget totals \$1.75 billion, and the FY2015 operating reimbursable budget totals \$50.8 million.

	FY XXXX	
Budget:	Approved total project budget, or approved amended budget	[Use additional columns for each year beyond one]
This Action:	Amount requested for approval	
	Commitments & obligations	

Prior Approval:	against the budget as recorded in PeopleSoft	
Remaining Budget:	Budget-(subtotal + prior approval)	

TIMELINE:

Previous Actions	Presentation of the GM/CEO's proposed FY2015 operating and capital budgets and authorization of public hearings (Dec 2013)
	Public outreach and public hearings (Jan/Feb 2014)
Anticipated actions after presentation	Adoption of the FY2015 Capital Budget and FY2015-2020 Capital Improvement Program (Apr 2014)
	Implement adopted fare changes and begin FY2015 budget year (Jul 2014)

RECOMMENDATION:

Approve the staff report on public outreach, approve the Title VI equity analysis, and adopt the FY2015 operating budget and FY2015 fare adjustments.

PRESENTED AND ADOPTED: March 27, 2014

SUBJECT: APPROVAL OF THE FISCAL YEAR (FY) 2015 FARE CHANGES WITH ACCOMPANYING PUBLIC HEARING REPORT AND TITLE VI EQUITY ANALYSIS, AND ADOPTION OF THE FY2015 OPERATING BUDGET

2014-15

**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, The Board of Directors received and considered the General Manager/Chief Executive Officer's (GM/CEO) proposed FY2015 Operating budget, and approved a docket of proposed fare changes for FY2015; and

WHEREAS, The Board of Directors conducted six public hearings preceded by open forums on the proposed fare changes, the results of which are summarized in a Staff Report (Attachment A); and

WHEREAS, As required by Title VI of the Civil Rights Act of 1964, Metro staff conducted additional public outreach to riders regarding the proposed fare changes at rail stations, on buses and at bus transfer centers, and through community-based organizations, and conducted an online survey with the results of these outreach efforts summarized in the Staff Report; and

WHEREAS, As required by Title VI of the Civil Rights Act of 1964, Metro staff has evaluated the proposed FY2015 fare changes (Attachment B) to determine whether these changes would have a disparate impact on minority populations or impose a disproportionate burden on low income populations, and has determined there is no significant disparate impact on minority populations or disproportionate burden on low-income populations at the system-wide level in the proposed fare changes shown in Attachment B, and has summarized this evaluation in the Equity Analysis (Attachment C); and

WHEREAS, The adoption of the FY2015 budget reflects an effort to find equity between our WMATA customers and the jurisdictional partners in the shared operating cost of the Metro system, through an attempt to distribute fare increases across all services; and

WHEREAS, After a vigorous debate and thoughtful consideration, including concerns raised about the impact of the bus cash surcharge on customers least able to pay, the Board of Directors has removed the consideration of the cash surcharge for bus customers; yet it is important to acknowledge that the cash surcharge has a dual

Motioned by Mr. Acosta, seconded by Mrs. Hynes

Ayes: 8 – Mr. Downs, Mr. Downey, Mr. Nichols, Mrs. Hudgins, Mrs. Hynes, Mr. Bulger, Mr. Acosta and Mr. Goldman

impact: it affects those least able to pay, and it negatively impacts on-time performance, thus affecting all bus customers; and

WHEREAS, Since the Board of Directors seeks relief for low income customers while delivering the best performance to all of our customers, and the Board acknowledges that removing consideration of the cash surcharge is not an ideal or complete solution, the Board should address its concerns for unbanked customers and those least able to pay for transit services through a more effective mechanism; and

WHEREAS, The long term projection for funding the Other Post-Employment Benefits (OPEB) Trust is of concern for the continuing fiscal stability of the Authority; and

WHEREAS, Prince George's County is considering various improvements to Metro parking facilities, which they wish to fund through a \$0.50 increase in the existing Prince George's County parking surcharge at various Metrorail stations located within the County; and

WHEREAS, It is anticipated that the Montgomery County Council will approve continued funding for the "Kids Ride Free" program to subsidize free Metrobus fares for Montgomery County students between 2:00 p.m. and 7:00 p.m. for the FY2015 Budget; and

WHEREAS, It is anticipated that the District of Columbia will approve continued funding for the School Transit Subsidy Program (including the "Ride Free on Bus" program for students), as well as continued funding for transfer discounts at Anacostia and Congress Heights stations; and

WHEREAS, The Board of Directors recognizes the importance of accessibility and mobility for Metro Access riders; is committed to ensuring the long-term sustainability of services for these riders; and has determined that it is in the strategic interest of the Board to devote time and attention to planning for these needs into the future; now, therefore be it

RESOLVED, That the Board of Directors approves the Staff Report on the public hearings and outreach held in January and February 2014, concerning proposed fare changes; and be it further

RESOLVED, That the Board of Directors approves the Title VI Equity Analysis, demonstrating no significant disparate impact on minority populations or disproportionate burden on low income populations from the FY2015 fare changes proposed in Attachment B; and be it further

RESOLVED, That the Board of Directors approves changes to the Metrobus, Metrorail and MetroAccess fares and parking fees as reflected in Attachment B, to begin on or about Sunday, June 29, 2014; and be it further

RESOLVED, That the Board of Directors explore working with our jurisdictional partners in the human service delivery systems, including the Metropolitan Washington Council of Governments or equivalent organizations, to determine how best to bring equity in electronic fare and off-board fare policy for the unbanked and those least able to pay for transit services; and be it further

RESOLVED, That the Board of Directors remains committed to an appropriately funded OPEB Trust, and directs that future budgets be submitted with contributions consistent with that principle; and be it further

RESOLVED, That Prince George's County shall submit a letter for the Board of Directors review and approval describing the parking program proposals to be funded by the surcharge increase on or before June 1, 2014, as contemplated in Resolution No. 88-67, and shall otherwise comply with the requirements of Resolution No. 88-67, prior to the expenditure of any funds collected from the surcharge increase approved in Attachment B to this resolution; and be it further

RESOLVED, That as part of the ongoing efforts in support of Metro's Strategic Plan (Momentum), the Board of Directors directs Staff to study the long-term sustainability of MetroAccess and related services in coordination with other regional and jurisdictional examinations of transportation services for people with disabilities, including:

1. Demographic changes that will impact the number of eligible riders;
2. Improvements to bus and rail facilities to promote accessibility on fixed route transit;
3. The effectiveness of MetroAccess in comparison to human service, healthcare and other providers in addressing riders' needs;
4. Alternative service delivery models for MetroAccess riders; and
5. The impact of MetroAccess costs on riders and funding jurisdictions; and be it further

RESOLVED, That the Board of Directors directs Staff to produce a report with the findings of the study and present those findings to the Board by June 30, 2015; and, after receipt of input from the Board on its report to propose a plan for meeting MetroAccess riders' needs through 2025 by December 31, 2015; and be it further

RESOLVED, That the Board of Directors approves the FY2015 subsidized operating budget of \$1.76 billion, with expenses and subsidies detailed in Attachments D-1 through D-3; and be it further

RESOLVED, That \$21.3 million of debt service expenditures resulting from the issuance of Metro Matters bonds are subsumed within the FY2015 budget and allocated to the jurisdictions as detailed in Attachment D-3; and be it further

RESOLVED, That the total budget for Operating Reimbursable Program projects shall be \$50.8 million, as detailed in Attachment E; and be it further

RESOLVED, That the budget for Operating Reimbursable Safety & Security grants for FY2015 shall be \$17.2 million or such lesser amount of federal safety and security grants awarded to Metro as shown in Attachment E; and that the FY2015 budget for Safety and Security grants may not exceed this amount without additional action from the Board of Directors; and be it further

RESOLVED, That the Board of Directors authorizes the temporary use of Metro's short-term financing facilities or lines of credit to ameliorate the impact of any shortfall in the Operating budget; provided, however, that all costs of such usage (including interest) shall be solely payable out of the Operating budget and charged to the jurisdiction or jurisdictions causing the need to use the lines of credit or to the Operating budget, if not due to a specific jurisdiction or jurisdictions, and not from any capital funds provided by the funding jurisdictions or from federal grants; and be it further

RESOLVED, That in order to implement the Operating budget, the GM/CEO and the Chief Financial Officer or their designees are authorized to: (1) file and execute grant applications on behalf of Metro for funds from the federal government and any other public or private entity consistent with the Operating budget; and (2) execute and file the annual Federal Transit Administration Certifications and Assurances; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Kathryn H.S. Pett
General Counsel

STAFF REPORT

**Public Hearings and Input:
Proposed FY2015 Budget, Fare Proposal and
Capital Improvement Program**

March 7, 2014

Washington Metropolitan Area Transit Authority

General Information

The following report is a summary of the comments on the FY2015 Washington Metropolitan Area Transit Authority (Metro) proposed budget, fare changes and capital program. The comments were received by Metro staff and Board members during a public comment period that extended from January 2 through February 11, 2014. This Staff Summary Report reflects input into the public record via oral and written comments received at six public hearings, those mailed, faxed or e-mailed to Metro headquarters, and the results of an online survey. This report also includes a summary of feedback from MindMixer, an online forum for community engagement, and community-based organization (CBO) outreach.

Public Comment and Reporting Process

In preparation for the budget public hearings, Metro staff scheduled station and transit center outreach events from January 6-31, 2014. Street teams were available on Metro's busiest station platforms to distribute budget and hearing information. Additionally, a series of nine three-hour "pop-up" events were scheduled at transit locations throughout the region. The online survey was available at all of the street team and pop-up events.

A series of six public hearings was conducted from January 29-February 6, 2014. Two public hearings were held in each jurisdiction:

- Jan. 29: Greenbelt, MD
- Jan. 30: Springfield, VA
- Feb. 3: Washington, DC
- Feb. 4: Rockville, MD
- Feb. 5: Arlington, VA
- Feb. 6: Washington, DC

The public was informed that, if approved, any fare modifications were expected to take effect on or about July 1, 2014.

Formal notice of these hearings was made in the Washington Post as well as Washington Hispanic, El Tiempo Latino, El Pregonero and Express India. Advertisements were placed in the Express, El Tiempo Latino, Epoch Times, Korea Times and the Washington Informer. Metro also advertised on six local radio stations, including Spanish language stations. In addition, notice was posted on the front page of Metro's website, which receives nearly one million views per month (with translations available in multiple languages), in Metro buses and trains, and distributed through email outreach and community lists that include more than 3,000 government, civic, business and community stakeholders. Outreach activities were also promoted to more than 100,000 subscribers of Metro's traditional media outreach and social media channels.

Standard procedures were employed at each public hearing. Prior to the hearing, Metro hosted Information Sessions to provide the public with an opportunity to learn about Metro's current work to improve service and to provide comments and suggestions on any topic, including subjects that are not on the docket. A series of documents were available describing the proposals being considered to generate revenue for the FY2015 Metro operating budget. In addition, attendees were invited to complete the online survey via tablets at three of the Information Sessions.

At the beginning of each hearing, the presiding Board member read a prepared statement outlining the public hearing process. Then, a senior member of the Metro staff presented the major proposed budget highlights. Pre-registered speakers were then called to the podium to offer testimony followed by speakers who had registered at the hearing. Additionally, all attendees were informed that Metro would accept written testimony until 5 p.m. February 11, 2014.

The purpose of the public hearings is twofold. First, the hearings allow Metro to solicit and obtain public comment regarding the proposed FY2015 budget, increasing bus, rail and parking fares, and Metro's capital improvement program. Second, the public hearings satisfy the requirements of Section 62 of the Metro Compact and Federal Transit Administration statutes that require public hearings be held prior to implementing a fare increase or service reduction.

Executive Summary of Input

A public comment period was held between January 2 and February 11, 2014 to solicit and obtain public input on proposals to balance the FY2015 Metro operating budget.

Six public hearings were conducted between January 29 and February 6, 2014, which included opportunities for the public to provide oral and written testimony in the District of Columbia, Maryland and Virginia. Comments were also accepted via mail and email. Additionally, a questionnaire was made available that the public could complete online to comment on the public docket. Finally, staff launched budget outreach questions on MindMixer.

The proposals being considered on the public docket were increases to base rail and bus fares, the elimination of a cash surcharge on Metrobus, and increases to parking rates at Metro-operated facilities.

Approximately 6,755 inputs were received during the public comment period submitted through oral testimony at a public hearing, written testimony, emailed and mailed comments, and/or through the online survey.

