

# **NJ TRANSIT FARE and SERVICE CHANGE PROPOSAL**

## **Title VI/Environmental Justice Analysis**

**March 29, 2010**

### **I. Introduction**

This analysis was conducted in compliance with 49 CFR Section 21.5(b)(2), 49 CFR Section 21.5(b)(7), Appendix C to 49 CFR part 21, and Chapter V of FTA Circular 4702.1A (May 13, 2007). As required by those documents, NJ TRANSIT evaluated system-wide service and fare changes during the planning and programming stages to ensure compliance with Title VI requirements.

### **II. Background**

On March 5, 2010, NJ TRANSIT announced proposed fare and service changes. The changes are intended to close a budget gap approaching \$300 million in FY 2011. Public hearings and information sessions on the changes were held March 25, 26 and 27. The NJ TRANSIT Board of Directors will act to finalize implementation of the changes in April, 2010. The fare changes are scheduled to take effect May 1, 2010. Service changes are scheduled to take effect no later than July 1, 2010.

The budget gap developed for a number of reasons:

- Federal stimulus and other one-time federal funds, which were used in FY 2010, will not be available in FY 2011.
- Fare revenue is down due to declining ridership.
- Up to three percent increase in the cost of fuel, utilities, and other contractual obligations.
- Due to the State's projected \$11 billion budget shortfall, state operating assistance to NJ TRANSIT will not increase.

To address funding shortfalls, NJ TRANSIT has taken a number of steps to reduce costs. These include:

- Workforce reduction (layoffs)
- Executive staff pay cut
- Continue salary/hiring freeze of non-agreement employees
- Spending freeze
- Reduction in 401(k) agency contribution

### **III. Definition of Major Service Changes**

NJ TRANSIT's definition of "major service changes" is:

- Abandonment of all service on an entire bus route or rail line;
- Abandonment of all service on a portion of a bus route or rail line that represents more than 25% of the route or lane miles;
- Substantial curtailment of the amount of service on any bus route or rail line.

More details on this definition are included in Appendix A. This Title VI analysis is limited to service changes that meet the definition of major service changes.<sup>1</sup>

### **IV. Effects of Proposed Fare and Service Changes on Minority and Low Income Populations**

#### **A. Route changes**

1. Bus service would be discontinued on three NJ TRANSIT-operated routes: No. 68 (Old Bridge-Weehawken), No. 134 (Browntown – Lower Manhattan) and No. 138 (Old Bridge-East Brunswick-New York).
2. In addition, certain underutilized local bus routes (operated by private contract carriers) and WHEELS mini-bus service would be eliminated. The twenty-eight affected routes are listed in Appendix B.

Appendix C contains two maps of NJ TRANSIT's service area (the State of New Jersey) showing the above mentioned services. One map shows the services on a demographic map of the State showing the minority profile of census tracts, and the other shows the services on a map of the State showing the census tracts above and below the median income for the State.

#### **B. Span of Service Changes**

1. NJ TRANSIT's service change proposal would change the span of service on the Atlantic City Rail Line in the following ways:
  - Weekday service to Atlantic City would start approximately 1 hour and 20 minutes later in the morning. The first arrival in Atlantic City in the morning would move from 6:00 am to 7:20 am. While some late night trains would be eliminated, the last departure from Atlantic City remains at 2:45 am, so the span of service in that direction is not impacted.

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<sup>1</sup> The service change proposal includes reductions in service that do not constitute substantial curtailment.

- Weekend service to Philadelphia would start approximately 1 hour later in the morning. The first Saturday/Sunday train will arrive in Philadelphia at 8:13 am rather than 7:24 am.

Proposed changes to Atlantic City Rail Line service, including those that change the span of service, impact 100 customers per day on weekdays and 425 customers per day on weekends.

