



2026 Fare Equity Analysis



City of Madison, Wisconsin

1 Summary

In 2024, Metro Transit overhauled its fare system, moving from a ticketing system to an account-based system utilizing smart cards and fare capping. Several existing fare media were not changed by the 2024 fare tariff update. These include Metro Transit's unlimited ride pass rate, the commute card rate, and the paratransit agency fare.

These rates have fallen behind inflation and no longer reflect the cost of providing service. The following fare equity analysis evaluates the increase to the unlimited ride pass and commute card programs.

While fare equity analyses are only required for changes to fixed route fare media, Metro staff evaluated whether available data allowed for the inclusion of the paratransit agency fare in the analysis.¹ The Greater Madison MPO 2024 On-Board Survey collected 11 paratransit surveys, which is not a statistically significant sample for this analysis. Additionally, Metro staff do not collect race information during paratransit assessments, so staff were not able to include the paratransit agency fare increase in this analysis.

The results of the analysis show that the proposed unlimited ride pass program rate and commute card rate increases do not result in potential Disparate Impacts or Disproportionate Burdens.

¹ FTA Circular 4702.1B Chapter IV-1

2 Title VI Regulatory Requirements

The FTA is one of ten operating agencies within the United States Department of Transportation and provides financial assistance to develop, operate, and maintain transit systems across the country. The FTA requires all recipients of financial assistance to comply with Title VI and has established regulatory guidance in FTA Circular 4702.1B. As a recipient of financial assistance from the FTA, Metro Transit is required to comply with all regulations contained in Circular 4702.1B.

2.1 Requirement to Conduct Fare Equity Analysis

Chapter IV of FTA Circular 4702.1B establishes requirements and guidelines specific to fixed route transit providers. The requirements in this chapter are scaled based on the size of the transit provider. Transit providers that operate 50 or more fixed route vehicles in peak service, and operate within an urbanized area with a population greater than 200,000 are required to conduct a fare equity analysis for all proposed fare changes with the following exceptions:²

- “Spare the air days” or other instances when a local municipality or transit agency has declared that all passengers ride free.
- Temporary fare reductions that are mitigating measures for other actions.
- Promotional fare reductions that are less than 6 months in duration.

As a transit provider that operates in an urbanized area with a population greater than 200,000 and more than 50 buses operational during peak service, Metro Transit is required to conduct a fare equity analysis for any changes to fixed-route fare media. Fare equity analyses utilize ridership demographic data to determine whether proposed fare changes are likely to result in a Disparate Impact on minority populations or Disproportionate Burden on low-income populations. Disparate Impacts and Disproportionate Burdens are defined by the FTA as the following:³

Disparate Impact: A Disparate Impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin.

Disproportionate Burden: A Disproportionate Burden refers to a neutral policy or practice that disproportionately impacts low-income populations.

The FTA requires that transit providers establish policy thresholds to determine whether a potential Disparate Impact or Disproportionate Burden has occurred (see section 2.2). If a potential Disparate Impact or Disproportionate Burden is identified, then the transit

² FTA Circular 4702.1B Chapter IV-19.

³ FTA Circular 4702.1B Chapter I-2.

provider is required to assess alternatives to “avoid, minimize, or mitigate” the potential impact.

2.2 Disparate Impact & Disproportionate Burden Policies

Metro Transit establishes its Disparate Impact and Disproportionate Burden policies in its Title VI Program. The following policies are used to determine if a potential Disparate Impact or Disproportionate Burden has occurred.

2.2.1 Fare Change Disparate Impact Policy

If a fare change affects fare categories where the share of minority population fare usage exceeds the share of the overall population fare usage by more than 8 percentage points, then the fare change constitutes a disparate impact, and mitigation measures are required.

2.2.2 Fare Change Disproportionate Impact Policy

If a fare change affects fare categories where the share of low-income population fare usage exceeds the share of the overall population fare usage by more than 8 percentage points, then the fare change constitutes a disproportionate impact, and mitigation measures are required.