With respect to public hearing and written comments submitted, the majority of comments focused on the impact that fare increases would have on the MetroAccess fare calculation, as well as concerns about fares increases being implemented at a time when Metrorail and Metrobus service issues remain.

Of the 180 public comments received at hearings and in writing, 72% were opposed to the fare changes, 5% supported the proposal, 44% of the respondents mentioned service concerns, and 30% of the comments were submitted by MetroAccess riders.

With 6,575 people participating in this year's budget and fare survey, the number of respondents nearly doubled compared to the last time a budget survey was conducted in 2012. Forty-three percent of respondents self-identified as minorities, while 17% volunteered that they live in households with incomes under \$35,000 annually.

The survey found that almost half of respondents reported they would not change the amount they ride Metrorail as a result of a three or four percent fare increase. When compared to the three percent increase, slightly more respondents said they would decrease the amount they ride on Metrorail if a four percent increase were implemented.

Most respondents also said they would be unaffected by the \$1.75 or \$1.85 fare increase on Metrobus. However, half of MetroAccess customers said they would ride less as a result of the fare increases.

Low-income respondents were significantly more likely to say they would ride less on Metrobus, airport buses, Metrorail and Express buses as a result of the increases compared with mid- to high-income respondents. Minority respondents also were significantly more likely to report they would take Metrobus, Metrorail and Airport buses less due to increases in fares than non-minorities.

In addition to gathering a response related to the fare changes, the survey also gathered information about what investments in Metro's assets are most important to riders. The rehabilitation of track and rail structures, escalator maintenance and improved signage were noted as the most important service improvements with over eight in 10 respondents saying these improvements are somewhat or very important. The rehabilitation of track and rail structures was noted as important by almost all (96%) survey takers. Seventy percent of respondents believe riders should pay less and jurisdictions pay more to fund these service improvements.

It is important to note that regardless of the channel by which customers delivered their input on the FY2015 budget, these comments reflect only those who proactively responded to the call for comment on the public docket. This report provides a summary of the data collected which uses percentages to organize the information collected. Like the public hearing, the survey was available to all and was not designed to obtain a random representative sample.

PUBLIC HEARING AND WRITTEN INPUT

There were a total of 180 customer inputs from the FY2015 budget fare hearings, 113 were in-person and 67 were received from written testimony.

The public hearing comments and written testimony covered a variety of issues, however the most prevalent theme related to MetroAccess fares. MetroAccess riders expressed concern about the impact of the fare increase, which could be doubled for some MetroAccess riders due to the current fare calculation. Suggestions from MetroAccess riders include reducing the fare calculation multiplier from 2 to 1.5 or 1.25, and reducing the maximum fare from \$7 to \$6.50. Other commenters expressed their opposition to fare increases due to Metrorail and Metrobus service issues and concerns about Metro signage and other communications issues.

In addition, written testimony was received from Destination DC in favor of the convention pass, and a representative from the Montgomery County Chamber of Commerce spoke at the Rockville hearing in favor of the Momentum strategic plan.

The topline findings from the public hearing comments and written testimony include:

- 130 inputs (72%) oppose fare changes
- 8 inputs (5%) support the fare changes
- 78 inputs (44%) were concerned with current service levels
- 36 inputs (20%) were unrelated to the public docket

Additional details:

	JURISDICTION	Rail	Bus	Access	Against fare changes	Support fare changes	Service Concerns	Off Topic	Other Source
DC	31 17%	17	8	4	24	2	17	4	2
Maryland	59 33%	20	12	24	46	4	22	8	5
Virginia	25 14%	13	5	5	21	0	15	3	4
Undetermined	65 36%	17	9	22	39	2	24	21	9
Total	180	67	34	55	130	8	78	36	20
		37%	19%	31%	72%	4%	43%	20%	11%

ONLINE QUESTIONNAIRE INPUT

To facilitate public input, a survey on the docket was developed, in which respondents were asked to select options they would most likely support. Multiple answers to some questions were permitted, resulting in certain questions having response tallies exceeding 100%. During the public comment period, more than 6,575 people responded (see Appendix A for complete budget survey results).

Respondents began with a set of questions where they were asked about their priorities. Under investing in assets, track and rail reliability was chosen by almost every respondent as very or somewhat important. An additional nine in 10 chose escalator maintenance as very or somewhat important. When asked about customer care and its level of importance, eight in 10 customers chose improving announcements and signage as most important with training employees as second most important. Finally, respondents placed the new 7000 series cars as the top priority for Metro to deliver quality service, with replacing 200 buses per year as a close second. When thinking about these costs and who should pay for them, seven in 10 riders believed that the jurisdictions should pay more than they do currently.

Riders were next asked about the effect of a fare increase on bus services. Six in ten said they would not be affected at all by a \$1.85 fare increase on Metrobus, and about two-thirds said they would not be affected by a \$1.75 Metrobus fare. A little over one-half of respondents said that SmarTrip customers should continue to get a discount. More than one-half (56%) of current Express bus riders said they would take fewer trips if fares were increased, while less than 30% of current airport bus riders reported they would take fewer trips if fares were increased.

When it came to fare changes on Metrorail, nearly 50% of customers would not change the amount of riding as a result of a 3% increase. These numbers changed only slightly with a 4% fare increase.

MetroAccess customers accounted for only 6% (346 customers) of those who answered the survey. Slightly more than half (52%) of these respondents said their riding would not change due to a rate increase on their MetroAccess usage.

Although the majority (67%) of survey takers didn't use parking, among those who did, it was an even split between those who said they would not change the amount of parking they used and those who said they would decrease the amount of parking significantly.

A last set of questions asked riders about the impact of the transit benefit reduction on their riding habits. About one-half of customers use no transit benefits. And 22% say they will ride less as a result of the subsidy dropping.

Additional analysis was done to determine if low-income respondent views of the upcoming fare increase varied from the total population of respondents. Low-income was defined as an annual income of \$0 - \$34,999. All other income levels were considered mid- to high-income.

The areas where low-income respondents' views varied significantly from mid- to high-income respondents are highlighted below:

- When asked about current cost percentages of jurisdictions versus riders, low-income respondents were significantly more likely to report the jurisdictions should pay more.
- Low-income respondents were significantly more likely to report a fare increase on Express or Airport buses would result in them taking fewer trips.
- When asked about the effect of a fare increase on Metrobus, about four in 10 low-income respondents report they would take fewer trips if fares were increased to \$1.75 or \$1.85. This is significantly more than the two in ten mid- to high-income respondents who report they would take fewer trips.
- When increases on Metrorail were queried, low-income respondents were significantly more likely to say they would ride less by a slight or significant amount due to the increase.

Analysis was also done to determine if minority respondents views on the upcoming fare increase varied from non-minority respondents. There were few significant differences found as minority responses were largely in-line with the non-minority responses. The areas where significant differences were found are highlighted below:

- Minority respondents were significantly more likely to report the jurisdictions should pay more for the proposed budget increase.
- Minority respondents were almost twice as likely as non-minority respondents to say they would take fewer trips if the fare increase were implemented.
- Although most minority respondents would not be affected by an airport bus fare increase, minorities were significantly more likely to say they would take fewer trips as a result of the fare increase.
- Minority respondents were significantly more likely to report fare increases would result in a slight or significant decrease in their ridership on Metrorail.

OTHER INPUT

MindMixer

Although not part of the formal public record, Metro also solicited comments on the budget and fare proposal through its online forum, MindMixer. During the outreach period, the site had 1,291 total visitors, of which 855 (66%) were new visitors and 436 (33%) were returning visitors (e.g. people who participated in MindMixer before). Five rounds of questions and a demographic survey were conducted.

Most MindMixer participants indicated that: riders should pay less and jurisdictions should pay more of the Metro costs; it is more important to eliminate cash fares on buses than to allow cash payments; Metro should consider variable parking pricing based on time of day and/or demand; and that the three most important Metro 2025 initiatives are 100 percent 8-car trains during rush hour, bus service improvements and new connections.

Below are the five questions posed and responses from MindMixer participants:

Question 1: *How should Metro balance its funding needs for rebuilding and service improvements between riders and local governments? (115 responses)*

- 66% indicated that riders should pay less, government should pay more
- 24% indicated that riders and governments should pay evenly
- 10% indicated that riders should pay more, governments should pay less

Question 2: *Is it more important to allow bus fares to be paid by cash or eliminate the option? (67 responses)*

- 70% indicated that it is more important to eliminate cash fares on buses to enable faster boarding and reduce travel time
- 30% indicated that it is more important to allow cash fares on buses to provide equity and flexibility for last minute travelers

Question 3: *A new payment system may more easily allow changes in fare options or choices. What should we consider in the future? (10 ideas)*

There were the usual requests for zone fares and flat fares, but other interesting ideas were:

- Monthly SmarTrip passes for any fare price (similar to Puget Pass in Seattle)
- Create a lifeline discount fare for low income riders
- Discount on fares for those who auto reload
- Monthly unlimited bus pass

Question 4: How should Metro charge for parking at its stations? Please discuss options in the comments section below. (52 responses)

- 46% indicated variable pricing based on time of day and/or demand for spaces
- 31% indicated weekly or monthly passes
- The remainder of the responses were under 15%

Question 5: Metro proposes to make a down payment on Metro2025. Which two initiatives would best increase capacity and efficiency? (235 responses)

- 25% indicated enable 100% eight-car trains during rush hours
- 20% indicated implement bus service changes and build bus-only lanes.
- 20% indicated add new connections (pocket tracks, crossovers) that will allow trains to be routed around delays and get back on-time faster.
- 19% indicated increase capacity of the busiest stations and build underground walkways.
- The remainder of the Metro 2025 initiatives garnered under 10%

Community-Based Organization (CBO) Outreach

Metro conducted seven outreach events with six community-based organizations that serve constituents who are minority, low-income, and/or have limited English proficiency. The purpose of the outreach was to inform the constituents about upcoming system improvements and the proposed fares and fees in the FY15 budget. Additionally, constituents were asked to complete Metro’s public opinion survey on the FY15 budget.

Constituents were able to talk with Metro staff from the Budget and Civil Rights offices to address questions and concerns. At many of the outreach events, riders expressed concern about losing money on their SmarTrip cards, and their inability to register the cards online due to lack of access to a computer. Below are the community-based organizations that hosted outreach events:

Organization	Focus
St. Ann's Center for Children, Youth, and Family- Hyattsville, MD	Support to young families, especially mothers and children
Prince George's Community College- Hyattsville, MD	Latin Student Association
Central American Resource (CARECEN)- Washington, DC	Development of the Latino community through direct services in immigration, housing and citizenship
Carlos Rosario International School-Washington, DC	Provides evidence –based adult education and programs to immigrant students
Mary's Center-Washington, DC	Federally Qualified Health Center that provides health care, family literacy and social services
ESOL Adult & Community Education- Falls Church, VA	Offers English classes at several levels of proficiency to foreign born adults learning English as a new language

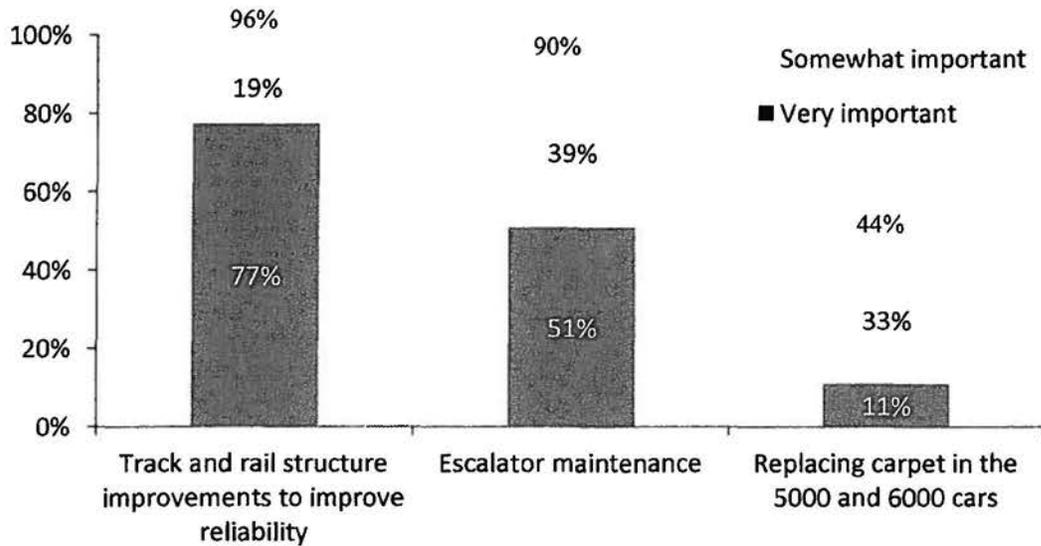
Appendix A:

Metro's FY2015 Budget Survey Results

Metro Fiscal Year 2015 Budget Customer Survey

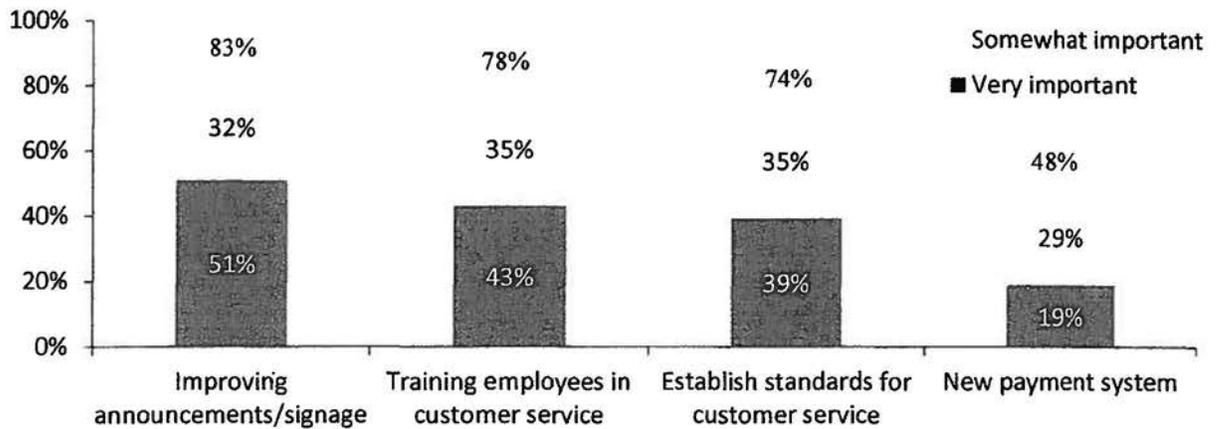
Q. Investing in our Assets: how important would you say each of the following initiatives are for Metro?

n= 4,365
On-Line respondents



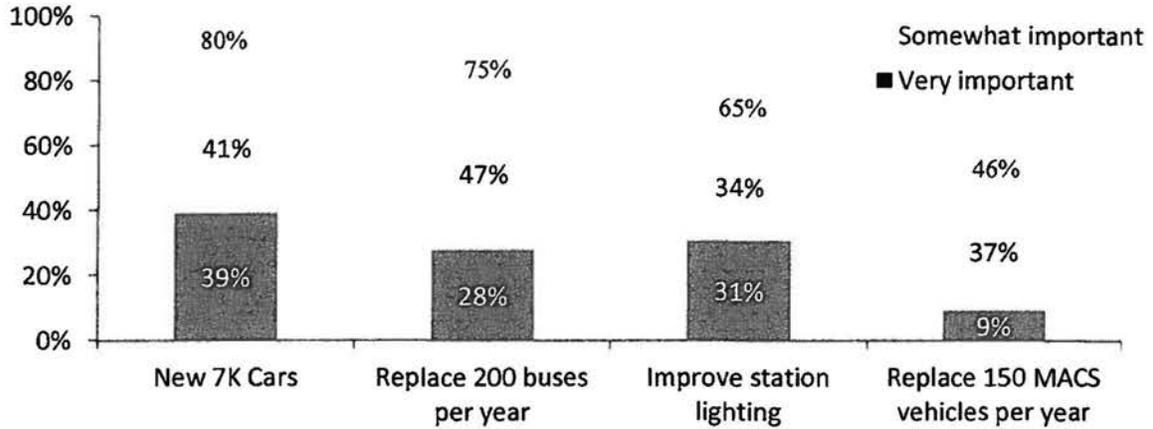
Q. Caring for Customers: how important would you say each of the following initiatives are for Metro?

n= 4,324
On-Line respondents



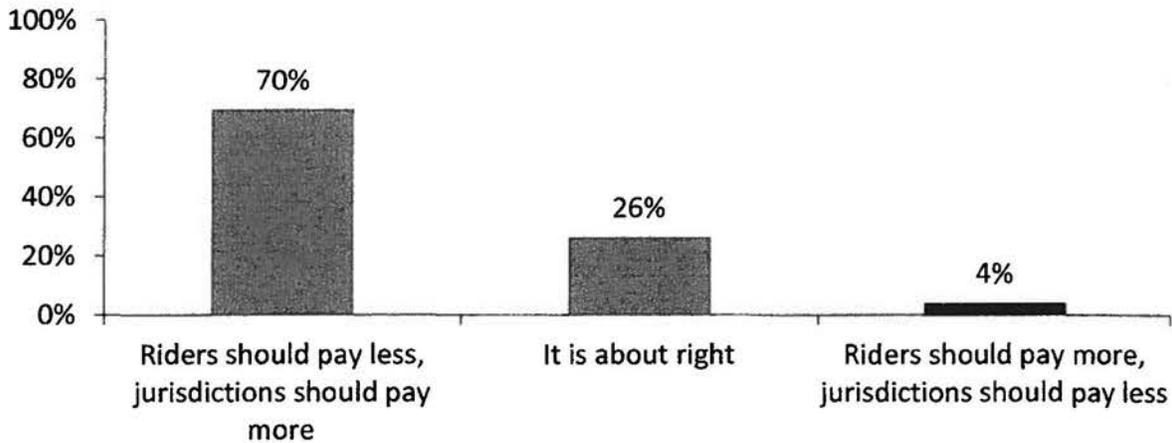
Q. Delivering Quality Service: how important would you say each of the following initiatives are for Metro?

n= 4,252
On-Line respondents



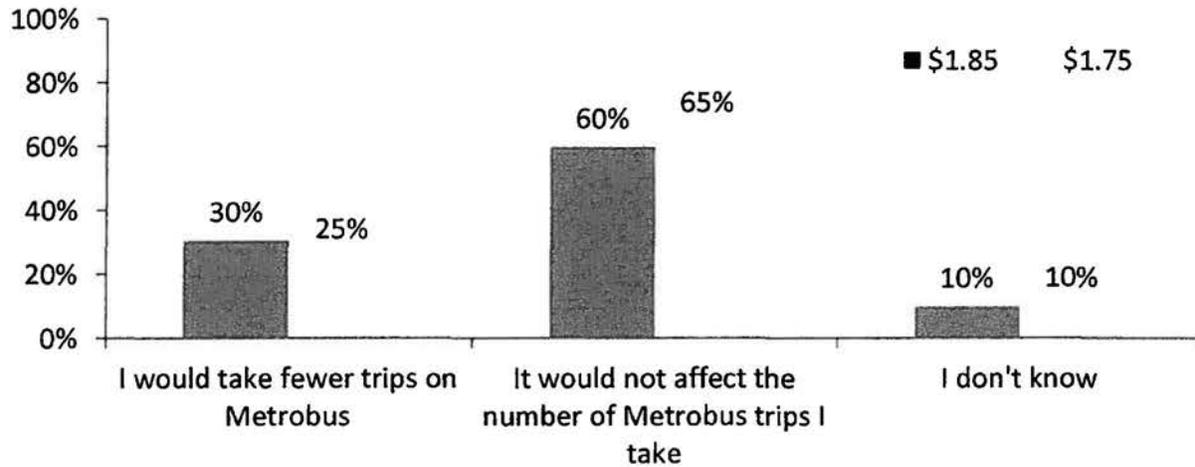
Q. What do you think about the split for the increase?

n=4,201
On-Line respondents



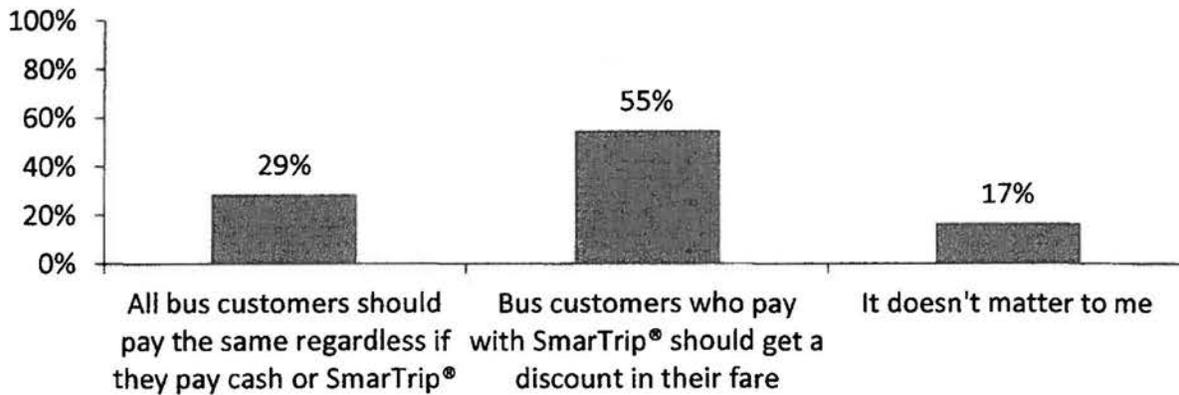
Q. Metro is considering an increase in base bus fares up to \$1.85/\$1.75. How would such a fare increase affect the number of trips you take on Metrobus?

n=5,698
All respondents



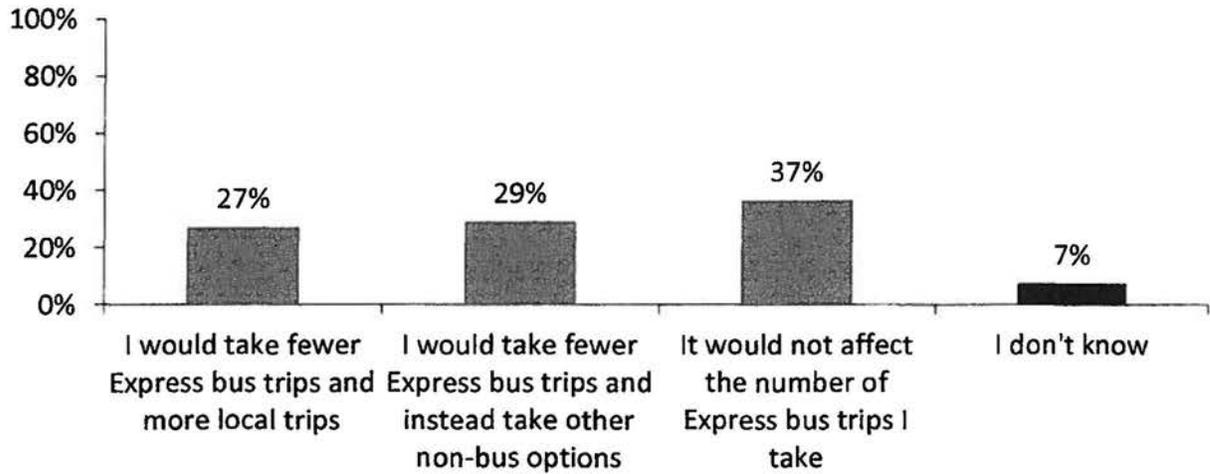
Q. Currently, a rider paying cash is charged an additional \$0.20. Which of the following would you support?

n=5,691
All respondents



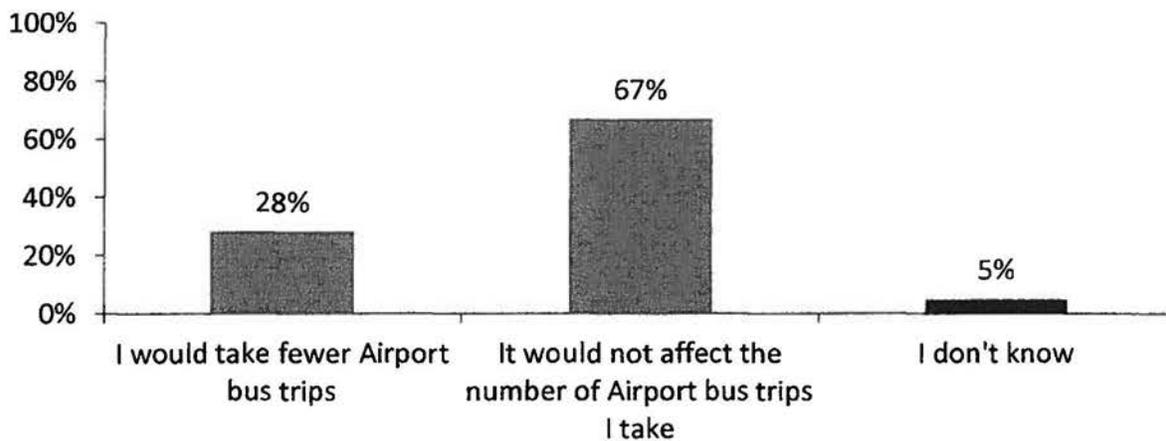
Q. If [Express buses] cost was changed to \$4.00 for all trips, how would that affect the number of trips you take on the Express buses?