Alternative service during the time spans being affected is available on NJ TRANSIT's No. 551 and No. 554 bus lines, which operate in the same corridor as the Atlantic City Rail Line and have service during the hours impacted by the reduction. The 551 operates between Philadelphia and Atlantic City and travel time is comparable to the Atlantic City Rail Line. The 554 serves intermediate points in the corridor. Travel time between intermediate points is likely to be longer on the bus than the train. While bus fares tend to be higher than rail fares in this corridor, NJ TRANSIT honors Atlantic City Rail Line tickets on the 551 and 554 bus lines, so the bus alternative can be utilized by rail riders at no additional cost.

2. On the River Line, late night trains that operate only between the Camden Entertainment Center and Pennsauken Route 73 stations will operate for concerts and special events only, rather than nightly. On nights when there are no special events, this service carries fewer than ten riders per trip.

### C. Fare changes

1. Local bus, Newark Light Rail, River Line, Access Link and Bus Contract Carriers' fares would increase an average of 25 percent, subject to rounding. The base one-zone local bus fare would change from \$1.35 to \$1.70 and the base one-zone monthly bus pass from \$49.00 to \$61.00 in northern New Jersey and from \$45.00 to \$56.00 in southern New Jersey. The bus 10-trip ticket discount would be capped at no more than 15%.
2. Rail fares would increase 25 percent, subject to rounding. The Off-Peak Round Trip (ORT) discount would be eliminated. Based on future changes in Metro-North fares in New York State, rail fares on the Main/Bergen County and Pascack Valley Lines would be raised to levels that provide parity with pricing on other similar-distance NJ TRANSIT rail lines.
3. Hudson-Bergen Light Rail (HBLR) fares would increase an average of 25 percent. The base fare would change from \$1.90 to \$2.40 and the base monthly pass from \$58.00 to \$73.00. The Hudson-Bergen Light Rail ten-trip ticket discount (currently 10%) would be eliminated.

For the basic fare change, a 25% increase, subject to rounding, is being applied equally to all modes and fare payment types and media. All riders are equally impacted by this change.

For the elimination of the 10-trip discount on HBLR, the capping of the 10-trip discount on Bus, and the elimination of the ORT discount on Rail, NJ TRANSIT analyzed available survey data to determine whether minority and low-income riders are more likely to use the discounts proposed for elimination than other ticket types. Low income in this analysis is defined according to the Federal 2009 Health and Human Services' poverty guidelines. The guidelines set the poverty level for a household of four persons at \$22,050. Survey data was collected in 2005 for HBLR, 2002 for Interstate Bus, and 2005 for Rail. Survey data is for weekdays only.

Survey data shows:

- With regard to race and ethnicity, there is no substantial difference between users of the discounts proposed to be capped or eliminated and the users of other ticket types. That is, minority riders are not more likely to use the discounts proposed to be capped or eliminated than other riders.
- With regard to income, there is no substantial difference between customers using the HBLR 10-trip ticket and customers using other HBLR ticket types. Low income interstate bus customers are less likely to use 10-trip tickets than other bus customers. Low income rail riders are more likely to use rail ORT tickets than other rail riders.

More details on the survey data are presented in Appendix D.

## **V. Alternatives Available for People Impacted by the Changes**

### **A. Major Service Changes**

Appendix B lists each of the major service changes, and alternatives available. Where transit alternatives are available, the appendix compares the travel time and cost of the alternative with the original service.

While some routes or portions of routes being eliminated have no transit alternatives available, there are eight Transportation Management Associations in New Jersey, covering all parts of the State, that assist the public with carpool and vanpool matching. Vanpools are subsidized through NJ TRANSIT's Vanpool Sponsorship Program. Vanpools and carpools may be an option for some riders.

### **B. Fare Changes**

All fares are increasing 25%, subject to rounding. However, even after the change, many discounts will still apply.

Unlimited ride Monthly Pass discounts vary by fare structure, distance traveled and rider travel habits. Based on 40 trips per month the Monthly Pass discount ranges between 10 and 52%, averaging approximately 30%. However, frequent users can experience substantially higher discounts. For example, a rider with a

one zone urban Bus Pass making three round trips per weekday would experience a 70% discount from full one-way fares.