3 Current Fare Structure

Metro Transit’s current fare structure is enumerated in its Fare Tariff, which was last updated in 2024 (See Appendix A). In general, Metro Transit’s fare tariff is divided into five main categories: (1) Adult Fares, (2) Half-Price Fares, (3) School Program Fares, (4) Transitional Fares, (5) Paratransit Fares. Transitional fare media, such as 10-ride cards and 31-day passes, were intended to phase out by the end of 2025. However, Metro has continued to employ these fare media as they are still accepted by farebox equipment. Additionally, the unlimited ride pass rate, commute card program rate, and agency fare were not updated as part of the changes to the 2024 Fare Tariff.

4 Proposed Fare Structure

The proposed fare structure includes two changes to the existing fixed-route fare tariff: increasing the unlimited ride pass rate and the commute card program rate.

Metro Transit partners with various organizations to provide unlimited ride passes to their employees/members. Partners are charged on a per ride basis using rates established in their contract. Metro Transit is proposing an increase to the unlimited ride pass rate of 11% from \$1.35 to \$1.50 and of 7% from \$1.40 to \$1.50 for the commute card program rate.

Additionally, Metro Transit is proposing an increase to its paratransit agency fare. An agency fare is charged to social service agencies that serve people who qualify for human service or transportation-related programs due to disability, income, or age. Agencies may have responsibilities to cover costs of their clients' transportation through other government funding. The agency fare is paid by the agency on behalf of the passengers.

Agency fares are intended to cover the full cost of a paratransit ride. However, the cost to provide these rides is currently higher than what Metro Transit receives in agency fares. Metro Transit is proposing two scenarios to increase the paratransit agency fare.

Scenario 1: Full Fare Increase to Cover Costs

Increase paratransit agency fare on January 1, 2027 to \$63.21 per one-way trip. Moving forward, the fare would automatically increase at the end of each year. The new fare each year would be determined by the previous year's audited cost per ride adjusted to reflect current year variables in service expenses.

Scenario 2: Rate Increase Over Two Years

Increase the agency fare according to the schedule below. Starting in 2029, the agency fare automatically increases at the end of each year. The new fare would be determined by the previous year's audited cost per ride adjusted to reflect current year's variables in service expenses.

Year	Proposed Agency Fare
2027	\$48.00 per one-way trip
2028	\$55.00 per one-way trip
2029 onward	Prior year fully allocated cost per trip

5 Fare Equity Analysis

5.1 Methodology

The following fare equity analysis was conducted using data collected from Metro Transit's most recent on-board survey, which was conducted by the Greater Madison MPO in 2024. Metro Transit staff used the following steps in performing this analysis in accordance with FTA Circular 4702.1B:

1. Determine the number and percent of users of each fare media being changed

The 2024 on-board survey data was parsed, and cross-tabulations were created for race/fare-type and income/fare type data. While the 2024 on-board survey was comprehensive and yielded approximately 3,000 survey responses, the dataset available for this analysis is limited by incomplete survey responses.

The Disparate Impact analysis relies on a sample of 2,597 surveys where both fare media and race data were included in the survey response. Respondents frequently marked multiple categories to identify as two or more races. Staff considered responses of white only as non-minority, while all other responses, including those indicating two or more races, were included in the minority category. The sample included 1,063 surveys classified as minority responses and 1,534 classified as non-minority responses.

Fare Type by Minority Status

Fare Type	Minority Users	Non-Minority Users	Totals
Cash	112	116	228
Unlimited Ride Pass	655	952	1,607
10-Ride Card	36	90	126
31-Day Pass	65	101	166
31-Day Pass (low income)	35	40	75
EZ Rider Youth Pass	19	11	30
Other	141	224	365
Totals	1,063	1,534	2,597

The Disproportionate Burden analysis relies on a sample of 2,192 surveys where both fare media and household income data were collected. The United States Department of Health and Human Services classifies poverty levels by household size.⁴ Metro Transit considers an income of up to 150% of the Federal Poverty Level as low-income. Based on this classification, the sample included 930 surveys classified as low-income responses and 1,262 surveys classified as non-low-income responses.