n= 776
All respondents



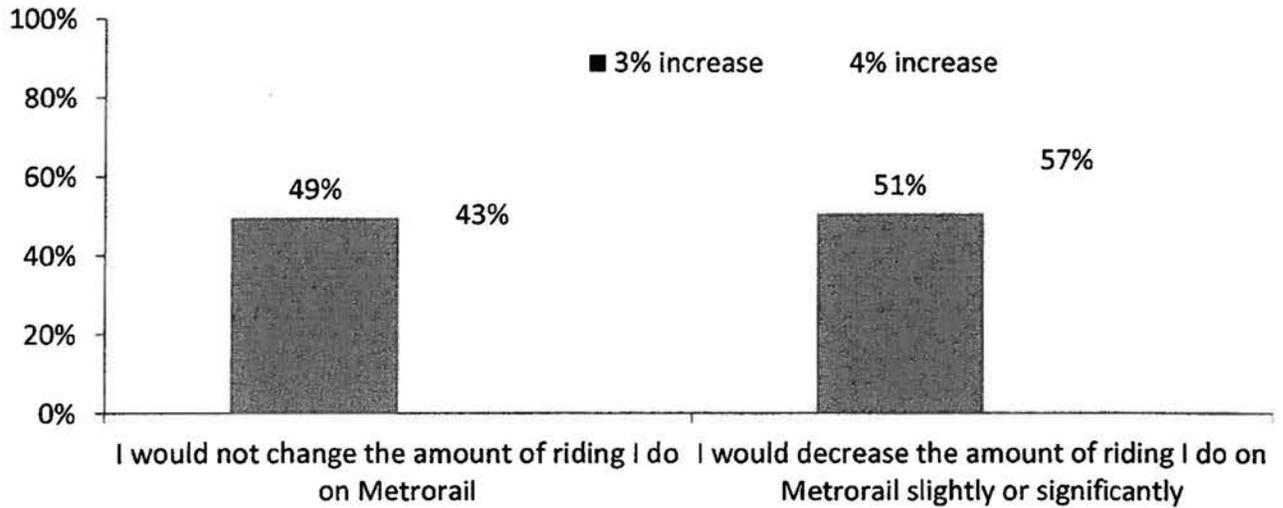
Q. If [Airport buses] fee were raised to \$7.00 per trip, how would it affect the number of trips you take on the Airport buses?

n=1,090
All respondents



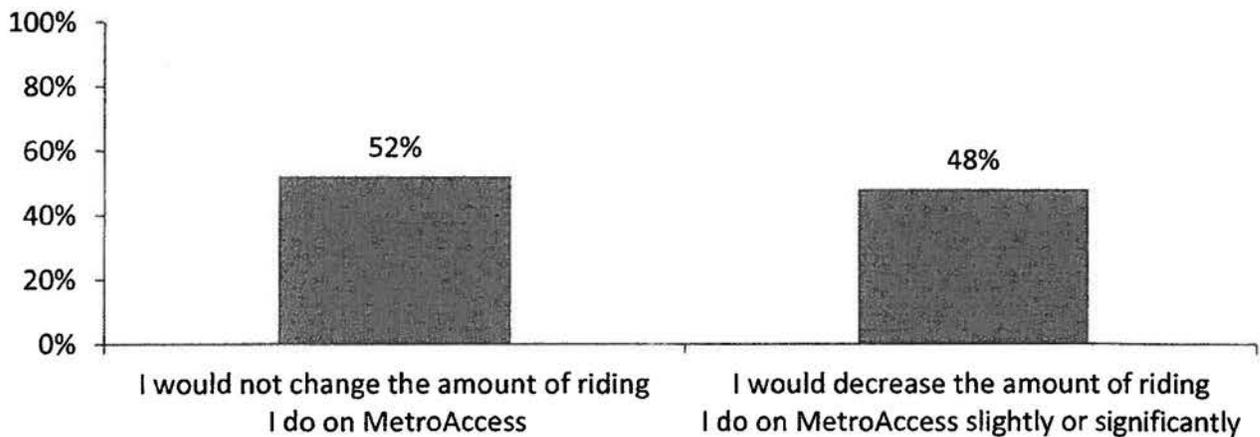
Q. For you, which of the following would occur as a result of the 3%/4% increase in fares?

n=5,690
All respondents



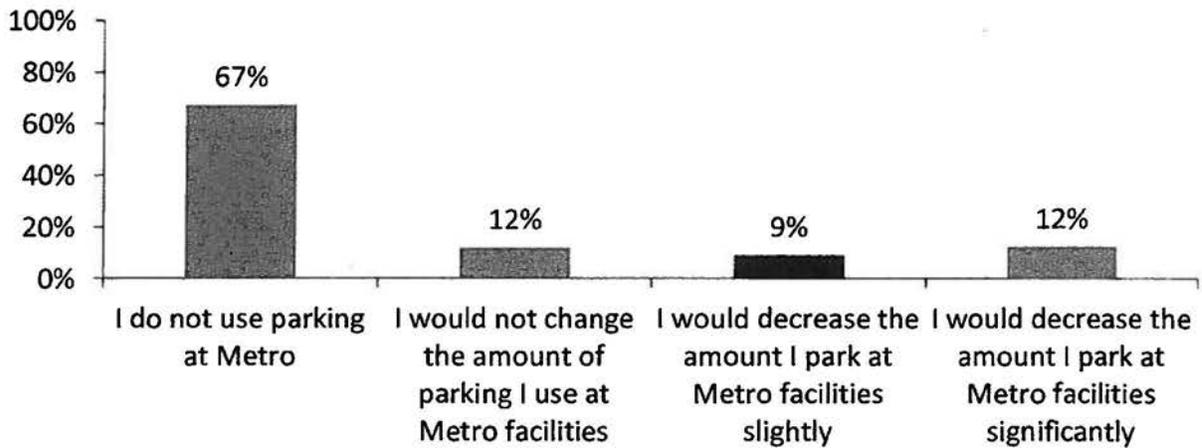
Q. Which of the following would apply to your MetroAccess riding as a result of this increase in fares?

n=331
All respondents



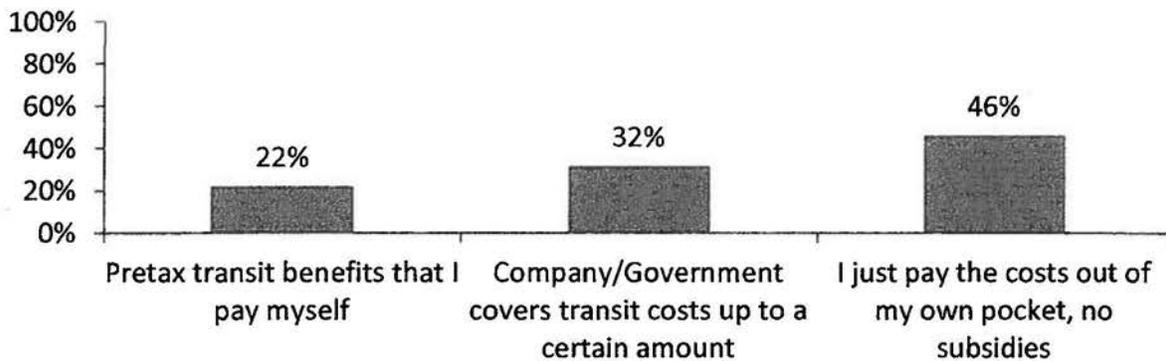
Q. Metro is proposing to increase parking by \$0.25 at all stations. What affect would this increase amount have on your parking at Metro stations?

n=5,661
All respondents



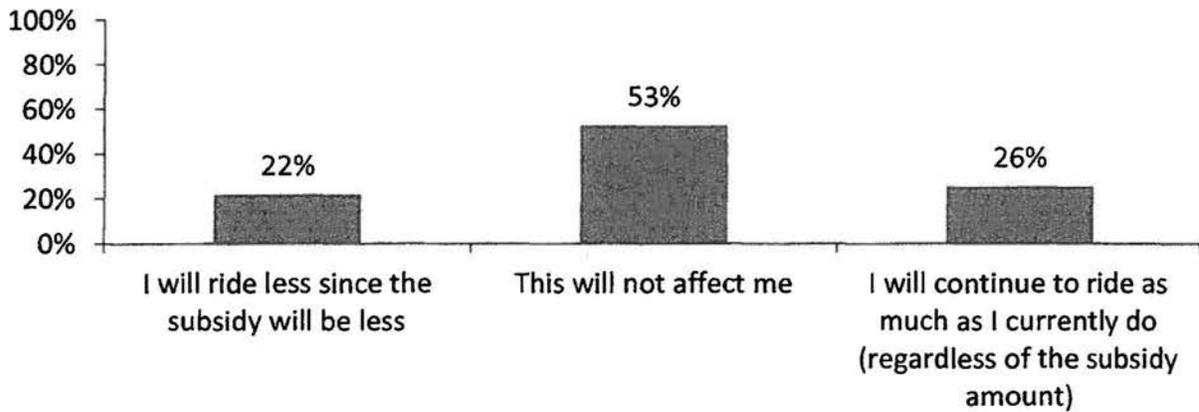
Q. Do you use any of the following to pay for your transportation expenses?

n=4,111
On-Line respondents



Q. On January 1, without Congress' action, the amount allowed for transit subsidies decreased from a maximum of \$245 to \$130 per month. Which of the following will be your reaction?

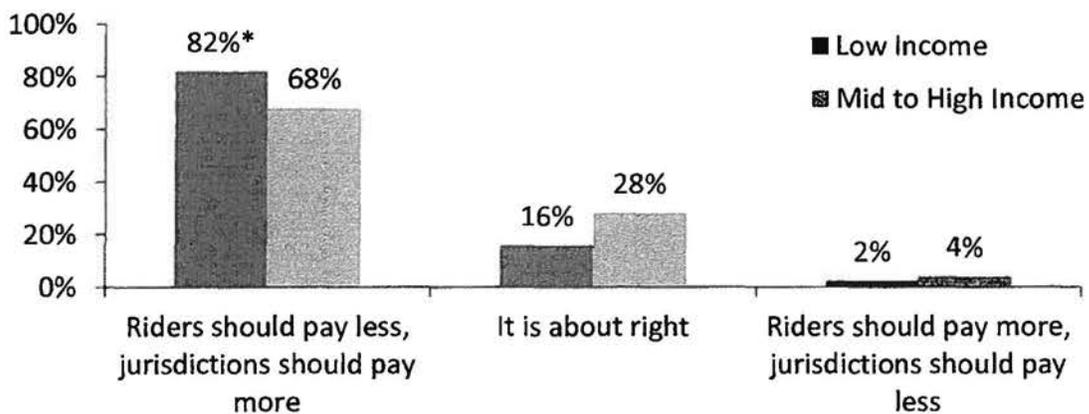
n=4,099
On-Line respondents



LOW INCOME COMPARISON

Q. What do you think about the split for the increase?

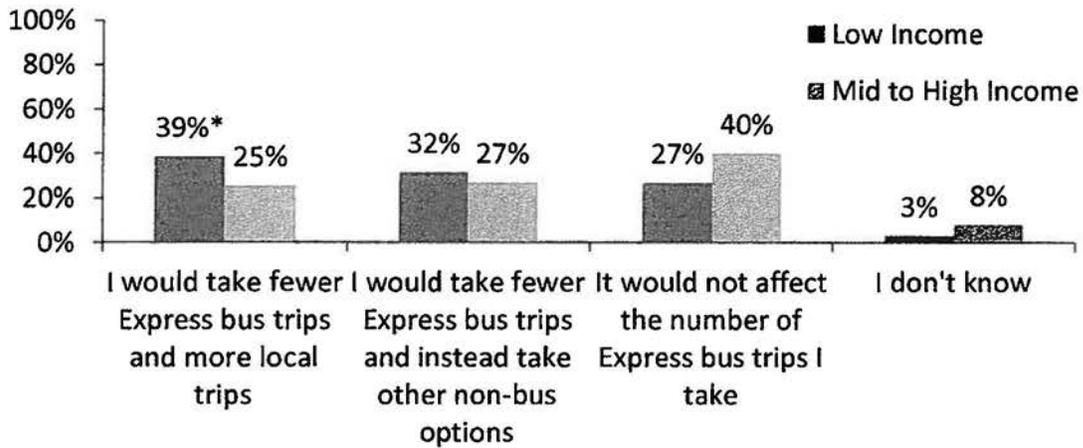
On-Line respondents



* Notes a significant difference at the 95% confidence level

Q. If [Express buses] cost was changed to \$4.00 for all trips, how would that affect the number of trips you take on the Express buses?