Reduced fare for seniors and people with disabilities is approximately 55% of the one-way fare, and is an alternative to the one-way fare for those who qualify.

The bus 10-trip discount will be capped at no more than 15%, however it remains a significant discount from the one-way fare and therefore is an alternative for people impacted by the increase in the one-way fare.

Rail weekly passes offer approximately a 15% discount from the one-way fare.

Student monthly passes offer approximately a 25% discount from the monthly pass.

Children ages 5-11 receive approximately a 55% discount from the one-way fare and up to two children ages 5-11 can travel for free on weekends with a fare-paying adult.

NJ TRANSIT monthly or weekly rail passes may be used on buses or light rail at no additional charge.

## **VI. Determination of Disproportionate Impact on Minority and Low Income Riders and Actions to Mitigate**

This analysis leads to the following determinations concerning disproportionate impact with regard to each of proposed fare and service changes:

**Major bus route changes:** The services proposed to be discontinued are primarily low ridership services and most are not located in areas with high proportion of minority and low income populations. Most of NJ TRANSIT's service in the minority and low income parts of the service area is being retained with minor service changes. This proposal does not disproportionately impact minority and low income populations.

**Span of Service change on the Atlantic City Rail Line:** Alternate bus service is available during the time the service is being eliminated. The fare for the alternate service is comparable. Some travel times are comparable; others may be longer by bus. This proposal does not disproportionately impact minority and low income populations.

**Fare changes:** The proposed 25% fare increase impacts all riders, and does not disproportionately impact minority and low income riders. Many existing discounts from the one-way fare are being retained. After the 25% increase, NJ TRANSIT's local bus base fare of \$1.70 and base local bus pass of \$61 in northern New Jersey and \$56 in southern New Jersey will be lower than local bus fares of many large transit systems nationwide and many bus systems in the region, including New York City Transit, SEPTA, and Chicago Transit Authority.

Appendix E shows how NJ TRANSIT's base fare compares to that of other transit agencies.

The elimination of the 10-trip discount on HBLR and the capping of the bus 10-trip discount do not disproportionately impact minority and low income riders, as demonstrated by survey data.

The elimination of the rail off-peak round trip discount does not disproportionately impact minority riders, but it does have a disproportionate impact on low-income riders. Riders with incomes of less than \$25,000 are more likely to use the rail off-peak round trip ticket than other rail riders. However, other existing discounts are being retained and may provide an alternative for some users of this ticket type. It should also be noted that one result of the elimination of the rail off-peak round trip discount is an equalization of ticket offerings between services, since no off-peak round trip ticket is offered on local bus, interstate bus or light rail.

The elimination of the rail off-peak round trip discount is expected to generate \$8.4 million. Alternatives available to generate this additional revenue include:

- Increasing fares system-wide by an amount greater than the 25 percent already included in the proposal. Given anticipated diversion rates with a fare increase of this magnitude, the fare increase required to generate an additional \$8.4 million would be 30 percent. Applying survey data to 2009 average weekday ridership, the elimination of the rail off-peak round trip discount impacts fewer than 2,800 low income people. This is approximately 2 percent of the 137,700 people using NJ TRANSIT rail on a typical weekday in 2009. In contrast, there are approximately 23,000 low income people riding NJ TRANSIT rail, interstate bus, and HBLR<sup>2</sup> services who would be impacted by a 30 percent fare increase. The 23,000 low income riders are 9 percent of total riders across those three modes.
- Draconian bus service reductions that would most likely impact rural areas, where ridership is low but impacted populations are more transit-dependent. Approximately 187,000 bus service hours or 2.8 million bus service miles<sup>3</sup> would need to be eliminated to offset the value of the rail off-peak round trip ticket. This represents approximately three percent of the bus service NJ TRANSIT currently operates statewide, and is more than four times the amount of service hours being saved in the current proposal through the proposed elimination of the 68, 134, and 138 bus lines.