⁴ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

Fare Type by Income Category

Fare Type	Low-Income	Non-Low-Income	Totals
Cash	90	85	175
Unlimited Ride Pass	578	806	1,384
10-Ride Card	29	84	113
31-Day Pass	53	82	135
31-Day Pass (low income)	33	20	53
EZ Rider Youth Pass	15	7	21
Other	133	178	311
Totals	930	1,262	2,192

2. Review fare before and after the proposed changes

Current and Proposed Fare Tariff Comparison

Fare Program	Fare Category	Current	Proposed	Difference	Percent Difference
Adult	Single Ride	\$2.00	\$2.00	\$0.00	0%
	One Day Cap	\$5.00	\$5.00	\$0.00	0%
	Weekly Cap	\$16.25	\$16.25	\$0.00	0%
	Monthly Cap	\$65.00	\$65.00	\$0.00	0%
	Transfers	\$0.00	\$0.00	\$0.00	0%
Half-Price	Single Ride	\$1.00	\$1.00	\$0.00	0%
	One Day Cap	\$2.50	\$2.50	\$0.00	0%
	Weekly Cap	\$7.00	\$7.00	\$0.00	0%
	Monthly Cap	\$28.00	\$28.00	\$0.00	0%
	Transfers	\$0.00	\$0.00	\$0.00	0%
School Program	Youth Pass (Semester)	\$165.00	\$165.00	\$0.00	0%
	Youth Pass (School Year)	\$315.00	\$315.00	\$0.00	0%
	Summer Youth Pass	\$35.00	\$35.00	\$0.00	0%
Transition Products	31-Day Pass (Adult)	\$65.00	\$65.00	\$0.00	0%
	31-Day Pass (Senior/Disabled)	\$28.00	\$28.00	\$0.00	0%
	10-Ride Card (Adult)	\$17.25	\$17.25	\$0.00	0%
	10-Ride Card (Youth)	\$10.00	\$10.00	\$0.00	0%
Paratransit	Single Ride	\$3.25	\$3.25	\$0.00	0%
	Convenience Tickets	\$19.50	\$19.50	\$0.00	0%
	Agency Fare	\$34.25	\$63.21	\$28.96	85%
Unlimited Ride Pass & Commute Card Programs	Single Ride	\$1.35	\$1.50	\$0.15	11%
	Single Ride (Commute Card)	\$1.40	\$1.50	\$0.10	7%
	Specialized Rate	\$1.00	\$1.00	\$0.00	0%

3. Compare the differences for each particular fare media between minority users and overall users

Metro staff calculated the percentage of unlimited ride pass users for both minority and non-minority riders as well as the share for riders overall. Under Metro Transit's Disparate Impact and Disproportionate Burden policies, if the share of minority transit riders that utilize the unlimited ride pass is greater than the overall share of transit riders that utilize the unlimited ride pass by more than 8 percentage points, then there is evidence of a potential Disparate Impact. This was calculated by subtracting the overall share from the minority share.

Disparate Impact Analysis

Category	Minority	Non-Minority	Overall Share	Delta (Minority Share minus Overall Share)	Disparate Impact
Percent of Riders Using Unlimited Ride Pass	61.62%	62.06%	61.88%	-0.26%	No

4. Compare the differences for each particular fare media between low-income users and overall users

Metro staff calculated the share of unlimited ride pass users for both low-income and non-low-income riders as well as the share for riders overall. Under Metro Transit's Disparate Impact and Disproportionate Burden policies, if the share of low-income transit riders that utilize the unlimited ride pass is greater than the overall share of transit riders that utilize the unlimited ride pass by more than 8 percentage points, then there is evidence of a potential Disproportionate Burden. This was calculated by subtracting the overall share from the low-income share.

Disproportionate Burden Analysis

Category	Low-Income	Non-Low-Income	Overall Share	Delta (Low-Income Share minus Overall Share)	Disproportionate Burden
Percent of Riders Using Unlimited Ride Pass	62.18%	63.85%	63.14%	-0.96%	No

5.2 Fare Equity Analysis Results

The results of the fare equity analysis show that there is not evidence of a potential Disparate Impact to minority populations, or potential Disproportionate Burden to low-income populations, resulting from the proposed increase to the unlimited ride pass or commute card rate.