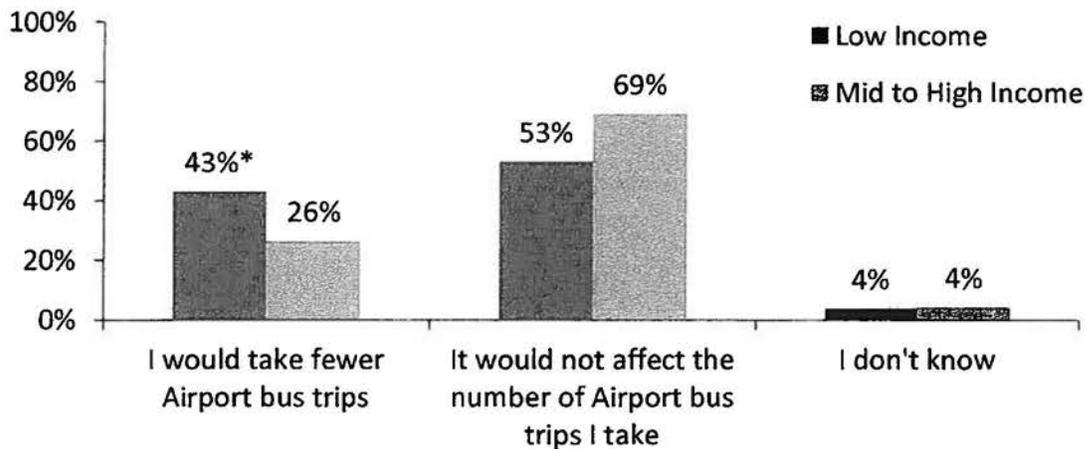
All respondents



* Notes a significant difference at the 95% confidence level

Q. If [Airport buses] fee were raised to \$7.00 per trip, how would it affect the number of trips you take on the Airport buses?

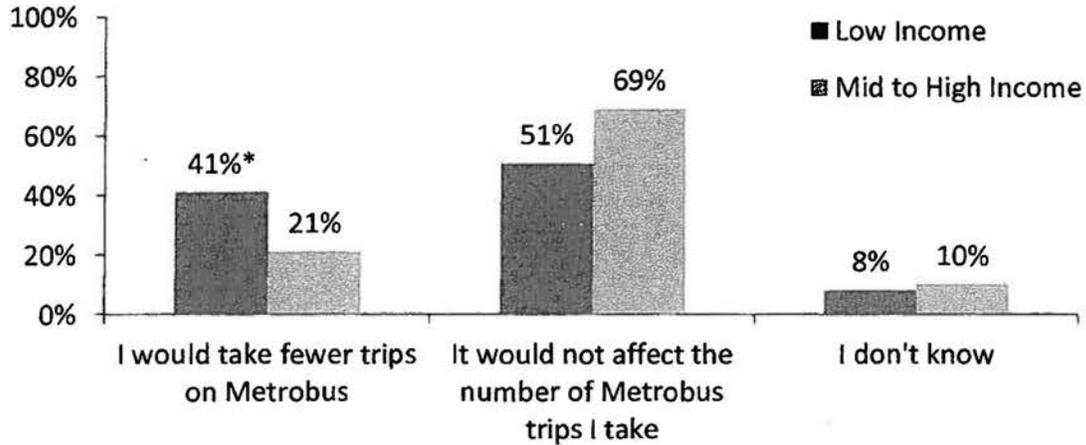
All respondents



* Notes a significant difference at the 95% confidence level

Q. Metro is considering an increase in base bus fares up to \$1.75. How would such a fare increase affect the number of trips you take on Metrobus?

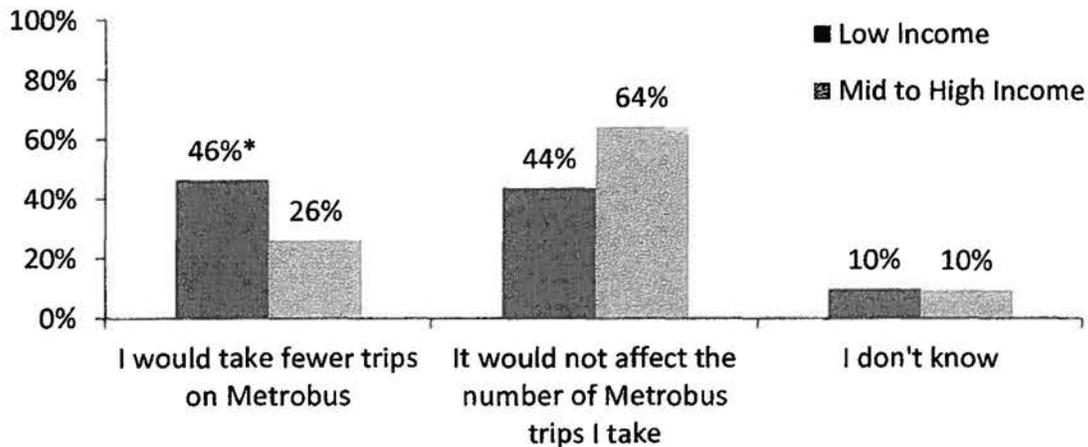
All respondents



* Notes a significant difference at the 95% confidence level

Q. Metro is considering an increase in base bus fares up to \$1.85. How would such a fare increase affect the number of trips you take on Metrobus?

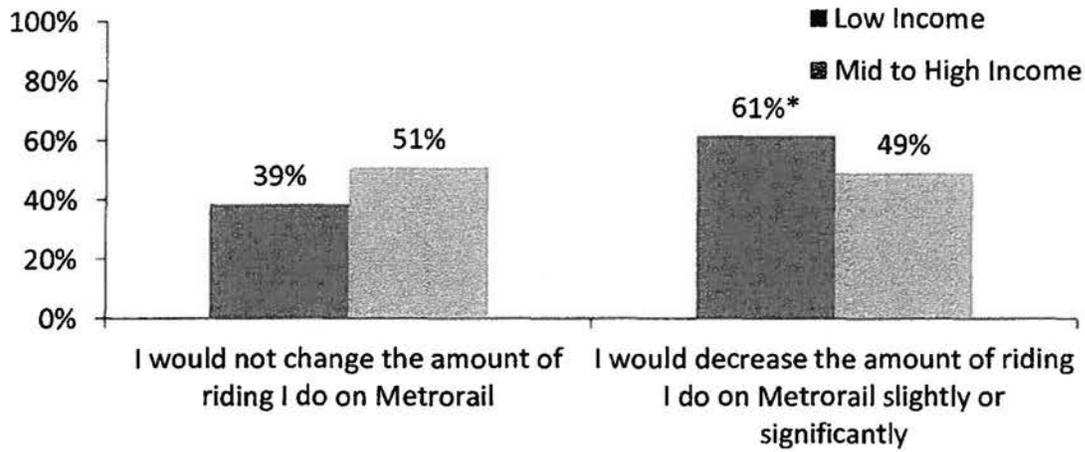
All respondents



* Notes a significant difference at the 95% confidence level

Q. For you, which of the following would occur as a result of the 3% increase in fares?

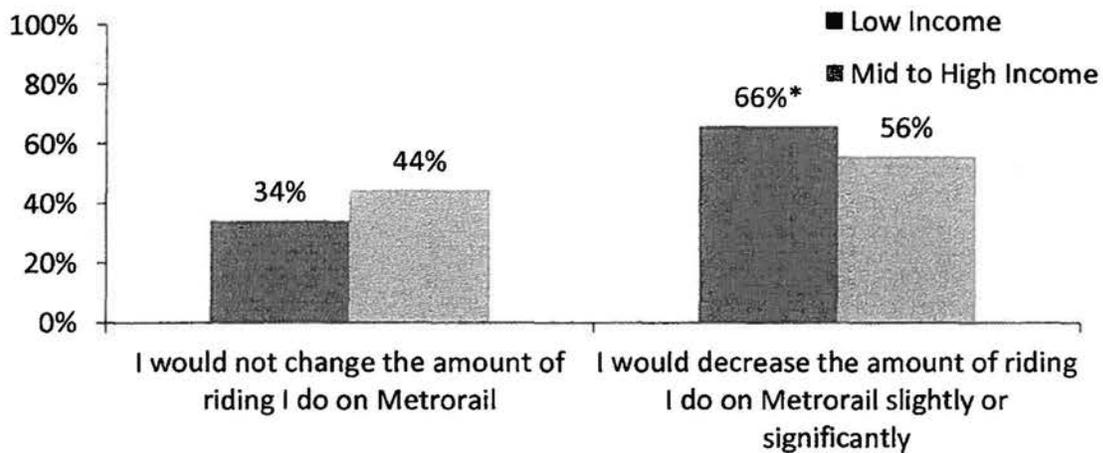
All respondents



* Notes a significant difference at the 95% confidence level

Q. For you, which of the following would occur as a result of the 4% increase in fares?

All respondents

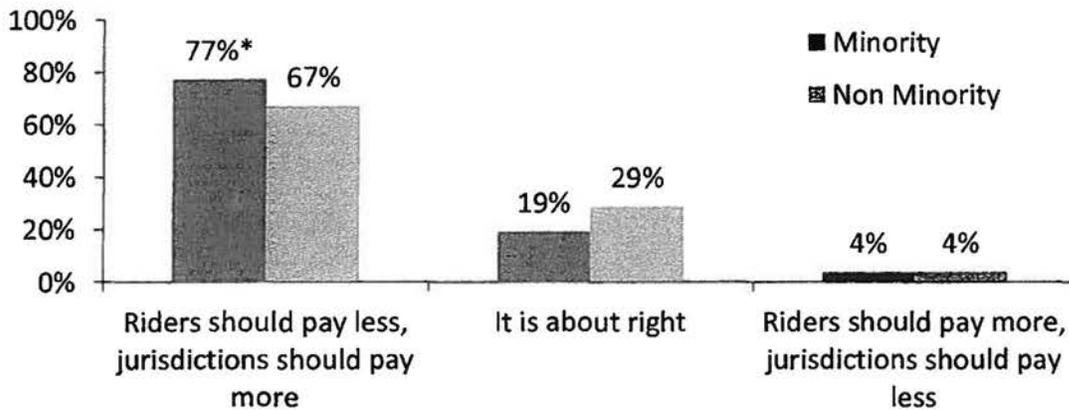


* Notes a significant difference at the 95% confidence level

MINORITY COMPARISON

Q. What do you think about the split for the increase?

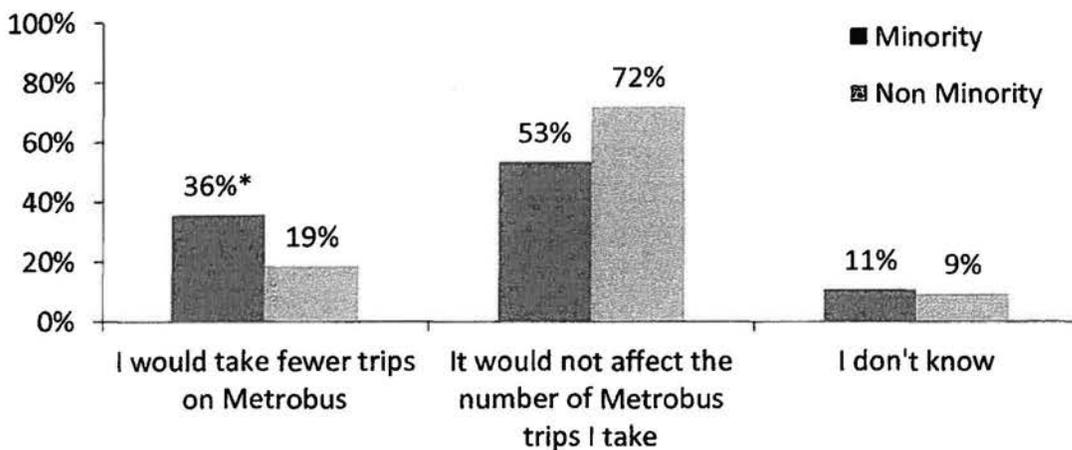
On-Line respondents



* Notes a significant difference at the 95% confidence level

Q. Metro is considering an increase in base bus fares up to \$1.75. How would such a fare increase affect the number of trips you take on Metrobus?