NJ TRANSIT's funding shortfall is severe, and the changes described here are being proposed in order to ensure that the substantial majority of NJ TRANSIT's service, much of which is depended upon by minority and low income riders, can be retained.

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<sup>2</sup> Survey data not available for all segments of the NJ TRANSIT system.

<sup>3</sup> Figures derived using net cost per service hour and net cost per service mile, based on current fiscal year results of operations (through February).

**Appendix A**  
**Definition of Major Service Changes**

# **NJ TRANSIT FARE AND SERVICE CHANGE PROPOSAL**

## **Title VI/Environmental Justice Analysis**

### **Addendum 1**

**April 2, 2010**

#### **I. Reason for this Addendum**

As required by Title VI Guidelines, on March 29 2010, NJ TRANSIT staff completed an analysis of the original fare and service change proposals that were presented at public hearings and information sessions on March 25, 26, and 27.

Since the March 29 analysis was completed, the staff recommendation to the NJ TRANSIT Board of Directors now reflects changes to the proposal that was presented to the public. These changes were made in response to the thousands of comments on the original proposal that were received at public hearings and in writing via the NJ TRANSIT website. In order that the Board may fully understand Title VI implications of staff's recommendation, this addendum is provided to address the elements of the proposal that have changed.

As required by Title VI guidelines, this addendum to the Title VI analysis was completed during the planning and programming stages. Elements discussed here are part of an NJ TRANSIT staff recommendation to the NJ TRANSIT Board of Directors. As of this writing, the NJ TRANSIT Board of Directors has not yet made a final decision on this proposal.

#### **II. Changes From Original Proposal**

##### **A. Service changes**

The following services, originally proposed to be eliminated, are now proposed to be retained:

NJ TRANSIT Bus Routes No. 68 Old Bridge-Weehawken and 138 Old Bridge-East Brunswick-New York

Private Carrier Bus Routes No. 986 Summit-Murray Hill-Plainfield; No. 966 Convent Station Employer Shuttle; No. 890 South Main Street; No. 891 Heckman; No. 811 New Brunswick-South River; No. 822 Plainfield-North Plainfield; No. 833 Red Bank-Freehold-Freehold Raceway Mall; No. 835 Red Bank-Sea Bright; MCM 1 Morristown-Boonton; MCM2 Morristown-Morris county College; MCM 3 Morristown-Livingston Mall.



## B. Fare Changes

1. Local bus, Newark Light Rail, River Line, Access Link and Bus Contract Carriers' fares would increase an average of 10 percent, subject to rounding. The base one-zone local bus fare would change from \$1.35 to \$1.50 and the base one-zone monthly bus pass from \$49.00 to \$54.00 in northern New Jersey and from \$45.00 to \$50.00 in southern New Jersey. The bus 10-trip ticket discount would be capped at no more than 15%. The original proposal increased these fares by 25 percent and set the base one-zone local bus fare at \$1.70 and the base one-zone monthly pass at \$61.00 in northern New Jersey and \$56.00 in southern New Jersey. The original proposal also included the cap on the bus 10-trip ticket discount.
2. The rail fare proposal remains unchanged.
3. Hudson-Bergen Light Rail (HBLR) fares would increase an average of 10 percent. The base fare would change from \$1.90 to \$2.10 and the base monthly pass from \$58.00 to \$64.00. The Hudson-Bergen Light Rail 10-trip ticket discount (currently 10%) would be eliminated. The original proposal increased these fares by 25 percent and set the base fare at \$2.40 and the base monthly pass at \$73.00. The original proposal also included the elimination of the Hudson-Bergen Light Rail 10-trip ticket discount.