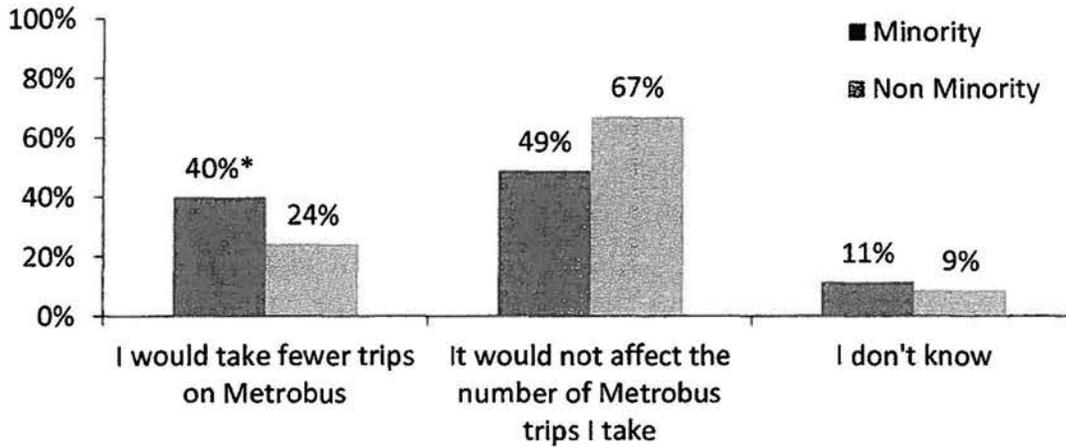
All respondents



* Notes a significant difference at the 95% confidence level

Q. Metro is considering an increase in base bus fares up to \$1.85. How would such a fare increase affect the number of trips you take on Metrobus?

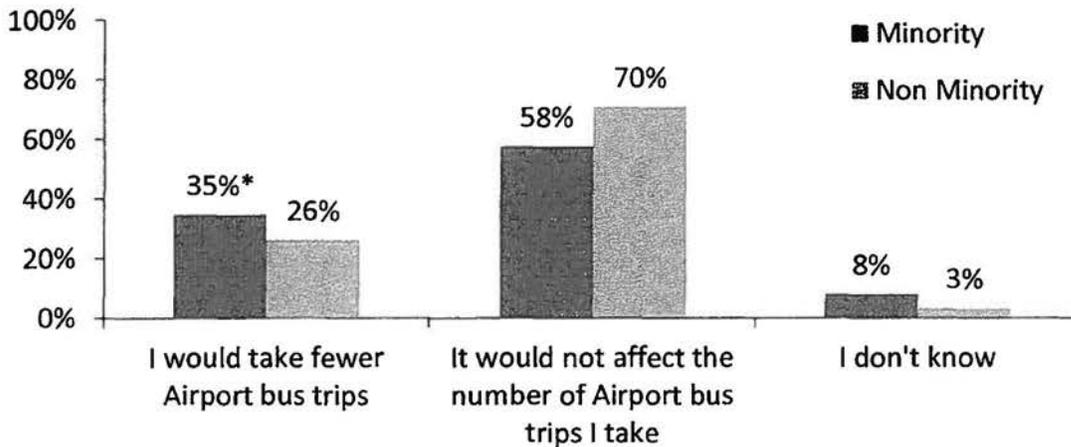
All respondents



* Notes a significant difference at the 95% confidence level

Q. If [Airport buses] fee were raised to \$7.00 per trip, how would it affect the number of trips you take on the Airport buses?

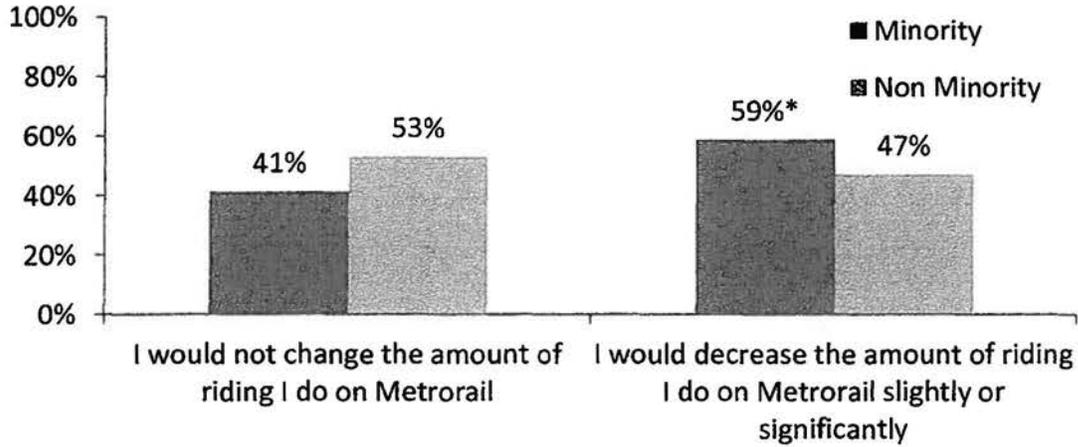
All respondents



* Notes a significant difference at the 95% confidence level

Q. For you, which of the following would occur as a result of the 3% increase in fares?

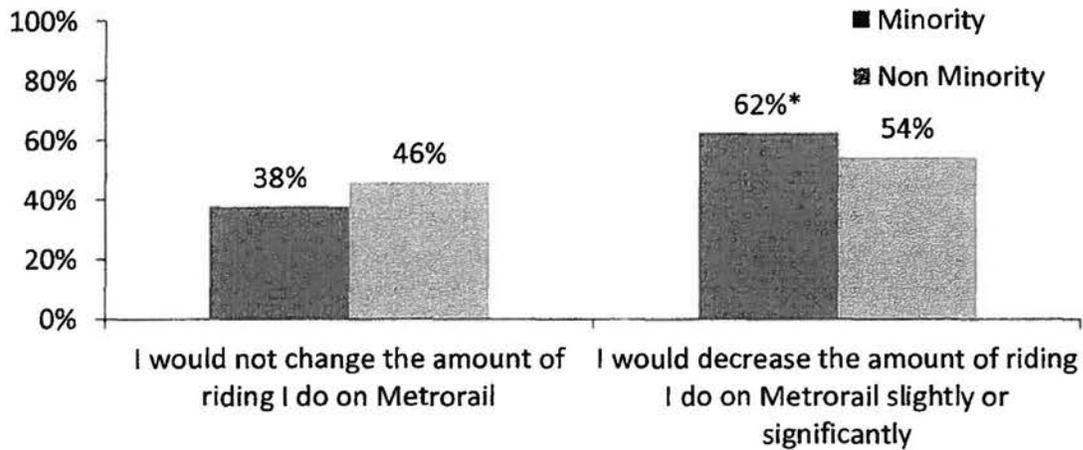
All respondents



* Notes a significant difference at the 95% confidence level

Q. For you, which of the following would occur as a result of the 4% increase in fares?

All respondents



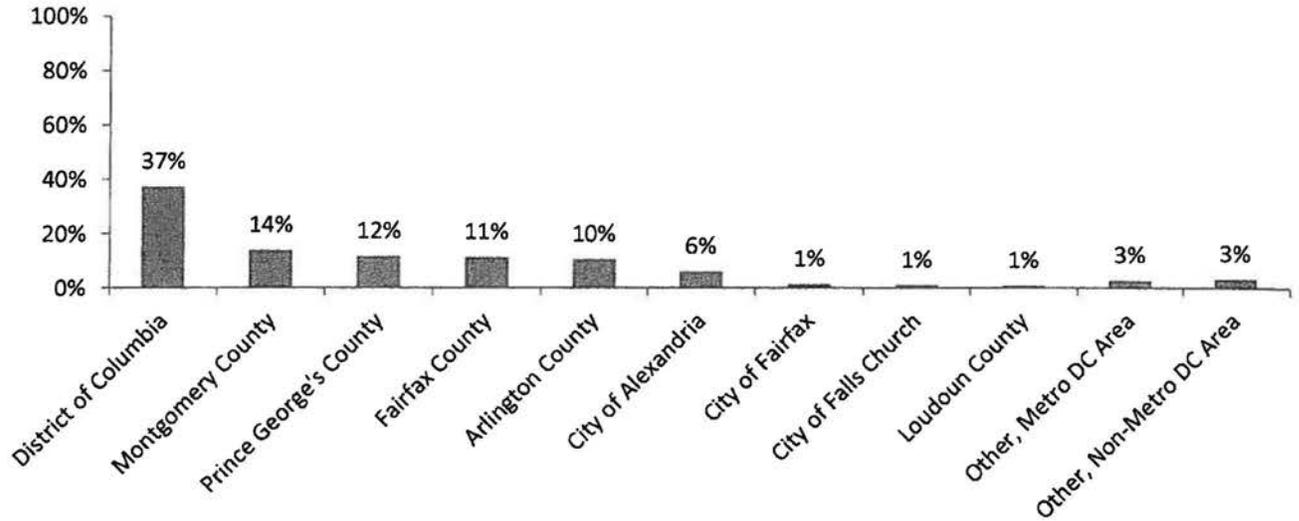
* Notes a significant difference at the 95% confidence level