## III. **Effects of Proposed Fare and Service Changes on Minority and Low Income Populations - Revised**

### 1. Service Changes

Revised demographic maps have been produced, using the reduced list of major bus route eliminations, overlaid on demographic maps of NJ TRANSIT's service area, highlighting census tracts where the total minority and low-income population is greater than the service area average. These maps are included as Appendix A1a.

Appendix A1b is a revised list of Bus Service Reductions with potential alternatives where they exist, and cost and time comparisons.

## 2. Fare Changes

Increasing Local Bus and Light Rail fares by only 10 percent instead of 25 percent as originally proposed offsets some of the effects of the proposal on minority and low-income populations.

### NJ TRANSIT Mean Household Income By Mode<sup>1</sup>

Mode	2008 Mean Household Income	FY 2009 Average Weekday Riders	Percent Weekday Riders
Rail	\$126,000	132,000	30%
NY Interstate Bus	\$89,000	79,000	18%
Local Bus	\$34,000	192,000	44%
Light Rail	\$72,000	34,000	8%
Total NJ TRANSIT	\$74,700	437,000	100%

NJ TRANSIT local bus and light rail riders have substantially lower mean household incomes than NJ TRANSIT rail and interstate bus riders, and under this proposal their fare increase will be lower than the increase for rail and interstate bus riders.

### NJ TRANSIT Racial Minority Ridership By Mode<sup>2</sup>

Mode	Percent White/Caucasian	Percent Racial Minority <sup>3</sup>
Rail	68%	33%
Interstate Bus	69%	29%
Local Bus	24%	74%
Light Rail	49%	51%

<sup>1</sup> Source: NJ TRANSIT rider surveys, using CPI to convert data to a common year (2008).

<sup>2</sup> Source: NJ TRANSIT rider surveys: Rail O&D 2005, Interstate Bus 2002, Local Bus 2002 (unweighted data), HBLR 2005/2008, River Line 2004, Newark Light Rail 2007. Totals may not add to 100 percent due to rounding.

<sup>3</sup> Includes Black/African-American, American Indian/Eskimo/Aleut, Asian or Pacific Islander, Multiracial, Other

### NJ TRANSIT Hispanic Origin By Mode<sup>4</sup>

Mode	Percent Not Hispanic Origin	Percent Hispanic Origin
Rail	92%	8%
Interstate Bus	84%	15%
Local Bus	75%	25%
Light Rail	71%	29%

For both race and Hispanic origin, minorities represent a substantially larger proportion of NJ TRANSIT local bus and light rail riders than they do of rail and interstate bus riders.

#### **IV. Determination of Disproportionate Impact on Minority and Low Income Riders and Actions to Mitigate – Revised**

Major bus route changes: The revised proposal discontinues fewer services than the original proposal that was analyzed. Those that are still proposed to be discontinued are primarily low ridership services. Most of NJ TRANSIT's service in the minority and low income parts of the service area is being retained. The conclusion of the original report with regard to these changes remains unchanged: this proposal does not disproportionately impact minority and low income populations.

Fare changes: The revised proposal increases rail and interstate bus fares by 25 percent, and local bus and light rail fares by 10 percent. Research data shows that the mean household income for NJ TRANSIT local bus and light rail riders is substantially lower than the mean household income for rail and interstate bus riders. In addition, minority riders represent a substantially lower proportion of NJ TRANSIT local bus and light rail riders than they do of rail and interstate bus riders. This proposal does not disproportionately impact minority and low income populations. In fact, by changing the proposal to lower the fare increase for these low income riders, NJ TRANSIT has partially offset the overall impact of the proposal on them.

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<sup>4</sup> Source: NJ TRANSIT rider surveys: Rail O&D 2005, Interstate Bus 2002, Local Bus 2002 (unweighted data), HBLR 2005/2008, River Line 2004, Newark Light Rail 2007. Totals may not add to 100 percent due to rounding.

**Appendix A1a**

**Demographic Maps of Major Bus Service Reductions**

**Revised April 2, 2010**