DEMOGRAPHICS

Respondent Jurisdiction

n=5,692

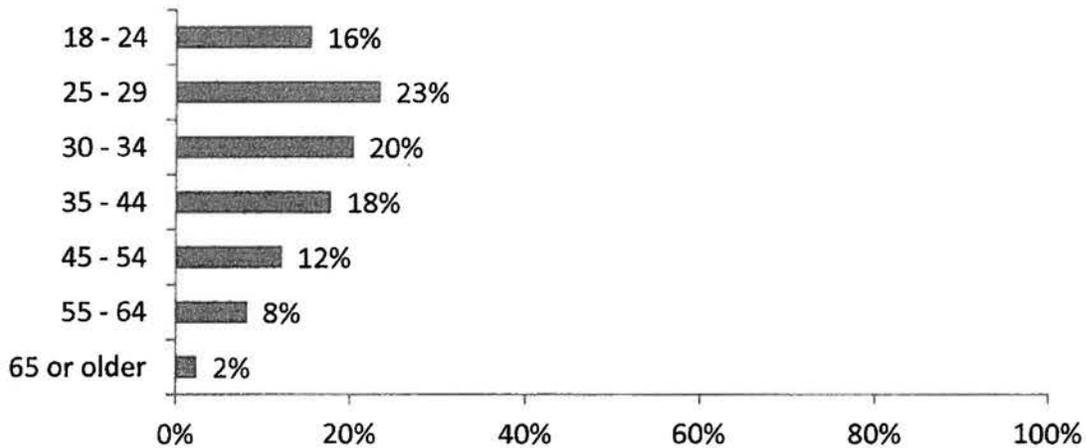
On-Line respondents



Age

n=5,625

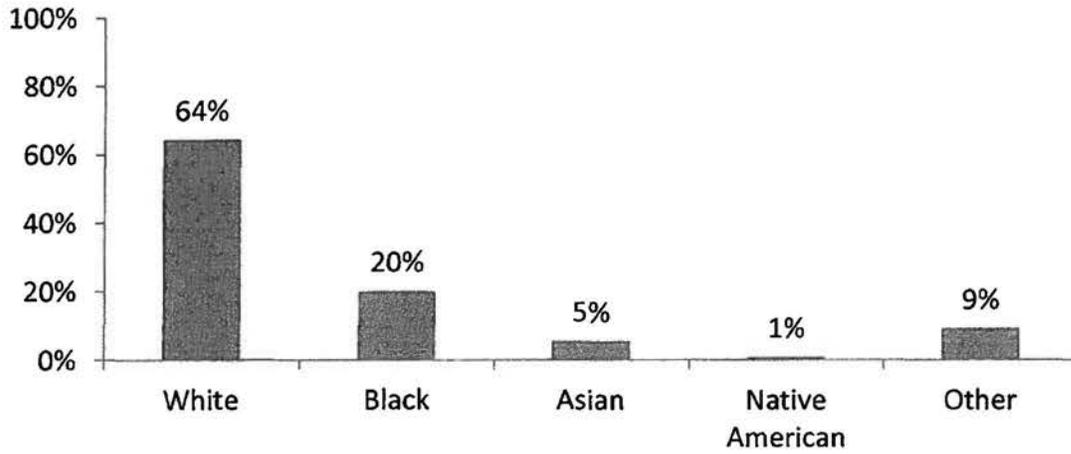
All respondents



Latino or Hispanic Origin? Yes: 5%

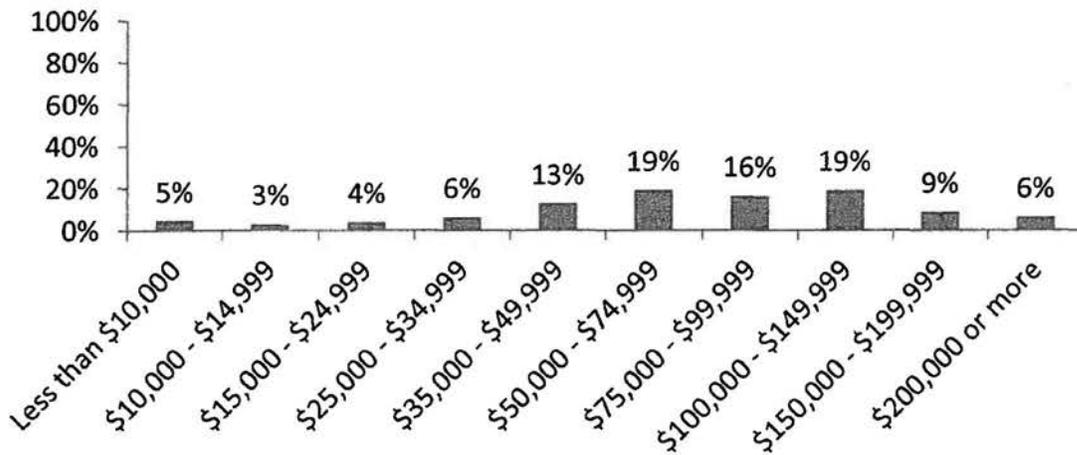
Race

n= 5,421
All respondents



Income

5,118
All respondents



ATTACHMENT B

	CURRENT Fares/Fees	FY2015 Fare Adjustments
Metro-rail Fares		
Peak Fares¹		
1 · Boarding charge (up to 3 miles)	\$2.10	\$2.15
2 · Composite miles between 3 and 6 miles	\$0.316	\$0.326
3 · Composite miles over 6 miles	\$0.280	\$0.288
4 · Maximum peak fare	\$5.75	\$5.90
5 · Charge for senior/disabled is one-half peak fare	\$1.05 - \$2.85	\$1.05 - \$2.95
Off-Peak Fares²		
6 · Boarding charge (up to 3 miles)	\$1.70	\$1.75
7 · Composite miles between 3 and 6 miles	\$0.237	\$0.244
8 · Composite miles over 6 miles	\$0.210	\$0.216
9 · Maximum off-peak fare	\$3.50	\$3.60
10 · Charge for senior/disabled is one-half peak fare during off-peak	\$1.05 - \$2.85	\$1.05 - \$2.95
Magnetic Paper Fare Cards		
11 · Non-SmarTrip [®] fare surcharge ³	\$1.00	no change
12 · Senior/disabled non-SmarTrip [®] surcharge	\$0.50	no change
Rail Passes		
13 · One-day unlimited pass	\$14.00	\$14.50
14 · One-day "convention" pass (bulk sales only) ⁴	NA	\$10.00
15 · 7-day short-trip pass for rail	\$35.00	\$36.00
16 · 7-day fast pass for rail	\$57.50	\$59.25
17 · 28-day fast pass for rail	\$230.00	\$237.00
Other Rail Fares		
18 · Bus-to-rail transfer utilizing SmarTrip [®] card	\$0.50 discount	no change
19 · 30-day DC SmartStudent pass & DC One card, within DC	\$32.00	\$33.00
20 · DC Student farecards & DC One Card - 10 rail trips within DC	\$10.00	\$10.30
21 · TransitLink Card on MARC and VRE ⁵	\$108.00	\$111.00
22 · TransitLink Card on MTA ⁵	\$166.00	\$171.00
Metrobus Fares		
Regular Fares		
23 · Cash/SmarTrip [®] boarding charge for local/limited-stop bus	\$1.60	\$1.75
24 · Cash/SmarTrip [®] boarding charge for express bus	\$3.65	\$4.00
25 · Cash/SmarTrip [®] boarding charge for designated airport routes	\$6.00	\$7.00
Senior/Disabled: One-Half Regular Fares		
28 · Cash/SmarTrip [®] boarding charge for local/limited-stop bus	\$0.80	\$0.85
29 · Cash/SmarTrip [®] boarding charge for express bus	\$1.80	\$2.00
30 · Cash/SmarTrip [®] boarding charge for airport designated routes	\$3.00	\$3.50

Metrobus Fares (cont.)	CURRENT Fares/Fees	FY 2015 Proposed Fare Options
Bus Transfers		
33 · Bus-to-bus transfers utilizing SmarTrip® card	varies	no change
34 · Rail-to-bus transfer utilizing SmarTrip® card	\$0.50 discount	no change
35 · Transfer from MARC, VRE, & MTA with weekly/monthly pass	\$0.00	no change
36 · Transfer from regional bus partners	varies	no change
Bus Passes		
37 · 7-Day Regional Bus Pass	\$16.00	\$17.50
38 · 7-Day Regional Senior/Disabled Pass	\$8.00	\$8.75
Other Fare Media		
39 · Package of 10 tokens, available to organizations	\$18.00	\$17.50
40 · DC student tokens - 10 trips per pack	\$8.00	\$8.75
41 · DC student pass on DC One Card - 10 trips	\$8.00	\$8.75
MetroAccess Fares⁶		
42 · MetroAccess fare (within ADA 3/4 mile service corridor)	varies	varies
43 · Maximum fare	\$7.00	\$6.50
Parking Fees⁷		
44 · District of Columbia	\$3.50 - \$4.50	\$3.60 - \$4.60
45 · Montgomery County	\$4.25 - \$5.00	\$4.35 - \$5.10
46 · Prince George's County ⁸	\$4.50	\$4.60 - \$5.10
47 · Virginia	\$4.75	\$4.85
48 · Monthly reserved parking fee	\$45.00 - \$65.00	no change
49 · Parking meters \$1.00/60 minutes	\$1.00	no change
50 · Prince George's parking garage at New Carrollton	\$85.00	no change
51 · Non-Metro rider parking fees	\$8.25 - \$25.00	\$8.25 - \$15.00
Other Fees		
52 · Bicycle locker rental	\$120.00 (annual)	no change
53 · Surcharge on Entry/Exit for station improvements, two stations per Compact jurisdiction ⁹	\$0.05	no change

¹ Peak fares are in effect from opening through 9:30am and from 3:00pm to 7:00pm weekdays, except on national holidays. Peak fares are in effect from midnight until closing Friday and Saturday nights.

² Off-peak fares are in effect during all other hours on weekdays, Saturday and Sunday, and all national holidays.

³ Non-SmarTrip® fare surcharge is in addition to the peak or off-peak fare charged.

⁴ Discounted unlimited one-day pass for convention attendees, available through WMATA bulk sales only.

⁵ Metro's portion of the TransitLink Cards on MARC, VRE, and MTA.

⁶ MetroAccess fare is twice the equivalent fixed route SmarTrip® fare based on fastest trip.

⁷ Parking fees consist of Metro's base fee plus jurisdiction surcharge. Monthly fee for Prince George's parking at New Carrollton is \$70 base fee plus \$15 surcharge.

⁸ \$0.10 increase in base parking fee for all parking garages plus additional \$0.50 surcharge at all facilities in Prince George's County except Addison Road, Landover, and Prince George's Plaza.

⁹ Rail stations with surcharge are designated per jurisdiction discretion pending Board approval.

M E M O R A N D U M

SUBJECT: Title VI Equity Evaluation of Final
FY2015 Budget Proposal

DATE: March 27, 2014

FROM: EOER – James T. Wynne, Jr. 

TO: GM/CEO – Richard Sarles

This memorandum provides additional information and documentation in support of the Title VI analysis related to the proposed FY2015 fare increases. The information below provides statistical data to support the findings of the analysis. Interim analysis was reviewed earlier with the Board's Finance & Administration Committee and the General Manager/Chief Executive Officer.

Finding

Based on the staff analysis, it has been determined that the proposed FY2015 fare changes recommended for Board action on March 27, 2014 by the Board's Finance & Administration Committee do not show a disproportionately high and adverse impact on minority/low income ridership.

Introduction

As specified in the Federal Transit Administration's (FTA's) Circular 4702.1B, Metro staff has evaluated the proposed fare changes to determine whether the proposed fare changes would result in disparate impact on minority riders and/or a disproportionate burden on low-income riders.

WMATA's Disparate Impact/ Disproportionate Burden Policy¹

WMATA's Board-approved disparate impact/disproportionate burden (DI/DB) policy states that when considering a fare change, the system-wide difference between the average fare increase on minority and low income riders, as compared to non-minority and non-low income riders, should not be greater than *five percentage points*.

WMATA Ridership Demographic Profile²

WMATA's system-wide ridership demographic profile is shown in the following table:

¹ Adopted October 24, 2013, Res. 2013-27

² Minority status is defined as all populations except non-Hispanic, White; low-income is defined as household income of \$30,000 or less.

Title VI Equity Evaluation of FY2015 Budget Proposal
Page 2

	Total Annual Trips (FY 13)	Annual Minority Trips	% Minority Ridership	Annual Low Income Trips	% Low Income Ridership
Metrorail	208,969,000	89,609,282	43%	23,253,668	11%
Metrobus	132,065,000	100,978,965	76%	56,966,123	43%
MetroAccess	2,033,000	1,405,927	69%	1,030,659	51%
Total	343,067,000	191,994,175	56%	81,250,450	24%

Data, Methodologies & Analysis

To assess the impacts of service changes and fare increases on minority and low-income communities, Metro relies on the following data sources and tools:

- Metrorail Farebox data (2013)
- Metrobus Farebox data (2013)
- MetroAccess Trip data (2013)
- Metro Trip Planner (Trapeze scheduling and fare data)
- Metrorail Passenger Survey data (2012)
- Metrobus Passenger Survey data (2008)
- 2010 Census data – Minority Status
- American Communities Survey (2005-2009) (“ACS5”) data release – Income/Poverty Status

In order to adequately assess impacts, data is analyzed at the trip-making level:

- For Metrorail, race, ethnicity and income information is derived from the 2012 passenger origin/destination survey
- For Metrobus, demographic data collected for the 2008 bus survey on minority and income status is assigned at the Bus Line level.
- For MetroAccess, demographic data on minority and low income status from 2010 Census & ACS5 has been assigned at the client level, and applied to known client trips

This analysis uses an ‘impacted trips’ approach to assess whether minority and low-income riders would be disproportionately affected by the changes. Using ridership and revenue data for an average weekday,³ an average current fare is calculated for each fare category by demographic cohort to determine an

³ September 2013 ridership and revenue

average fare for each cohort by mode.⁴ Future fares are then calculated in the same way using the proposed fare policy changes. Average future fares for minority and low-income riders are then compared with average future fares for non-minority and non-low-income riders to determine if differences between the average fares paid between groups are greater than five percentage points.

Analysis:

Staff conducts analysis at every stage of the budget planning and decision-making process. In Fall 2013, staff began this process with an analysis of the General Manager's initial proposal, followed by an analysis of the full docket presented to the public and subsequent analyses of proposed combinations of fare proposals contained in the public docket. The results of these analyses were provided to WMATA's Board of Directors during the deliberation and discussion timeframe to aid them in their decision-making. Staff tested the final proposal to ensure it met the DI/DB test before the Board of Directors approved the budget. These results are presented in the following sections.

Two items included in all proposals – the discounted convention pass and the reduction in event parking pricing – are not included in these analyses, as there is no specific data available to support an analysis of those items.

March 27, 2014 – Revised GM/CEO Proposal

Based on consultation with the jurisdictions, the GM/CEO's revised budget proposal for March 27 includes the following fare changes: a 3% average increase to Metrorail fares; a 9% average increase to Metrobus fares; elimination of the cash surcharge on bus fares; reduction of the cap on MetroAccess fares from \$7.00 to \$6.50; and a \$0.10 base parking fee increase at all daily parking locations.

Application of major fare policy direction:

Rail (Base fare/max fare)	\$2.15/ \$5.90
Base Bus (SmarTrip® / Cash)	\$1.75 / \$1.75
MetroAccess cap	\$6.50
Parking, system-wide	\$0.10 increase
Parking, Prince George's County surcharge	\$0.50 ⁵

⁴ Appendix: Table 1 shows the number of average daily riders for each fare type along with the demographic status of those riders.

⁵ Addison Road, Landover, and Prince George's Plaza excluded.

The following table summarizes the average fare calculations for each mode under this proposal and provides a weighted average fare for the system as a whole by demographic group.

	Minority	Non-Minority	Low-Income	Non-Low-Income
Rail	3.3%	3.1%	3.9%	3.1%
Bus	8.9%	9.3%	8.8%	9.1%
Parking	7.8%	4.1%	6.6%	5.8%
MetroAccess	2.2%	1.9%	2.7%	1.6%
System-wide	5.1%	3.8%	6.2%	4.1%
Difference in Change:		1.3%		2.1%

The proposal passes Metro's DI/DB test, as the difference in average fare paid by minority riders and non-minority riders is 1.3%, and the difference between low-income and non-low-income riders is 2.1%. The elimination of the cash surcharge on bus, which shows higher usage among low-income riders, as well as a 15% cap on mid-distance off-peak rail trips, provide financial relief for minority and low-income riders.

Summary of Public Outreach

The staff report attached to the FY2015 budget adoption resolution includes a detailed summary of the public outreach conducted for this budget, including proposed fare adjustments and the Capital Improvement Program (CIP) and federal grants. Specific details relating to Title VI populations are highlighted in the staff report, and this information will be included in the comprehensive report that will be submitted to the Federal Transit Administration up completion of the FY2015 budget process.

Appendix:

Table 1: Minority & Low Income Ridership by Fare Category

		Total Ridership, Avg. Weekday Sept. 2013	% Minority	% Low Income
RAIL				
Full Fare Peak, SmarTrip	Base	86,186	35%	8%
	Tier 1	99,203	38%	9%
	Tier 2	182,640	45%	7%
	Max	18,049	45%	5%
Full Fare Off-Peak, SmarTrip	Base	46,253	37%	14%
	Tier 1	45,077	42%	19%
	Tier 2	41,896	47%	18%
	Max	20,932	47%	15%
Full Fare Peak, Paper	Base	6,790	35%	8%
	Tier 1	6,214	36%	9%
	Tier 2	7,655	42%	8%
	Max	908	43%	7%
Full Fare Off-Peak, Paper	Base	7,234	35%	13%
	Tier 1	6,059	37%	17%
	Tier 2	4,797	42%	16%
	Max	3,212	44%	14%
Senior Peak, SmarTrip	Base	2,891	40%	10%
	Tier 1	3,576	44%	11%
	Tier 2	7,567	47%	8%
	Max	957	46%	6%
Senior Off-Peak, SmarTrip	Base	3,597	41%	18%
	Tier 1	4,940	48%	23%
	Tier 2	6,048	50%	20%
	Max	3,986	48%	16%
Senior Peak, Paper	Base	30	35%	8%
	Tier 1	34	36%	8%
	Tier 2	69	39%	6%
	Max	3	51%	34%
Senior Off-Peak, Paper	Base	60	34%	12%
	Tier 1	60	34%	16%
	Tier 2	92	34%	15%
	Max	46	37%	12%
Passes	1-Day Rail	7,122	39%	8%
	28-Day Rail	686	41%	10%
	7-Day Rail Fast Pass	1,115	42%	10%

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	7-Day Rail Short Pass	3,031	41%	11%
	DC Student Monthly Pass	2,458	52%	19%
Students	DC Student 10-Trip	3,465	65%	22%
Bus-to-Rail Transfers	All	76,424	53%	16%
Rail Total		711,362	43%	11%

		Total Ridership, Avg. Weekday Sept. 2013	% Minority	% Low Income
BUS				
Regular Boardings				
Full Fare	ST Local	192,238	74%	41%
	Cash Local	22,048	79%	45%
	ST Express	4,922	53%	13%
	Cash Express	104	65%	16%
	ST Airport	721	52%	21%
	Cash Airport	586	52%	21%
Discounted	ST Local	18,060	78%	45%
	Cash Local	1,946	79%	45%
	ST Express	254	58%	14%
	Cash Express	6	48%	16%
	ST Airport	66	52%	21%
	Cash Airport	35	49%	21%
Rail-to-Bus Transfers				
Full Fare	Local	56,814	75%	40%
	Express	1,317	48%	14%
	Airport	344	50%	21%
Discounted	Local	5,603	77%	43%
	Express	85	41%	14%
	Airport	30	51%	21%
Bus-to-Bus Transfers				
Full Fare	Regular	77,203	80%	46%
	Express	361	64%	16%
	Airport	46	51%	21%
Discounted	Regular	13,551	81%	48%
	Express	50	76%	15%
	Airport	6	52%	21%
Passes				
Full Fare	Local	44,287	76%	44%
	Express	62	58%	18%
	Airport	26	53%	21%
Discounted	Local	11,096	80%	46%

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	Express	26	61%	15%
	Airport	16	47%	21%
Bus Total		451,908	76%	42%
PARKING				
Montgomery County		12,256	30%	2%
Prince George's County		18,776	70%	4%
District of Columbia		1,497	83%	14%
Northern Virginia		16,157	26%	2%
Parking Total		48,686	46%	3%
METROACCESS				
Daily Total		5,008	69%	51%
SYSTEMWIDE		1,216,963	55%	23%

ATTACHMENT D-1
FY2015 OPERATING BUDGET
(dollars in millions)

	Fiscal 2015 Budget
Operating Budget:	
Metrorail Operations	\$1,022.6
Metrobus Operations	\$618.5
MetroAccess Operations	<u>\$113.7</u>
Subsidized Operating Budget	\$1,754.8
Preventive Maintenance	(\$30.7)
FY2013 Audit Adjustment	(\$20.0)
Debt Service	\$0.0
Metro Matters Debt Service	<u>\$21.3</u>
Total FY2015 Operating Budget	\$1,725.4
FY2015 Operating Reimbursable Programs	\$50.8

ATTACHMENT D-2
 FISCAL YEAR 2015 OPERATING BUDGET
 REVENUE, EXPENSE & FUNDING SOURCES
 (dollars in millions)

OPERATING BUDGET
 REVENUES AND EXPENSES

<i>(Dollars in Thousands)</i>	Approved Budget <u>2015</u>	BUS Budget <u>2015</u>	RAIL Budget <u>2015</u>	ACCESS Budget <u>2015</u>
REVENUES				
Passenger	\$835,459	\$155,675	\$671,743	\$8,041
Other Passenger	\$12,372	\$8,554	\$3,818	\$0
Parking	\$48,410	\$0	\$48,410	\$0
Advertising	\$19,994	\$13,361	\$6,633	\$0
Joint Development	\$7,000	\$0	\$7,000	\$0
Fiber Optics	\$16,000	\$0	\$16,000	\$0
Other	\$6,468	\$1,729	\$4,739	\$0
Interest	\$331	\$301	\$30	\$0
Total Revenues	\$946,033	\$179,619	\$758,374	\$8,041
EXPENSES				
Personnel	\$1,272,169	\$489,527	\$773,533	\$9,108
Services	\$209,653	\$37,972	\$79,554	\$92,127
Materials & Supplies	\$105,702	\$33,136	\$62,118	\$10,448
Fuel & Propulsion Power	\$89,619	\$34,406	\$55,261	(\$49)
Utilities	\$39,732	\$8,429	\$31,177	\$127
Casualty & Liability	\$29,568	\$11,328	\$17,664	\$576
Leases & Rentals	\$6,766	\$1,919	\$3,568	\$1,280
Miscellaneous	\$5,035	\$2,099	\$2,867	\$68
Preventive Maint./Reimb.	(\$3,458)	(\$356)	(\$3,102)	\$0
Total Expenses	\$1,754,786	\$618,461	\$1,022,639	\$113,686
GROSS SUBSIDY	\$808,753	\$438,842	\$264,266	\$105,645
Preventive Maintenance	(\$30,700)	(\$10,438)	(\$20,262)	\$0
Net Local Subsidy	\$778,053	\$428,404	\$244,004	\$105,645
Cost Recovery Ratio	53.9%	29.0%	74.2%	7.1%

**FISCAL YEAR 2015 BUDGET
 SUMMARY OF STATE/LOCAL OPERATING REQUIREMENTS**

	Total	District of Columbia	Montgomery County	Prince George's County	City of Alexandria	Arlington County	City of Fairfax	Fairfax County	City of Falls Church
Metrobus Operating Subsidy									
Regional Bus Subsidy	\$348,024,486	\$146,931,050	\$50,293,271	\$59,627,805	\$15,813,587	\$26,922,176	\$636,457	\$46,535,031	\$1,265,109
Non-Regional Bus Subsidy	\$80,379,859	\$35,513,765	\$10,124,954	\$23,266,230	\$3,285,024	\$1,376,003	\$0	\$6,813,883	\$0
Subtotal	\$428,404,345	\$182,444,815	\$60,418,226	\$82,894,035	\$19,098,611	\$28,298,179	\$636,457	\$53,348,914	\$1,265,109
Percent of Total	100%	42.6%	14.1%	19.3%	4.5%	6.6%	0.1%	12.5%	0.3%
Metrorail Operating Subsidy									
Base Allocation	\$236,910,427	\$80,621,900	\$43,775,082	\$38,678,460	\$11,178,541	\$23,154,657	\$765,309	\$38,021,501	\$714,978
Max Fare Subsidy	\$7,093,110	\$680,217	\$3,148,287	\$1,442,987	\$290,018	\$184,673	\$59,493	\$1,249,456	\$37,978
Subtotal	\$244,003,537	\$81,302,116	\$46,923,369	\$40,121,447	\$11,468,559	\$23,339,330	\$824,802	\$39,270,957	\$752,956
Percent of Total	100%	33.3%	19.2%	16.4%	4.7%	9.6%	0.3%	16.1%	0.3%
MetroAccess Subsidy	\$105,644,663	\$27,239,686	\$21,034,871	\$41,766,520	\$970,354	\$880,464	\$290,195	\$13,367,392	\$95,180
Percent of Total	100%	25.8%	19.9%	39.5%	0.9%	0.8%	0.3%	12.7%	0.1%
Net Operating Subsidy	\$778,052,545	\$290,986,617	\$128,376,466	\$164,782,002	\$31,537,525	\$52,517,973	\$1,751,454	\$105,987,263	\$2,113,245
	100%	37.4%	16.5%	21.2%	4.1%	6.7%	0.2%	13.6%	0.3%
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Metro Matters Debt Service	\$21,281,162	\$10,725,706	\$4,969,151	\$5,533,103	\$0	\$0	\$0	\$0	\$53,203
Total Debt Service	\$21,281,162	\$10,725,706	\$4,969,151	\$5,533,103	\$0	\$0	\$0	\$0	\$53,203
FY2013 Audit Adjustment	(\$20,000,000)	(\$8,092,424)	(\$2,905,422)	(\$5,684,252)	(\$544,927)	(\$626,875)	(\$23,976)	(\$2,066,039)	(\$56,084)
Jurisdictional Operating Funding	\$779,333,707	\$293,619,898	\$130,440,195	\$164,630,853	\$30,992,598	\$51,891,098	\$1,727,478	\$103,921,224	\$2,110,363

ATTACHMENT E
Reimbursable Operating Projects
(dollars in thousands)

Summary of FY2015 Reimbursable Operating Projects
(dollars in millions)

	FY2015 Budget
State & Local Funding	
• DC Circulator (1)	17,656
Federal Grant Funding	
• Safety & Security grants	17,160
Other Sources of Funding	
• DC Circulator - Passenger revenue	3,394
• Neutral Host agreement with Carrier team	6,172
• Joint Development & Adjacent Construction projects	6,418
Total Expenditures	\$ 50,800

Note: (1) Local funding equals expenditures less passenger revenue